

## Communication on Progress (COP) 2019

### Statement of the CEO

I am pleased to confirm that Lainisalo Oy (later expressed as Lainisalo or the Company) continues to support the ten principles of the Global Compact with respect to human rights, labour, the protection of the environment and anti-corruption. With this communication on progress (COP) we express our continuous support and aim to advance those principles in our sphere of influence. The ten principles are part of the company strategy, culture and day-to-day operations.

The Company has actively supported Global Compact principles several years. During these years these principles were implemented to the Company's culture and day-to-day operations.

The compliance of ten principles in company's different organization stages has been audited internally once a year. Implementation on principles seems to have been a success and the staff have a positive attitude towards them. So I am happy to see, that nowadays the Global Compact principles come true automatically in the Company's operations and actions.

This report confirms the results of annual inspection about how the ten principles has come true in our actions during last year. Our commitment is communicated to our employees, the public and our stakeholders through our web page.

Sincerely yours,

Mr. Pertti Lainisalo

Lainisalo Oy

CEO

Chairman of the board

## Human rights

*Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.*

*Principle 2: Make sure that they are not complicit in human rights abuses.*

### Human rights policy

The Company's all organizations and groups supports and respects the protection of internationally proclaimed human rights.

The Company has a written operations manual (later expressed as handbook) where the main principles related to human rights are described. Good professional skills, motivation and well-being are topics which are handled in the handbook and are important for the company. The Company gives full respect and support for employees to continuous improvement in these topics.

The Company complies with the Finnish laws and regulations. According to the Finnish Laws and the company's policy the company does not accept any kind of discrimination or abuse because of age, race, sex, religion, ethnic background, sexual orientation or any other reason which would be against the internationally proclaimed human rights.

The Company's written documents, strategy, culture and day-to-day operations follow that age, sex, race, religion,

ethnic background, sexual orientation does not have any influence on employee salary, working time or job.

For the company and its employees it is clear that it is forbidden to have business or any other relationships with companies and/or stakeholders which are not respecting the human rights or which are complicit in human right abuses.

### Practical actions

The Company's operations are ISO 9001 –certified which is not possible to achieve if the Company's actions are against human rights. Significant part of the Company's certified operating system are literally documents which guide day-to-day operations. These documents are for example handbook, general rules for the staff, sick-leave rules, instructions for recruitment, and principles for different kind of harassment situations. These documents maintenance and development are continuous. All documents are compatible with the Company's human rights policy and Global Compact principles.

The Company's human rights policy is educated for staff and managers constantly monitoring their compliance.

The Company continually supervises that the Company's human rights policy is implemented in the company organizations and it is part of day to day culture and operations. In addition to this the Finnish authorities supervise the Company's actions with different kind of inspections and reporting-demands.

### The Results of internal inspection

The Company's actions has been equal with the company's human rights policy.

According to the Company's self-monitoring there has not been any kind of violations of human rights. The Company has also actively worked for that, its customers, suppliers and other stakeholders respects the human rights in their own actions. The Company has successfully passed all inspections (The Finnish authorities, other stakeholders) and the Company has made the required reports as it should.

## 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.*

*Principle 6: The elimination of discrimination in respect of employment and corruption.*

### Labour policy

- ✓ The Company's every employee can choose themselves to be member of labour union or not. The Company does not affect by any ways to employees decisions.
  - ✓ The Company operates in accordance with the Finnish labour law in collective negotiations.
  - ✓ The employees can freely choose the shop steward in Lainisalo's plants.
  - ✓ The Company does not use forced or compulsory labour.
  - ✓ The Company does not use child labour or does not do any kind of business with companies or communities that are likely to use child labour.
  - ✓ When leased manpower has to be used temporarily, the Company uses only companies which are acting in accordance with Finnish Law.
  - ✓ According the company guidelines the company does not accept any kind of discrimination or abuse because of any personal reason or any other reason.
  - ✓ Employees political opinions does not affect in any ways to their status or treatment. Furthermore the Company has never asked to reveal anyone's political opinions to the company. The company's employees have the freedom to engage in political activities.
- ✓ The staff well-being and health are important topics for the Company. The Company wants to promote them and help employees to live more healthily.
  - ✓ All statements above are executed in the Company's strategy, culture and day-to-day operations.

### Practical actions

All employees are paid a salary that is at least the minimum salary according to Finnish law and which correspond to the labour unions agreements. All contracts between the Company and employee are written. If employee wants, the employee has the possibility to terminate contract at any time and for any reason.

If the employee has wanted, the Company has paid the labour union member fee straight from employee's salary. Everyone has been able to choose to be member of labour union or not to be. There are also a shop stewards who are elected by the staff.

Child, forced and compulsory labour are forbidden in the Company's organizations. It is also forbidden to make any kind of business with stakeholders that are likely to use child, forced or compulsory labour. These statements were told to staff, especially for managers and foremen. It is also

told to staff that the Company does not accept any kind of discrimination or abuse because of employees political opinions or any other personal reason.

### The Results of internal inspection

The Labour principles has come true in Lainisalo Oy during last year.

The Basics for positive analysis are following:

- ✓ According to the results of internal and external monitoring there has not been any problem in labour union issues, shop steward procedures or salary and contract procedures.
- ✓ The Company's zero tolerance for child, forced and compulsory labour has been successfully implemented. There is not any kind of abuse. In addition the Company has not detected them in stakeholders organizations.
- ✓ The Company has not detected discrimination or abuse because of any personal reasons or political opinions.
- ✓ The company has openly supported employees to train themselves and to take care of their well-being. For example the company offered vouchers to employees to get discount from sport fees and supported them to stop smoking .

### Lainisalo Oy The Industrial Paint shop

## Environment

Principle 7: *Businesses should support a precautionary approach to environmental challenges*

Principle 8: *Undertake initiatives to promote greater environmental responsibility*

Principle 9: *Encourage the development and diffusion of environmentally friendly technologies.*

### Environment policy

The Company environmental management is ISO 14001 – certified. The Company has own annual environment program and monitoring system for environmental topics. The main environmental targets for the Company are:

- ✓ Reducing the amount on volatile organic compound (VOC) emissions.
- ✓ Reducing the amount of waste.
- ✓ Using as little as possible natural resources.
- ✓ Aiming to use environmentally friendly processes in production.
- ✓ Take good care of materials, products and work safety.

### Practical actions

The Company environmental management has been implemented according to the demands of standard ISO

14001. For example the Company has set specific environmental targets and methods for their tracking. The Company has also calculated and documented amount of wastes and VOC (volatile organic compounds) and searched methods to reduce them.

The Company has monitored changes in the legislation and cooperated with authorities in environmental issues. For example the environmental declarations were made according to the requirements and on time.

The Company estimate continuously methods for ensure the environmental protection and how to prevent environmental accident in advance. Methods for this are internal audits, managers meetings and systematic dialogue with representatives of authorities.

The company has practices related to RoHS 2011/65/EU (restriction on the use of certain hazardous substances in electric and electronic equipment) and REACH (European REACH Regulation No 1907/2006 on the Registration,

Evaluation, Authorization and Restriction of Chemicals) legislation and practice to monitor the use of conflict minerals in the company's sphere of influence.

### The Results of internal inspection

The Company's environmental management according to ISO 14001-certificate has been successfully audited by external auditor.

The annual environmental declarations has been made on time and the authorities who are responsible among them are accepted them. Feedback of declarations has been positive.

During the last year there has not been any kind environmental accidents in the Company's sphere of influence. Also near miss situations has been avoided.

RoHS, REACH and Conflict Minerals clearances has filled the company's own and its stakeholders expectations.

## Anti-corruption

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

### Anti-corruption policy

The Company does not accept any kind of corruption. Everyone's responsible is to intervene if corruption has detected or suspected.

The Company sales, purchase and production processes must be transparent and documented.

### Practical actions

The Company continuously monitors that there are not any kind of corruption in the Company's operating range. The

Company's organization monitors company's processes and methods internally and Finnish authorities externally.

To ensure that there is ethical instruction for staff. In the ethical instruction is clarified which kind of presents are acceptable to give or receive. There is also determined that everyone must tell if finds irregularities. The Company's ethical instruction advises which kind of business relationships are acceptable and which issues are important to pay attention in business relationships.

### The Results of internal inspection

There has not been any kind of corruption at the Company's sphere of influence. All of the Company's actions has been compliance with company's ethical instruction.

According to the Company's self-monitoring the Company and its staff works continuously against corruption in all its forms, including extortion and bribery.

The Company's stakeholders feedback has been positive in issues which are related to the actions against corruption.