

# Code of Conduct

Lappset's ethical guidelines

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# Greetings from the CEO

For us at Lappset, responsibility is in our genetic DNA. For us, this also means that under no circumstances will we compromise on ethical behaviour.

We are all responsible for building a culture that functions properly with our own actions and choices. Ethical behaviour also strengthens our reputation as being a reliable partner, supplier and employer.

Our business is closely linked to the wellbeing and health of people of all ages through play, exercise and spending quality time together. We comply with the laws and act in accordance with high ethical standards, because we want to ensure that we are worthy of trust, now and in the future.

This Code of Conduct defines ethical ways of working in all companies belonging to the Lappset Group. It helps us to act ethically on every issue on a daily basis. By following the Code of Conduct, we are also respecting our values: growth is our passion, responsibility is in our genes, respect and motivation, and success is our joy.

This Code of Conduct applies to all companies and all employees of the Lappset Group, including management and clerical staff. It is our shared responsibility to understand, adhere to, and adopt

ethical thinking and to promote compliance with guidelines among colleagues and business partners alike.

Through common ethical principles, we are building wellbeing together.



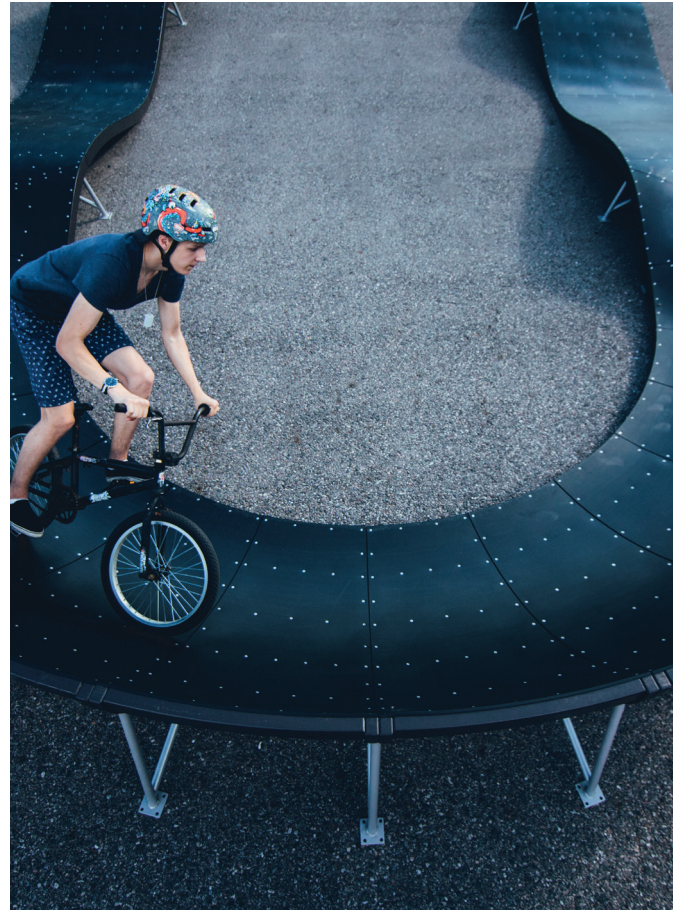
Tero Ylinenpää  
CEO  
Lappset Group Oy

# General

We at Lappset Group of companies recognize that it is both in our own and our stakeholders' long-term interests that all of our activities comply with applicable laws and that we act in an ethical and responsible manner.

This Code of Conduct defines our common way of working in all Lappset Group companies. It determines how our employees are expected to behave in their daily work, both internally with their colleagues and externally with customers, suppliers and other stakeholders.

This Code has been defined and approved by Lappset Group Oy's Board of Directors, and the Board will review it periodically and make changes or further clarifications as necessary. The Code is applicable to all Group companies and all employees including directors and officers.



# § Ethics and compliance with laws and regulations

Lappset expects that all Group's employees act according to high ethical standards.

In all activities, we are committed to full compliance with applicable national and international laws, regulations and generally accepted practices as well as international conventions. These include those relating to corporate governance, antitrust and promoting fair competition, safety of our products and product liability, occupational health and safety, human rights, labour, environment, protection of intellectual property and protection of individual privacy.

As a minimum requirement, all our employees must understand the main principles of these ethical principles applied in the company.



# Workplace practices





## Health and safety

We are dedicated to safeguard the health and safety of personnel at work by providing a working environment, which, as a minimum standard, complies with country and local health and safety laws and regulations. We also strive to prevent accidents or injuries to health in or relating to the course of work. Employees have a responsibility to protect themselves, colleagues, the work site, community and environment by reporting unacceptable health or safety conditions, taking preventive measures and minimizing possible damages.



## Non-discrimination

Our Group applies the principles of honesty, equality and non-discrimination. Employees and applicants for employment must be treated and evaluated according to their job-related skills and none of them will receive less favourable treatment due to their race, colour, nationality, ethnic origin, religion, gender, sexual orientation, disability, union membership or political affiliation. We respect the freedom of association of its personnel. Any kind of harassment at the work environment is forbidden.



## Political activities and contributions

We honour and value the freedom of each of employees to choose a political view. However, to ensure that no fellow employee is offended through the expression of political opinions by other members of personnel, we expect our premises to be free from political activities and expressions of political beliefs. Furthermore, our employee participating in political discussion on his/her free time must make it clear that the comments or statements he/she expresses are solely his/her own.



## Employee records

Confidential information regarding Group's personnel should not be given to outside organisations or individuals unless there is a legitimate and declared purpose. The privacy of employee information shall be protected, and use of such information shall be consistent with legal requirements. Disclosure of any data that enables the identification of an individual should be avoided.



## Copyright and computer software

It is company policy to respect copyright laws and observe the terms and conditions of any license agreement to which Group has agreed. In particular, copies of software or its supporting documentation should not be made, resold or transferred unless authorized by the software license agreement.



## Computer resources and e-mail

Computer resources of our group, including the electronic mail system, should not be used for amusement, solicitation or other non-company purposes.

Personnel may occasionally use the system for personal matters, but such use should be kept to a minimum. All use of the group's e-mail system should be responsible, professional and in accordance with company policies.

In no event shall the e-mail system be used to engage in illegal, fraudulent or malicious activities, nor to communicate or store offensive, obscene or political material.



## Accuracy of company records

Company records regarding our business shall be maintained in accordance with good business practices and generally accepted accounting principles. No false or intentionally inaccurate entries shall be made in the accounts of our group companies, and no false or misleading statements shall be made to any internal or external auditor concerning the accounts or financial position of Lappset Group. All payments of discounts and commissions shall be fully disclosed in the accounting records and adequately supported by proper documentation.

# Business conduct





## Marketing of products and services

Group companies markets its products and services based on price and quality. Customers or potential customers should not be influenced by improper methods. Our business gifts should represent customary business courtesies and be reasonable in value and frequency.



## Improper payments or benefits

Business relationships must be based on objective criteria. No direct or indirect payment or use of our assets shall be made to or for the benefit of any governmental representative or employee, labour union, or current or prospective customer or supplier for the purpose of improperly obtaining benefit of any kind, nor shall any employee accept any improper payment or benefit from any source.

## Conflict of interest

Our employees are always expected to act in the company's best interests and should avoid all conflicts of interest or situations giving the appearance of a potential conflict. A conflict of interest occurs when an employee seeks to further personal interest, or that of a friend or relative, due to his/her position within the Group. Such conflicts may include outside employment and board memberships, investment or participation by an employee in the business of a competitor, supplier, or customer of us, or disclosure of confidential information. Employees should be sensitive to situations of potential or apparent conflicts between their personal interests and the interests of the Group.



## Insider information

It is both illegal and against our policy for any of its employees to profit from undisclosed information relating to us or any company with which we do business. Until released to the public, information concerning our business, including its plans, successes or failures, is insider information.



## Fair competition

We prohibit private discussions, communication, agreement or understanding with a competitor concerning prices, pricing policy, discounts, promotions, terms and conditions of sale, purchases, territorial markets, production costs, distribution, etc. Discussions with competitors are to take place through legitimate forums, such as international or local industrial associations. However, discussion topics should in no event address issues that could be considered as breach of antitrust or unfair competition laws.



## Suppliers and service providers

We want to be an attractive business partner and seek reliable, fair relations for the mutual benefit of the Group and its suppliers, service providers and subcontractors.

We deal fairly with our suppliers, service providers and subcontractors. They will be chosen without regard to the nationality of their shareholders or management, except when specific legal requirements or legitimate commercial requirements dictate that those factors be taken into consideration. Due consideration is given to multiple sources of supply to ensure continued deliveries. Inappropriate actions or improper efforts to influence our purchasing decisions by suppliers or service providers are grounds for rejection, and we expect that all our suppliers, service providers and subcontractors honour the principles set forth in these guidelines.

We base our purchase of materials, supplies and services on reasonable economic criteria, including price, contract and delivery terms, service and quality. We expect competence in quality, total cost, innovation and reliability from our suppliers and service providers.



# Sustainability and the environment



## Sustainability and the environment

Environment and sustainable development are important values for the Group. We strive for objectives that support environmental and sustainable development including for e.g. minimizing energy consumption and amount of waste created, recycling of materials and other relevant issues by taking care of our environmental impact and product safety.



# Implementation and communication

The management promotes the implementation of this Code through effective communication of its contents to personnel. All employees are expected to acquaint themselves and comply with the Code, adopt a responsible mind-set and promote the Code towards colleagues and business partners.

## Reporting worries and concerns

Responsibility is one of the four values of the Lappset Group. Responsibly is how we strive to act in different situations.

If you have observed or suspected any behaviour that is contrary to, or even violates this Code of Conduct, you should first raise the matter with your immediate supervisor or manager or director of your own unit.

We all have a duty to report without delay on any actions that are contrary to this Code of Conduct.

The violation of our Code of Conduct can undermine the trust of Lappset's stakeholders in the company and thus create significant business risks. We at Lappset want to act responsibly in different situations, therefore we need to tackle the violation of our Code of Conduct or laws. In the worst-case scenario, irresponsible behaviour

can lead to disciplinary action and even termination of the employment relationship.

We will ensure that reporting any suspected infringement will not cause any negative consequences at work for the person making the report. Personal information shall remain confidential. We will not tolerate any manner of reprisals against those who express their concerns or assist in investigating possible violations.

This means that you can report concerns and violations by liaising with your immediate supervisor or your own unit's manager or director, or by using the reporting channel on our website.

## The whistleblower notification channel is available

Lappset has a so-called whistleblower notification channel for all employees, suppliers, customers, and other stakeholders of the company. It is a channel ensuring confidential and safe reporting of suspected non-compliance and other exceptional circumstances.

<https://lappset.ilmoituskanava.fi/>

The notification channel is an integral part of the responsible activities and ethical principles of Lappset. As of December 2021, the reporting channel will also be a mandatory element of accountability under the EU directive.

Questions regarding violations of these guidelines can also be sent confidentially to [compliance@lappset.com](mailto:compliance@lappset.com).



#lappset @LappsetGroup



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