



Paptic Supplier Code of Conduct

March 2024

Purpose and scope

Paptic is a Finnish innovation company that works to replace fossil-based plastics in packaging with sustainable, recyclable, and circular solutions. We are driven by a vision of addressing one of the major environmental challenges of our time, waste from fossil-fuel based plastics accumulating in the environment.

At Paptic, our actions are guided by a commitment to the fact-based environmental sustainability of our products, ethical business practices, and fair and respectful treatment of everyone we work with. We believe that upholding high ethical standards in our operations and throughout the supply chain is first and foremost our moral obligation. It is also a key prerequisite for Paptic's success as a company, as an employer, and as a business partner, and thereby also for the positive impact we aspire towards through sustainable packaging; replacing fossil-based plastics in packaging with a sustainable, recyclable, and circular alternative. Our suppliers play an important role in transforming the packaging industry with us.

This Supplier Code of Conduct has been developed to clarify the core principles and minimum standards that Paptic requires all its suppliers to comply with. The Suppliers shall also ensure that the standards laid out in this Code are applied by their suppliers, to the extent they are linked to providing goods and services to Paptic.

The Supplier Code of Conduct is based on Paptic's Code of Conduct, policies, and international standards and principles, including the International Bill of Human Rights, the fundamental Conventions of the International Labour Organisation (ILO), the OECD Guidelines for Multinational Enterprises, and the Ten Principles of the UN Global Compact. Also underlying the Supplier Code of Conduct are Paptic's values:

- We are guided and obliged by awareness
- We are building a better tomorrow
- We trust and appreciate others
- We work together

It is worth noting that this Supplier Code of Conduct is not intended as an exhaustive list of standards of conduct. Rather, it outlines the most relevant standards and ethical principles Paptic expects its suppliers and sub-suppliers to adhere to, wherever they operate.

Responsible business practices

Compliance with laws and regulations: The Supplier shall comply with all applicable and national laws, rules and regulations, and international conventions and agreements. Where applicable laws, regulations, or Paptic's contractual requirements differ from this Code, the Supplier shall follow the more restrictive requirement.

Fair competition: The Supplier shall compete in a fair manner, complying with all applicable competition laws and regulations. The Supplier shall not enter into an agreement with its competitors to fix prices, to limit the availability of products, or to engage in any other practices that could distort competition.

Anti-corruption, anti-bribery and anti-money laundering: The Supplier shall have zero tolerance for all forms of corruption and bribery. The Supplier shall not offer, promise, give, or accept any gifts, hospitality or other benefits that are above a nominal value, or could be perceived as intended to influence a business decision.

The Supplier shall not directly or indirectly facilitate money laundering or the financing of terrorist or criminal activities. The Supplier shall comply with applicable trade embargoes, sanctions, and import and export regulations, requiring the careful selection of business partners. The Supplier shall maintain complete and accurate books and records of all its business transactions.

Avoiding conflicts of interest: The Supplier shall avoid conflicts of interest relating to its activities as Paptic's supplier. The Supplier shall disclose to Paptic any potential or existing conflicts of interest.

Protecting intellectual property and respecting privacy rights: The Supplier shall respect intellectual property rights, protect confidential business information, and process sensitive data with due care and in accordance with applicable laws.

Open and honest communication: The Supplier shall communicate with all stakeholders openly, honestly, and transparently.

Respecting human rights and adhering to fair labour practices

Respecting human rights: The Supplier shall respect and support internationally recognised human rights in its operations and supply chain, and ensure it is not complicit in any human rights violations. The Supplier shall take adequate measures to prevent any potential adverse human rights impacts, and to address and mitigate such harm. Trading with governments of countries, suppliers, or other business partners known to be involved in severe human rights violations is not allowed.

Ensuring fair treatment and non-discrimination: The Supplier shall treat all its workers with dignity and respect. The Supplier shall not discriminate against its workers based on their gender, age, national or ethnic origin, sexual orientation, marital status, pregnancy, disability, religious or political beliefs, trade union activity, or any other characteristic. Neither shall the Supplier permit any form of discrimination, harassment, or abuse.

No child labour: The Supplier shall not use child labour. The Supplier shall not employ anyone under the age of 15 or under the legal minimum age for employment, whichever is higher. The Supplier shall not employ anyone who is under 18 years of age in any type of work that is mentally, physically or socially harmful, or interferes with their school attendance. The Supplier shall not allow children under the age of 18 to work night shifts or overtime. If child labour is detected, the Supplier shall act based on the best interests of the child. The Supplier may offer short-term internship and apprenticeship programmes that are properly managed and comply with applicable legislation.

Paptic Supplier Code of Conduct

March 2024

No forced labour: The Supplier shall not tolerate any form of forced labour, for example through withholding wages, threats, or harassment. The Supplier shall provide all workers with written contracts that describe the terms of employment in a language that the worker understands. The Supplier shall respect the employee's right to terminate employment following a reasonable term of notice.

Respecting freedom of association: The Supplier shall respect employees' right to join or form a union of their choice and to bargain collectively without fear of discrimination, intimidation, or any retaliatory action.

Ensuring a safe and healthy working environment: The Supplier shall ensure safe and healthy working conditions for its employees. The Supplier shall work actively to minimise any risks to employees' physical or mental health, including by providing regular health, safety and emergency training, and relevant protective equipment. The Supplier shall encourage employees to raise any safety concerns they observe, investigate all work-related accidents, and take appropriate remedial measures to prevent the recurrence of similar accidents or near-misses.

Providing fair compensation: The Supplier shall pay its employees at least the legal minimum wage and all legally mandated benefits. Wages should always be sufficient for the employees to afford a decent standard of living. Wages shall be paid directly to the employee within the agreed timeframe. For each pay period, workers shall be provided with a written wage statement that includes sufficient information to verify accurate compensation for work performed.

Ensuring reasonable working hours: The Supplier is expected, at a minimum, to adhere to ILO conventions concerning working hours, rest periods, and overtime.

Caring for the environment

Environmentally responsible operations: The Supplier is expected to act in an environmentally responsible manner and to adopt appropriate and reliable environmental management systems and tools. The Supplier shall have all necessary environmental permits and follow the regulations relevant to its operations. The Supplier shall apply best available technologies to minimise any negative environmental impacts from its operations.

Committing to continuous improvement: The Supplier is expected to identify the most material aspects of environmental performance of its operations and shall commit to the continuous improvement of its environmental performance.

Delivering safe, high-quality products

The Supplier is expected to follow agreed procedures to ensure quality and product safety. The Supplier shall identify and minimise product safety risks and take active measures to continuously improve operations. The Supplier shall ensure compliance with applicable laws and regulations governing product safety and quality. The Supplier shall deliver products and/or services that meet customers' expectations. The Supplier is expected to take corrective action to address the causes of any observed non-conformity.

Paptic Supplier Code of Conduct

March 2024

Compliance and reporting concerns

The Supplier is expected to have adequate management systems, policies, procedures, and training to ensure compliance with the Supplier Code of Conduct in their own operations as well as in their supply chain.

Paptic encourages all stakeholders to report any suspected or observed breach of this Code to their Paptic contact person or through Paptic's whistleblowing channel, which can be accessed on Paptic's website: <https://paptic.com/company/report-a-concern/>. Similarly, Paptic expects the Supplier to have a process or a mechanism for its workers and other stakeholders to voice their concerns about misconduct, including anonymously. The Supplier's practices for handling such concerns should be understandable and transparent to stakeholders. The Supplier shall protect individuals who report a concern and/or who participate in the investigation of an alleged breach from retaliation.

The Supplier shall inform Paptic of any suspected or actual breaches of this Code without delay, and commit to correcting any non-compliance within an agreed timeframe. If the Supplier is unwilling or unable to take the necessary corrective action, Paptic reserves the right to terminate the business relationship and any agreement with the Supplier. Some actions or negligence may constitute a criminal offence, which could result in referral to the police and, potentially, prosecution.

The Supplier shall allow Paptic, or a third party assigned by Paptic, to monitor the Supplier's activities during the contract period to confirm compliance with this Code. Paptic may request the Supplier to present documents and clarifications, take corrective action, and report on their implementation with a reasonable notice. In the case of a suspected and serious breach of the Code, Paptic may conduct an unannounced on-site audit of Suppliers' facilities. Paptic treats all information obtained during audits as confidential.

Paptic considers open dialogue and cooperation on the implementation of the Supplier Code of Conduct as essential for developing ever more sustainable and effective ways of conducting business. Suppliers are therefore encouraged to raise any questions or concerns regarding the implementation of the Supplier Code of Conduct with their Paptic contact person. Paptic also welcomes any feedback on how to improve the Supplier Code of Conduct so that it can best serve ethical and responsible business practices.

In Espoo, Finland
27 March 2024



Tuomas Mustonen, CEO

Paptic Supplier Code of Conduct governance

Paptic’s policies are revised every other year, or more frequently as needed. Our policies are approved by the Board of Directors and signed by company CEO.

Responsibility	Responsible position
Policy owner	Chief Sustainability Officer
Policy author	Sustainability in collaboration with Operations
Policy review	Management Team
Policy approval	Board of Directors; the Policy signed by CEO
Implementation of the policy	The Policy Owner is responsible for general company-level implementation