

## The Ten Principles of the UN Global Compact

Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Vexve Oy complies the principles of social responsibility and practice, which are based on the guidelines of the ISO26000 standard and the Ten Principles of the UN Global Compact.

### Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

### Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

### Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

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## VEXVE CODE OF CONDUCT

### 1 Introduction

This publication takes up the ethical rules that apply to all activities in the group consisting of Vexve Armatury Group Oy and its subsidiaries ("Vexve" or "Company"). Vexve's Code of Conduct (the "Code") describes commonly accepted practices, and our commitment to compliance with laws and regulations.

Proper business conduct means compliance with the highly recognised standards of ethical conduct as well as with all and any applicable laws.

### 2 General

If an employee becomes aware of a breach or violation of this Code or any other Company policy, he or she must report the breach or violation to the CFO and assist in any investigation of any allegations of wrongdoing. It is the policy of Vexve to prevent the occurrence of unethical or unlawful behavior and to halt such behavior as soon as reasonably possible after its discovery.

Vexve will protect the anonymity of any reporting employee who so requests, as well as the confidentiality of matters associated with a report or investigation, to the extent possible in order to also be consistent with the Company's obligation to investigate reported matters and applicable law. Employees are also under a strict obligation to preserve the confidentiality of investigative matters.

Vexve will take necessary steps to stop unlawful and unethical behavior and will take appropriate disciplinary action (up to and including discharge) against those who violate this Code or other Vexve policies.

### 3 Compliance with laws

Vexve is subject to a number of laws, rules and regulations with respect to the conduct of its business. Vexve employees are expected to maintain compliance with the letter and spirit of all laws governing Finland and other jurisdictions in which they perform their duties. There are serious consequences for failing to follow any applicable laws, rules and regulations, up to and including termination of contract with the Company and potential criminal and civil penalties. Employees have a personal responsibility to become familiar and comply with the laws and regulations related to job responsibilities.

### 4 Business branding and image

Vexve considers its branding, image, and corporate reputation to be among its most important assets. Employees contribute to the promotion and protection of Vexve and its image through their actions and general behaviour. As a result:

- All employees must ensure that their actions do not damage the image and reputation of Vexve.
- No employee may use Vexve's name and branding for uses other than those permitted by the Company.

## 5 Competition and antitrust

Vexve is committed to complying with all competition and antitrust laws applicable in the countries where we operate. In driving the success of our business, we must only seek competitive advantage through legal and ethical business practices.

Vexve must not, either alone or with others, act in ways that stifle the free market. Each employee must deal fairly with our customers, service providers, suppliers, competitors and other third parties and must not seek to take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

Breaches of competition laws can result in significant fines for the Company and, in some countries, also fines or prison sentences for the individuals concerned.

### 5.1 Horizontal agreements

Agreements and concerted practices between competitors (horizontal relationship, i.e. companies on the same level in the supply chain) – usually referred to as cartels – which have as their object or effect the prevention or restriction of competition are prohibited. Such prohibited actions include, for example, agreements with competitors on prices, restrictions on production, restricting investments, market sharing, or bids during tender procedures. This principle is contained in Art. 101 of the Treaty on the Functioning of the European Union.

### 5.2 Vertical agreements

Agreements and concerted practices between parties in a vertical relationship (i.e. between companies at different levels in the supply chain, e.g. suppliers and traders) as such are not prohibited by anti-trust law, but some provisions in vertical agreements which have an anticompetitive effect are prohibited or can be critical under anti-trust law. This principle is also contained in Art. 101 of the Treaty on the Functioning of the European Union.

Accordingly, special attention should be placed to the following critical clauses in vertical agreements:

- Resale prices - agreements through which the supplier sets the trader's prices (these are as a rule prohibited and shall always be avoided);
- Territorial restrictions - agreements which restrict the territory in which or the clientele to whom a trader may sell goods he has purchased; and
- Non-compete - long-term exclusivity agreements binding the trader exclusively to the supplier (through exclusive purchasing agreements).

The permissibility of such agreements depends, among other things, on their duration and effect as well as the market position of the parties involved. When in doubt as to the appropriateness of such agreements, you must consult with the CFO.

### 5.3 Abuse of a dominant market position

Competition law prohibits dominant companies from abusing their position in the market. Companies are considered dominant where they have market power, which is the ability to behave independently of competitors, customers and suppliers (and – as a rough rule of thumb - have a market share exceeding 40%). Dominant companies have a special responsibility to behave fairly when competing. Some behaviour patterns which are generally permissible can therefore be deemed abusive and therefore prohibited if the company is regarded as having a dominant market position. The abuse of a dominant position is regulated in Article 102 of the Treaty on the Functioning of the European Union.

Therefore, to the extent that Vexve holds such a “dominant position”, it must be careful not to “abuse” the dominance and has a special responsibility to act in a fair and non-discriminatory way towards all of our customers. In particular, Vexve must not

- Employ any unfair methods or leverage its market position to exclude competitors from the market (e.g. by threatening competitors, through predatory pricing below variable costs, through price discrimination).
- Base decisions not to deal with a specific supplier, distributor or other customer on other than legitimate commercial reasons.
- Charge excessively high prices.

### 5.4 Consequences of infringing competition law

Not only does a breach of competition law render the agreement invalid, but can also lead to significant fines and claims for damages.

Vexve has zero tolerance for violations of competition law. These violations may, in some countries, lead to a criminal consequences to employees involved and will result in internal disciplinary action (including dismissal).

## 6 Anti-bribery and corruption

Vexve takes a zero tolerance approach to bribery and corruption. We are committed to conducting all aspects of our business in keeping with the highest legal and ethical standards globally and to acting professionally, fairly and with integrity in all our relationships. We expect all persons working for us and/or acting on our behalf to uphold these commitments.

Any kind of corruption and bribery in Vexve’s operations is prohibited. Vexve and its employees must not promise, offer or give bribes or any other illegal payments, directly or indirectly, to any government officials or other parties in order to obtain or retain business or for any other reason.

### 6.1 Hospitality and entertainment

The restrictions on giving gifts or hosting clients or other business associates do not preclude you from engaging in “ordinary and usual business entertainment”.

In all cases, entertainment must not be so frequent, excessive or extensive as to raise any question of propriety. Our policies do not permit the use of business entertainment to provide incentives to

conduct business with or through Vexve or a third party in bad faith, in breach of trust or without objectivity.

When in doubt as to the appropriateness of such hospitality and entertainment, you must consult with the CFO prior to providing such hospitality or entertainment. In addition, special consideration must always be had prior to providing any hospitality or entertainment to any public official.

## 6.2 Receiving benefits

Vexve's employees shall not take personal benefits or business courtesies from Vexve's clients, suppliers or other business associates which are not in accordance with any applicable law or code of local business practice. Benefits or business courtesies may only be accepted if given in the ordinary course of business and provided that they shall in all circumstances be of moderate value.

## 6.3 Promising, offering, giving of benefits to public officials

No payments of money, gifts, services, entertainment or anything else of value may be promised, offered or made available in any amount, directly or indirectly, to any public official in order to influence the actions in service of the public official.

An unjustified benefit may also have minimal or no monetary value.

## 6.4 Promising, offering, giving of benefits to others than public officials

No payments of money, gifts, services, entertainment or anything else of value may be promised, offered or made available in any amount, directly or indirectly, to any person in the service of or in the management of or carrying out a duty on behalf of a business in order to have that person, in his or her function or duties, favour the Company or another person.

An unjustified benefit may also have minimal or no monetary value.

## 7 Political activities and contributions

Unless otherwise decided by the CEO or the Board of Directors of Vexve, the Company does not participate in politics or political activities, and Company funds shall not be used to make any kind of political contributions. Active political participation is the personal choice of each employee and should be conducted on your own time in your role as a private citizen and not on behalf of the Company. It is strictly prohibited to use the funds of the Company, its name, assets or property for political purposes or endorsement, whether directly or indirectly.

## 8 Conflicts of interest

A conflict of interest may occur when your private interest or activity interferes with the interests of Vexve or affects your ability to make objective decisions for Vexve. Conflicts of interest may also arise when a member of staff or their immediate family member receives some personal benefit (whether improper or not) as a result of their position within Vexve. Each individual's situation is different and, in evaluating your own position, you will have to consider many factors.

You must handle in an ethical manner any actual or apparent conflict of interest between your personal and business relationships. Conflicts of interest are prohibited as a matter of policy. A "conflict of interest" exists when a person's private interest interferes in any way with the interests of our Company. For example, a conflict situation arises if you take actions or have interests that interfere with your ability to perform your work for our Company objectively and effectively.

If you become aware of any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest, you should report it promptly.

## 9 Use of company assets

The way Vexve protects its assets sends a signal to the public not only about standards of care but also about integrity. Company assets are to be used solely for the benefit of the Company.

You should protect Vexve's assets and promote their efficient use. Theft, carelessness, and waste have a direct impact on our Company's profitability. All assets should be used for legitimate business purposes. In no event may Vexve's assets be used for unlawful or improper purposes.

Vexve's assets are much more than our equipment, inventory, corporate funds and supplies. They include concepts, business strategies and plans, financial data, intellectual property rights and other information about our business. Each employee is personally accountable for the safekeeping, maintenance and proper utilization of Vexve's assets over which he or she has control and must protect those assets against both intentional and unintentional loss or damage.

## 10 Confidentiality

From time to time during the course of employment, Vexve employees may become aware of confidential information about the business affairs of Vexve or other companies with which Vexve has relationships. Employees should maintain the confidentiality of all confidential information entrusted to them by Vexve or by persons with whom the Company does business, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors of, or harmful to, Vexve or persons with whom Vexve does business, if disclosed.

It is critical to remember that confidential information learned or developed during the course of your employment is property of Vexve and may not be disclosed to any other party.

Confidential information may not be used to advance any person or company's interest except that of Vexve, either during your employment or after you have left the Company. Only Vexve determines who is entitled to possess or use such data, except when the law requires otherwise. You must return all confidential information or documents containing such information to Vexve upon your departure.

## 11 Intellectual property rights

Vexve employees are required to protect Vexve's intellectual property rights as well as respect the intellectual property rights of others.

## 12 Data protection and access to information

Vexve fully endorses and adheres to the Personal Data Act (523/1999) principles, which specify the legal conditions that must be satisfied in relation to obtaining, handling, processing, transporting and storage of personal data.

The Personal Data Act is not intended to prevent the processing of personal data, but to ensure that it is done fairly and without adversely affecting the rights of the data subject.

For personal data to be processed lawfully, it must be processed on the basis of one of the legal grounds set out in the Personal Data Act.

## 13 Anti-money laundering

Money laundering and terrorist financing are potential threats to the operations, financial position and reputation of any business. In addition, laws make it illegal to be involved in transactions with third parties who are dealing with the proceeds of criminal activity, individuals or entities who are themselves subject to or are located in countries that are the subject of sanctions (regarding products or services that relate to the business of Vexve), preventing Vexve from dealing with them or entities related to them.

These general principles and steps have been put in place to mitigate the risk of Vexve becoming involved in transactions that have a connection with money laundering, terrorist financing, counterparties that have links to organised crime or which would be in breach of sanctions.

Pursuant to Section 6 of Chapter 36 of the Finnish Penal Code (39/1889, as amended), money laundering means receiving, using, converting, assigning, transferring or transmitting or possessing funds or other property which you know or suspect to be proceeds of crime, with the intention of covering or obscuring their illegal origin or assist the offender in avoiding prosecution. Assisting another person with any such activity also constitutes money laundering.

Financing of terrorism involves collecting or providing funds to finance, or knowing that funds are being used for financing, of any terrorist activity, as described in Section 5 of Chapter 34 A of the Finnish Penal Code.

## 14 Human rights

Vexve shall respect and promote universal human rights as defined by the United Nations' Universal

Declaration of Human Rights in its operations. Among those rights Vexve considers to be fundamental and universal are: freedom of thought, opinion, expression, religion and peaceful assembly as well as freedom from any discrimination based on race, age, nationality, gender or sexual orientation.

Furthermore, Vexve shall not use nor tolerate the use of child labor or any working conditions that are not in accordance with international conventions, practices, and the Company's own ethical standards.

## 15 Equal opportunities

We are committed to promoting equal opportunities in employment. You and any job applicants will receive equal treatment regardless of race, sex, religion or belief, disability, sexual orientation, gender reassignment, marital or partnership status, military status, pregnancy or maternity, age or any other class or status protected by law. This policy applies to all aspects of employment with us, including hiring, placement, promotion, termination, redundancy, transfer, leave of absence, compensation and training opportunities.



## Statement for ISO 26000 and Corporate responsibility at Vexve

Corporate responsibility is the foremost asset in guiding Vexve's business. We are building a profitable business in an ecologically, socially and economically sustainable manner. We are committed to developing our processes and relationships to our stakeholders over the long-term and to create smart and environmentally friendly solutions for heating and cooling. Vexve Oy follows ISO 26000 and the requirements of Global Code of Conduct in Vexve Oy's whole operation. Vexve Oy is also a member of Cleantech cluster Finland.

### Social responsibility

Socially we are a reliable employer and we actively support the development of the region. Vexve employs 160 people in six different countries. Especially in Finland where the biggest production facilities locate, Vexve is a major employer in the region. These towns benefit directly from Vexve in form of additional business and increased general welfare.

Vexve supports actively youth employment and the development of young people's professional skills. For many years, Vexve has worked in close co-operation with local vocational schools and universities providing trainee places (appr. 30 annually) and study environment equipment.

We also sponsor local recreational activities and student groups.

### Environmental responsibility

Above all, we want to promote the use of remote energy and thus support more environmentally friendly energy production through our products. Environmental responsibility is a fundamental pillar of our production and a great source of pride.

All our locations in Finland have ISO 9001 and ISO 14001 certifications. The quality of our products is based on excellent raw materials, the expertise of our staff and over 50 years of experience in the district heating and cooling industries in over 30 countries. Our products are designed to last the lifespan of district energy networks, more than 30 years. All our valve parts are recyclable.

### Economic responsibility

All Vexve products are manufactured according to good business principles. The Vexve Code of Conduct is the company's official ethical guide that applies to activities of both the company and its partners. It's a description of Vexve's ethical goals, generally accepted practices, and laws related to proper business behavior. Vexve's personnel, as well as official distributors, are committed to complying with the guidelines in all their activities.

Sastamala, Finland 16.12.2021



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