

PROMECO GROUP – SUPPLIER REQUIREMENTS

Promeco and its customers are strongly committed to sustainable and compliant supply chains capable of delivering quality goods, services, and documentation.

This document contains the minimum requirements that suppliers shall comply with in relation to governance, quality, and performance in order to be able to supply to Promeco. The requirements are applicable to all suppliers of Promeco Group companies and all product categories.

Compliance with the requirements is verified in supplier self-assessments and audits. The supplier is required to remedy non-compliance of requirements in its own operations and also to apply equal compliance requirements in its own supply chain.

COMPANY GOVERNANCE**Compliance with relevant legislation**

The supplier shall comply with all applicable laws and regulations, and conform with the requirements of good citizenship in each jurisdiction where the supplier operates. This includes, but is not restricted to, compliance with laws and regulations on fair competition, corporate governance, taxation, financial disclosure, labor rights, environmental protection, occupational health and safety, and import and export control. Any modification, documentation, approval, or procedure required by the applicable laws and regulations, shall be the responsibility and at the cost of the supplier.

Code of Conduct

The supplier shall maintain policies and instructions for code of conduct and ethical compliance. At a minimum, the supplier shall adhere to Promeco's Code of Conduct available at www.promeco.fi.

Explicitly, the supplier shall refrain from all forms of corruption, extortion, and bribery. The supplier must not offer, promise, or authorize payment or anything of value, directly or indirectly, to any person, public or private, to gain unethical or illegal business advantages.

The supplier must avoid situations which may result in conflicts of interest, including any situations where an employee's personal or business interests may conflict with their duties.

The supplier shall provide a reporting channel through which stakeholders can raise ethical concerns.

Human rights, labor rights, and occupational health & safety

Social policies and instructions related to working conditions and human rights must be in place. The supplier shall comply with laws and international agreements prohibiting child labor, forced labor, modern slavery, and human trafficking, and respect workers' rights and labor standards. The supplier shall ensure fair treatment and anti-discrimination of employees, and foster diversity, equity, and inclusion.

The supplier is required to provide a safe and healthy workplace for its employees. The supplier shall maintain an occupational health and safety management system aligned with ISO 45001 or equivalent standard.

Environment

The supplier shall maintain an environmental management system aligned with ISO 14001, or equivalent standard, in its production and its whole operation.

The supplier is required to conduct business in an environmentally sustainable manner and additionally strive to reduce the environmental impact of its operations, including minimizing emissions, promoting energy efficiency, using sustainable raw materials, and ensuring proper waste management and recycling procedures. The supplier must also favor environmentally friendly technologies and production methods, and support a responsible supply chain that considers the preservation of biodiversity and the protection of ecosystems.

Sustainability

In addition to complying with laws and regulations within environmental, social and governance domains, the supplier is obliged to commit to policies and activities that enhance sustainability. Furthermore, the supplier shall be transparent in these matters, gather data from own operations and supply chain, and be prepared to report upon request. Inability to provide data on sustainability topics and emissions may affect future business growth with Promeco.

Information security and physical security

The supplier shall maintain an information security management system aligned with ISO 27001 safeguarding the confidentiality, integrity, and availability of data, regardless of its storage or transmission medium.

The supplier shall have security management measures in place related to facilities, goods handling, business partners, and personnel. The supplier shall protect the supply against unauthorized access and manipulation. The supplier shall only deploy reliable personnel for manufacture, packing, handling, and transport of supply.

Insurance coverage

The supplier shall maintain appropriate insurance coverage covering all liabilities and indemnities that may arise. Such insurance coverage may include professional liability or indemnity, environmental liability, data breach (cyber-attack), intellectual property right, and product liability, as applicable.

QUALITY & PERFORMANCE

Quality management

The supplier shall maintain a quality management system aligned with ISO 9001 requirements, or equivalent standard, in its production and its whole operation. In addition, all applicable industry and product specific quality standards shall be followed.

Promeco reserves the right to conduct quality reviews or audits at the supplier's and its sub-supplier's premises.

Inspections and tests

Before delivery of the supply, the supplier shall duly inspect and/or test the supply to verify conformity with specifications via supplier's own quality assurance processes. The costs of normal inspections, tests, and related documents are included in the price. Upon request, the supplier shall perform additional testing and inspections, and the costs for these additional procedures shall be mutually agreed.

Promeco performs only a visual inspection of the supplier's delivery upon receipt. Therefore, Promeco must be able to rely on the supplier's quality system, which shall control the production process and ensure that the supply complies with the specifications.

Non-conforming supply and handling of quality notifications

The supplier shall promptly repair or replace any non-conforming supply at its own cost and risk.

Response timeline to a quality notification:

- **1 business day:** Acknowledge receipt and commit to immediate action (repair or replace)
- **2 weeks:** Deliver corrective and preventive actions
- **1 month:** Finalize actions, reimburse costs if applicable, and close the notification

Traceability

The supplier shall ensure traceability and identification of Promeco products throughout the supplier's manufacturing process, as applicable.

The supplier shall also ensure supply chain traceability of raw materials and provide material certificates as applicable.

Restricted substances and materials

The supplier shall follow and comply with all relevant laws and regulations related to substance and material restrictions. Upon request, the supplier shall confirm, report, and certify compliance with:

- Conflict Minerals regulation
- REACH regulation (Registration, Evaluation, Authorization and Restriction of Chemicals)
- RoHS directive (Restriction of Hazardous Substances)

- SRR (Ship Recycling Regulation), including IHM (Inventory of Hazardous Materials)
- POPs regulation (Persistent Organic Pollutants)
- PFAS regulation (Per- and Polyfluoroalkyl Substances)
- TSCA regulation (Toxic Substances Control Act),
- and any similar regulation, restriction or standard, as applicable.

Any modification, documentation, approval or procedure required by the applicable laws and regulations, shall be the responsibility and at the cost of the supplier. As Promeco is required to report data on restricted substances and materials to its customers, any failure by suppliers to provide such data may restrict future business opportunities with Promeco. For clarity, also distributors of components must report data on restricted substances and materials.

Environmental requirements for packing

The products shall be packed in recyclable materials such as wood, cardboard, or steel. Clear plastic may be used for binding the package and to protect it from moisture. Use of oils and rust protection substances in product manufacturing must be appropriate. If specific packing instructions are shared with the supplier, requirements of that specific instruction are primarily followed.

Order confirmations and risk of delay in delivery

The supplier shall confirm the order immediately, but no later than two business days from receiving it.

If the supplier has any reason to believe that the supply may not be delivered in accordance with the agreed date of delivery, the supplier shall without any delay notify the buyer about the hindrance and its impact on the delivery and propose an alternative date of delivery.

Capacity & contingency management

The supplier shall ensure that its capacity is on an adequate level by proactively managing bottlenecks in its own operations and in its supply chain.

To ensure resilience in crisis situations and secure business continuation, the supplier shall maintain event-specific contingency plans and an overall business continuity plan.

Performance targets

Promeco's performance targets for suppliers are 97 % delivery reliability and 0 quality notifications. Supplier's performance towards the set targets are continuously reviewed and improvement actions agreed upon if necessary.

The supplier shall measure and monitor its own performance towards set targets and requirements. The supplier shall inform the purchaser immediately of any deficiency in the quality, delivery, or compliance of the supply.

Promeco monitors supplier's product and process quality by supplier qualification procedures, part approval process, supplier audits, performance reports of delivery reliability and quality notifications, order confirmation coverage and accuracy, as well as general co-operation and willingness to develop.