

**SPINNOVA®**

# Supplier Code of Conduct

Revision 1

Spinnova transforms the way textiles are manufactured globally. Based in Finland, Spinnova has developed breakthrough technology for making textile fibre out of wood or waste, such as textile or food waste, without harmful chemicals. Spinnova's mission is to provide the textile industry with the most sustainable fibre in the world that is produced with minimal harm to the environment.

Spinnova is committed to high standards of sustainability, integrity and business ethics, and we expect our suppliers to commit to equal standards. This Spinnova Supplier Code of Conduct outlines the expectations that Spinnova has for their suppliers regarding human and labour rights, health and safety, environmental protection, business ethics, and management practices. Spinnova requires its suppliers to operate in accordance with the principles contained in this Code of Conduct. The purpose of this Code is to promote an environmentally and socially responsible supply chain.

## 01 Compliance with laws

Suppliers are obliged to operate in full compliance with the laws of their respective countries and with other applicable laws and regulations.

## 02 Human rights and labour standards

Suppliers are expected to respect internationally recognized human rights as declared in the UN Universal Declaration of Human Rights, and labour standards set out by the International Labour Organization (ILO). In addition, Spinnova is committed to the principles of UN Global Compact and this section draws on the UNGC principles from 1 to 6 regarding human rights and labour. Special attention should be paid on groups or individuals that may be at higher risk of vulnerability, such as migrant workers and indigenous people.

### Prohibition of forced labour

Suppliers shall not utilize forced or compulsory labor under any circumstances and shall act in line with the ILO's Convention 29 'Forced Labour Convention'. According to the Convention 29 forced or compulsory labour is "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered themselves voluntarily." UNGC Principle 4 calls for the elimination of all forms of forced and compulsory labour.

### Prohibition of child labour

The use of child labour is strongly prohibited and shall not be utilized by the suppliers under any circumstances. Suppliers shall respect the ILO's Convention 138 'Minimum Age Convention', and follow the definition of child labor as it is set out in the Convention 138 referring to types of work that are not permitted for children below the relevant minimum age. Suppliers are expected to collect and maintain official documentation

that verifies each worker's date of birth. UNGC Principle 5 calls for the effective abolition of child labour.

### Freedom of association and collective bargaining

Suppliers are required to allow their employees to establish and join organizations of their own choosing, and to protect their employees against acts of anti-union discrimination. This requirement draws on ILO's Convention 87 'Freedom of Association and Protection of the Right to Organise Convention', and Convention 98 'Right to Organise and Collective Bargaining Convention'. UNGC Principle 4 calls for businesses to uphold the freedom of association and the recognition of the right to collective bargaining.

### Non-discrimination

Suppliers shall promote equality of opportunity and treatment in respect of employment and occupation and do their best to ensure harassment-free working environment for employees. This requirement draws on ILO's Convention 111 'Discrimination (Employment and Occupation) Convention'. Each person should be treated fairly on the basis of individual merit, and must not be imposed unequal burdens, denied benefits from, or be otherwise excluded on the basis of race, colour, national extraction or social origin, gender, sexual orientation, religion, maternity or parental status, age, disability, physical characteristics, political affiliation, or union membership. UNGC Principle 6 calls for the elimination of discrimination in respect of employment and occupation.

### Humane treatment

All workers shall be treated with respect and have the right to pursue their material and spiritual well-being in conditions of freedom and dignity. Any form of punishment or the threat of it is strongly prohibited and the suppliers must guarantee that measures such as physical or psychological coercion, sexual abuse, verbal abuse or sexual harassment are not engaged in nor permitted under any circumstances.

### **Working hours and compensation**

Suppliers are required to set working hours and compensation paid to employees in compliance with applicable national laws and international conventions and ensure that employees can pursue an adequate standard of living.

### **Land use and acquisition**

Suppliers shall ensure that communities or individuals are not coerced, intimidated, or pressured to transfer land. In addition, communities and individuals shall be provided all the necessary information as early as possible and shall have enough time to review the information before asking their consent to transfer land.

## **03 Respect for the environment**

Sustainability is a core value for Spinnova and is integrated in the daily operations of the firm. Spinnova's mission is to create sustainable innovations and products that will help to solve the prevailing sustainability challenges in the society and the company acts according to the UN Global Compact's principles on environment by developing environmentally friendly technologies (Principle 7), by promoting greater environmental responsibility (Principle 8), and by supporting a precautionary approach to environmental challenges (Principle 9). Suppliers of Spinnova are required to act in compliance with all the applicable environmental laws and regulations. Spinnova values ambitious sustainability targets and encourages their suppliers to exceed the minimum requirements whenever possible. Spinnova strives to decrease the mutual environmental impact along the entire value chain and promotes constant improvements driven by ambition and collaboration.

### **Waste and emissions**

Suppliers are required to have systems in place to ensure responsible handling and management of waste, chemicals, air emissions and wastewater discharges. Activities that have the potential to adversely impact human or

environmental health should be managed, measured, controlled, and monitored in an appropriate and responsible manner prior to the release of any such substance into the environment.

### **Resource and nature conservation**

Suppliers are expected to use natural resources in a resource-efficient and responsible manner. Suppliers should aim at minimizing and eventually fully eliminating their negative impacts on the environment by implementing best practices and emerging solutions. This could include modification of production or maintenance processes, enhanced natural resource management practices, material substitution to more sustainable alternatives, or the integration of circularity (longevity and repair, reuse, remanufacture, or recycle).

### **Climate mitigation**

Suppliers should pursue to develop their products and processes with the aim of helping to mitigate climate change. Modifications and improvements could cover topics such as power consumption and energy intensity, direct and indirect GHG emissions, logistics and modes of transportation, and product features and design. Optimally the whole life-cycle of products is considered and changes made based on that knowledge.

### **Biodiversity**

Suppliers of Spinnova are expected to monitor and control activities taking place in protected areas or in other areas of high biodiversity value and to manage their impacts on biodiversity in a responsible manner. Impacts on biodiversity can result from manufacturing plants, mines, transportation infrastructure, pollution, introduction of invasive species, pests and pathogens, reduction of species, habitat conversion, or changes in ecological processes outside the natural range of variation. Spinnova also encourages suppliers to look for alternative areas to reduce the risks of impacts on biodiversity.

## 04 Occupational health & safety

Spinnova requires its suppliers to provide healthy and safe working environment. This requirement draws on ILO's Convention 155 'Occupational Health and Safety Convention' Services' and GRI Standard 403 'Occupational Health and Safety'. Occupational health and safety requirements involve prevention of physical and mental harm, and promotion of employees' health. Hazardous materials, chemicals and substances shall be identified, and their safe handling, transportation, storage, and disposal ensured.

Suppliers shall have an occupational health and safety management system in place to provide hazard and incident identification and investigation, risk assessment, and worker training on occupational health and safety. Furthermore, employees should be consulted in the development and evaluation of the occupational health and safety policy.

In addition to preventing harm, suppliers can promote employees' health by offering healthcare services or voluntary health promotion services. The health data derived from such services should be handled with respect to employee's right to privacy.

## 05 Responsible business practices

Suppliers of Spinnova are expected to conduct business with integrity and promote ethical and responsible business practices.

### Fair competition

Suppliers are expected to conduct business in a fair manner and refrain from anti-competitive behavior. Such behavior can include unfair business practices, market or output restrictions, geographic quotas, anti-competitive merges, price-fixing, cartels, or abuse of market position.

### Anti-corruption

Suppliers are expected not to engage in or permit any form of corruption, bribery, extortion, or embezzlement. UNGC Principle 10 calls for work against corruption in all its forms, including extortion and bribery.

### Privacy & intellectual property

Suppliers should appropriately handle confidential information and make use of necessary measures and procedures to protect the privacy of employees and business partners. Suppliers are expected to respect third party intellectual property rights, including copyright, trade secrets and patent rights.

### Identification of concerns

Employees have to be provided means to report any kind of concerns they might have in regard to the lawfulness of the supplier's activities. All the concerns should be investigated and required actions taken in the case of a misconduct. Suppliers are expected to handle the reports in a confidential and respectful manner, and retaliation or harassment of the employee who has reported their concern is prohibited.

### Transparency

Suppliers are required to allow Spinnova or any of its representatives to have access to their facilities and to all relevant records upon request and advance notice for the purpose of evaluating the supplier's compliance with this Code of Conduct. Suppliers are also required to provide information on the origin of their raw materials and chain of custody upon request. Suppliers must ensure the traceability of their raw materials and finished products.

### Fiscal responsibility

Suppliers are required to keep accurate and complete financial and operational records. They should also have a system in place that allows effective internal control.

### Anti-money laundering and tax evasion

Money laundering is forbidden. All taxes and tax-like charges must be reported and paid according to applicable laws.

## **06 Monitoring & enforcement**

Suppliers are expected to abide by this Code if they are to do business with Spinnova. Suppliers should ensure that their organization is set up to comply with the Code and shall commit to correcting any non-compliance. In addition, suppliers shall have appropriate controls in use to ensure that all its suppliers respect the requirements of this Code. Suppliers are expected to co-operate with Spinnova's requests to audit or otherwise monitor the supplier's compliance with the provisions of this code of conduct. Spinnova retains the right to terminate any agreement or other form of collaboration with any supplier that is found to be in material breach of this code of conduct.

## **07 Issuance of and amendments to the code**

The effective date of this Code (revision 1) is 1<sup>st</sup> of April 2022. The Code is reviewed periodically by Spinnova's Sustainability team to evaluate whether there should be revision made to the code. The revision can be necessary due to changes in regulation, recommendations, or our business.