

Metsähallitus Partner Code of Conduct



Purpose of the Code of Conduct

Metsähallitus' mission is to **use, manage and protect** the state-owned land and water assets sustainably.

The objective of Metsähallitus' work is to develop nature values and our shared wealth responsibly across generations. This is why we also require ethical and sustainable conduct of our partners.

A **partner** may refer to a partner in cooperation, tenant, concession rights holder or any other party in a contractual or other cooperation relationship with Metsähallitus.

Metsähallitus complies with legislation, our Code of Conduct and the principles of good governance in everything we do.

Binding nature

This document sets out the minimum level of **ethical and responsible conduct** Metsähallitus requires of our partners and their owners. Terms and conditions stricter than this minimum level may be imposed in the contract between Metsähallitus and the partner.

Changes to the partnership

If the partner intends to subcontract or transfer the contract to a third party or take any measures that change the majority of the partner's ownership or actual control, the partner must refrain from proceeding with such steps if they have reasonable grounds to suspect that the subcontractors, assignees or new owners in question will not comply with this Code of Conduct.

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1. General obligations applicable to the partner

The **partner undertakes** to comply with contractual terms, the Code of Conduct and all regulation applicable to their activities.

A **business partner** additionally undertakes to verify and ensure that any subcontractors they may use to fulfil their contractual obligations are aware of this Code of Conduct and comply with its requirements.

2. The partner acknowledges their responsibility for the environment

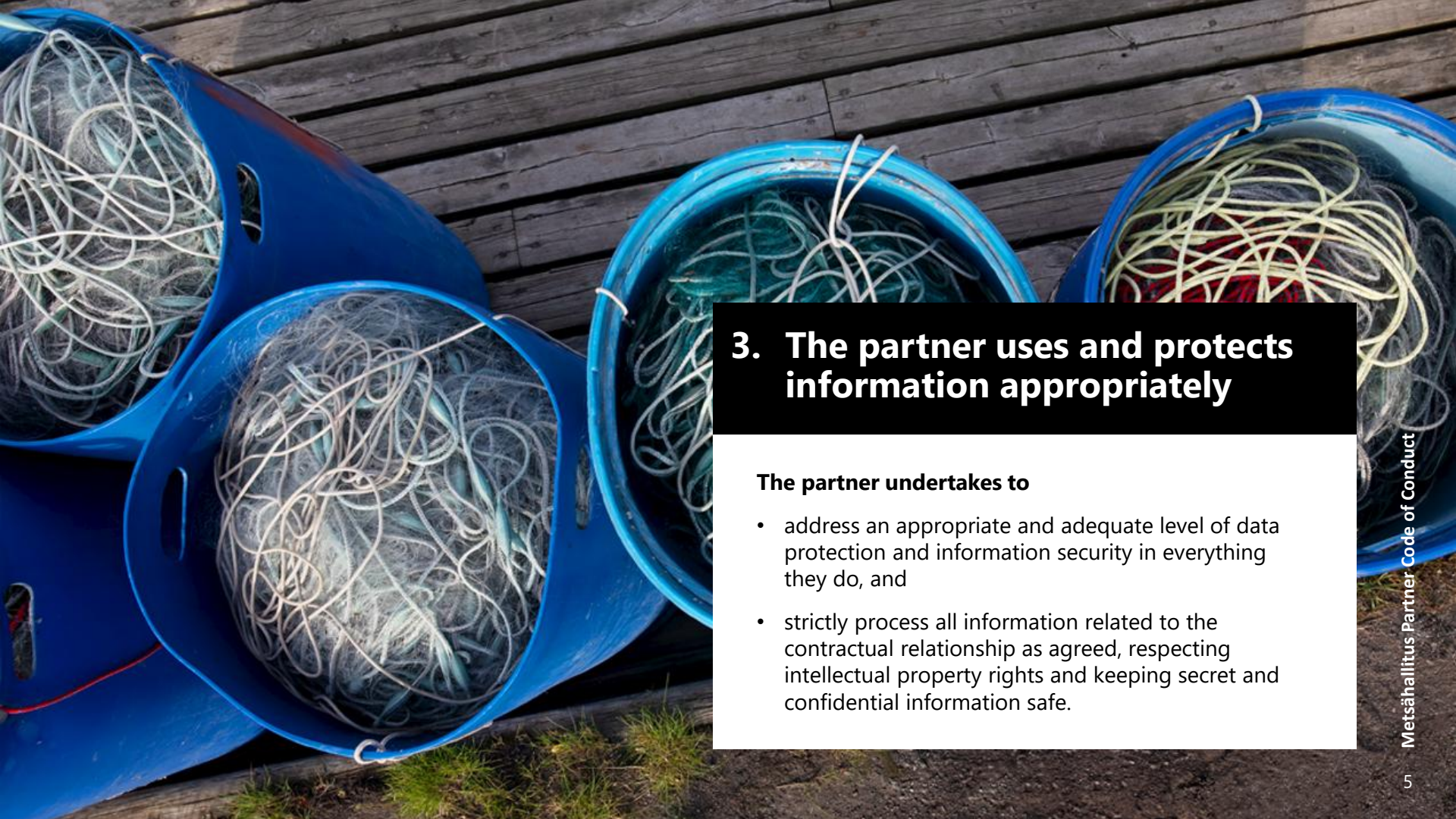
The partner undertakes to

- report to Metsähallitus without delay any environmental damage and violations they have observed in the area their contract concerns or an area that may affect it, and any immediate risk of environmental damage.

A business partner also undertakes to:

- identify, prevent, correct and monitor any negative environmental impacts and risks arising from their activities and those caused by the subcontractors they use to fulfil their contractual obligations. The partner must address such impacts on for example soil, air and water pollution, biodiversity and the climate that are essential considering the scope and nature of their activities, and
- provide their employees and any subcontractors they use to fulfil their contractual obligations with information and training concerning the environmental impacts and risks as well as their measures relating to such impacts and risks.





3. The partner uses and protects information appropriately

The partner undertakes to

- address an appropriate and adequate level of data protection and information security in everything they do, and
- strictly process all information related to the contractual relationship as agreed, respecting intellectual property rights and keeping secret and confidential information safe.

4. The partner respects human and labour rights

The partner undertakes to

- respect fundamental rights and human rights and ensure that they are not involved in human rights violations;
- identify and manage any negative impacts relating to labour rights and human rights, including potential impacts on local communities and indigenous peoples;
- take corrective action, where necessary, to minimise and prevent such impacts and to report them to Metsähallitus without delay.

A business partner additionally undertakes to, in their work community and regarding any subcontractors used to fulfil their contractual obligations,

- not tolerate any form of discrimination on grounds relating to the person;
- ensure the realisation of labour rights and fulfilment of occupational health and safety obligations;
- provide all workers with the training and induction required in their tasks;
- ensure that they pay at least the wages and compensation required by law and, where applicable, by any binding collective agreement;
- comply with provisions on working time, rest periods and overtime;
- enable membership and participation in trade unions and open communication about them;
- not make use of work performed by persons aged under 15 and ensure that any work performed by persons aged under 18 does not put their education, safety or mental development at risk; and
- not use, benefit from or be party to any form of modern slavery, including forced labour, human trafficking or debt bondage.

5. The partner undertakes to engage in responsible cooperation and contractual activities

The partner undertakes to

- engage in constructive and productive cooperation;
- engage in open and regular interaction, and
- comply with all applicable acts on the prevention of money laundering and terrorist financing as well as provisions on sanctions.

When fulfilling their contractual obligations, a **business partner** undertakes to

- ensure that any contracts between the partner and their subcontractors are financially and operationally sustainable and enable compliance with this Code of Conduct in the subcontractor's activities;
- refrain from having the contractual obligations in question fulfilled on terms that are substantially less favourable, unrealistic or otherwise liable to jeopardise the quality of work, reliability of deliveries, workers' rights or responsible business conduct;
- respect animal rights if the partner makes use of animals in their business; and
- for their part, prevent and refrain from participating in prohibited restrictions on competition.



6. The partner does not tolerate corruption, illegal transactions or bribery

The partner does not engage in inappropriate influence, including corruption or other inappropriate or illegal transactions, such as undue influence, favouritism, extortion, embezzlement or fraud, and seeks to prevent and deter such activity in their operations.

The partner undertakes to ensure

- that the partner, their management, employees or subcontracting chain do not directly or indirectly pay, give or offer a bribe to a representative of Metsähallitus or a third party, and
- that they they do not accept or request bribes.



7. The partner reports deviations and provides information about the whistleblowing channel

- The partner must without delay report to Metsähallitus in writing any activities observed by the partner that violate this Code of Conduct and the measures they have taken to correct the violation.
- Metsähallitus uses a whistleblowing channel on which anyone can anonymously report abuses or suspected abuses related to Metsähallitus' activities. The partner must inform and, upon request prove that they have informed, the parties involved in fulfilling the contractual obligations, such as their employees and any subcontractors, of the reporting channel.
- The partner refrains from subjecting to any negative consequences those who report suspected abuses to Metsähallitus in good faith.
- The partner additionally undertakes to notify Metsähallitus without undue delay if they otherwise observe in connection with fulfilling their contractual obligations significant risks, shortcomings or damages that may lead to a violation of this Code of Conduct and that require urgent correction.



8. The partner corrects their actions and acknowledges the risk of consequences

If Metsähallitus finds that the partner fails to comply with this Code of Conduct or contractual terms and conditions that add detail to it, Metsähallitus will notify the partner of any issues that need to be corrected.

The partner must have an operating method in place for making the required corrections, monitor their implementation and report on them to Metsähallitus.

If the partner does not demonstrate that they have corrected their actions in line with this Code of Conduct without delay or within a jointly agreed deadline, or if the partner's violation of the Code of Conduct is recurring or so material that it cannot reasonably be corrected, Metsähallitus may cancel the contract or legal relationship with the partner with immediate effect.

Metsähallitus will also have the right to resort to any other legal remedies arising from a breach of the contract terms.



9. Metsähallitus verifies compliance with this Code of Conduct

Metsähallitus may evaluate, by means of various inspections, audits, reports, dialogue or requiring self-evaluations, whether the partner and any subcontractors engaged to fulfil their contractual obligations comply with this Code of Conduct.

Evaluations may be conducted by Metsähallitus or an independent third party authorised by Metsähallitus, which undertakes to keep the evaluation data confidential. Metsähallitus will pay the costs of a third party authorised by it.

In such evaluations, the partner may be required to describe how they have organised their activities in order to fulfil the requirements of this Code of Conduct. Upon request, the partner must provide the information and documentation necessary for the evaluation and carry out any self-evaluation requested of them.

Metsähallitus will put the scale of the evaluation in proportion to issues that are essential and necessary in terms of the relationship between the partner and Metsähallitus, which may include working methods, procedures, facilities, work sites, branches, documents, tools and the employees' conditions. Metsähallitus will give the partner reasonable warning about the practical arrangements for evaluations, such as their dates.

International Sanctions

The European Union and its Member States, the United States, the United Kingdom and/or the United Nations have imposed and may in the future impose sanctions through legislation and/or decisions of their institutions.

1) The partner declares that, at the time of signing this agreement and while it is in force:

- a) the sanctions referred to above have not been imposed on:
 - partners,
 - Members of the administrative, management or supervisory bodies of the partner or persons exercising control, representative, decision-making or supervisory powers
 - The direct or indirect owners and beneficial owners of the partner,
 - the partner's contractors or subcontractors,
 - members of the administrative, management or supervisory bodies of such contractors or subcontractors, or those exercising control, representation, decision-making or supervisory powers over such contractors or subcontractors; and;
 - The direct or indirect owners of such contractors or subcontractors.
- b) The partner shall immediately inform Metsähallitus if sanctions are imposed on any of the parties referred to in point (a), specifying the party concerned and the reason for the imposition of sanctions of which it is aware. Upon request, the partner shall promptly provide Metsähallitus with information on its direct or indirect owners and other beneficiaries referred to in point (a).
- c) The activities under the Agreement or the use of products or services provided by the partner and its contractors or subcontractors do not violate the aforementioned sanctions.

- 2) If the European Union and its Member States, the United States of America, the United Kingdom and/or the United Nations subsequently imposes sanctions on the partner or any of the aforementioned, the partner shall notify Metsähallitus immediately upon being informed.

If the partner has not taken prompt action to resolve the sanctions-related matter and has not resolved the matter within ninety (90) days of being informed, Metsähallitus and the partner shall negotiate in good faith to resolve the situation. If the parties cannot reach a negotiated solution in this case, Metsähallitus shall have the right to terminate this Agreement with immediate effect.

- 3) If these declarations have been breached, the partner shall be obligated to compensate Metsähallitus for all direct and indirect losses caused to it.