

>> Supplier Code of Conduct

Introduction

Terrafame's operations are based on compliance with laws, regulatory guidelines and requirements, and the company's internal policies and instructions. We are committed to adhering to international sustainability standards and frameworks, and to respecting human rights in all our activities, in accordance with legislation and the UN Guiding Principles on Business and Human Rights.

Our goal is to embed a strong culture of doing the right thing throughout the value chain influenced by Terrafame. Our approach is based on continuous improvement, engagement, personal accountability, learning, and the deeper integration of sustainability into business planning.

This Supplier Code of Conduct outlines the essential principles of responsible conduct for our suppliers and is a prerequisite for collaboration with Terrafame.

Terrafame and its suppliers work together to respect human rights and meet legal requirements. This includes applying Human Rights Due Diligence principles, which means having a clear process to identify and manage risks, prevent harm, and fix problems if they occur. Suppliers must monitor their practices, communicate openly with Terrafame, and review progress at least once a year. They must also make sure the same standards apply to their own subcontractors.

Supplier's general responsibilities

Suppliers must flow down equivalent due diligence requirements to their own suppliers and subcontractors and follow up proportionately.

Suppliers are expected to:

- Conduct business ethically and with integrity.
- Comply with all applicable laws and regulations.
- Respect human rights and labour standards.
- Promote sustainability and minimise environmental impact.
- Ensure the health, safety, and wellbeing of their employees.

Conduct of business

Governance and compliance

Terrafame expects suppliers to follow these governance and compliance principles.

Suppliers must:

- have a process to assess and monitor ESG risks and set measurable goals for responsible procurement
- maintain relevant management systems (e.g. ISO 9001, 14001, 45001) or equivalent practices.
- integrate risk assessment and responsible practices into management systems to identify, prevent, and address potential issues
- cooperate with audits, provide access to documents, facilities, and personnel, and accept unannounced risk-based audits

- implement corrective action plans with timelines and closure verification
- follow responsible disengagement principles when terminating, minimising hardship for workers and communities
- respect privacy and comply with applicable data protection laws, including the EU General Data Protection Regulation (GDPR), and ensure appropriate data security measures.

Terrafame will not tolerate breaches or violations of the Code, and any such incidents, should they occur, are promptly handled in accordance with our policies, with suitable remedial and corrective actions.

Breaches or violations of the Code will be examined and processed in accordance with Terrafame's policies. All notices of suspected incidents (made in person, through the anonymous Whistleblowing Channel, or by other means) will be properly investigated.

If the agreement ends because of serious risks or non-compliance, it will be done carefully and responsibly, and Terrafame will always seek to minimise negative impacts on workers and communities. Some duties continue even after the agreement ends, such as keeping information confidential, saving records, and helping with audits.

Suppliers are expected to:

- comply with this Supplier Code of Conduct
- promote awareness and application of the Code in their operations
- monitor compliance and report any concerns or violations.

Business integrity

We do not accept any mistreatment of employees, breaches or violations of environmental laws and regulations, unsustainable business practices, or other unethical conduct. Bribery, corruption, and giving or receiving improper gifts or payments are strictly prohibited. Offering and accepting customary business gifts and hospitality related to normal business activities is acceptable, provided that they comply with the principles of Terrafame's Anti-Bribery and Anti-Corruption Policy. The policy is available on the company's website, www.terrafame.fi.

Suppliers must:

- maintain accurate and transparent financial records in compliance with applicable laws and standards
- verify the reliability of business partners and avoid conflicts of interest
- comply with trade sanctions, export control regulations, and anti-money laundering laws
- prohibit bribery, corruption, and any improper gifts or payments
- comply with competition law and compete fairly in the marketplace
- provide accurate, truthful, and reliable information to Terrafame
- commit to condemn any illegal actions to gain an advantage (fraud)
- protect Terrafame's assets, property, and confidential information.

Employees and wellbeing

Terrafame is committed to promoting safe, fair, and respectful working conditions throughout its supply chain. We expect our suppliers to uphold the same standards by ensuring the wellbeing of their employees and fostering a responsible working environment.

All supplier employees must be properly trained, instructed, and equipped to do their work safely. In addition, suppliers are responsible for monitoring the working conditions of their own employees to ensure compliance with safety rules and standards.

Suppliers must:

- provide proper training, instructions, and equipment to ensure safe working conditions
- strictly prohibit modern slavery, including human trafficking, child labour, any forms of forced or compulsory labour, and comply with the laws and regulations that apply to young employees
- avoid exploitative practices such as excessive use of short-term contracts, informal workers, or unregulated subcontracting.
- encourage communication and expression of thoughts to improve working conditions
- respect freedom of association, collective bargaining, lawful working hours and wages, and fair recruitment safeguards.

Environment and climate

Suppliers must integrate environmental risk assessments and responsible practices in their management systems. We encourage our suppliers throughout our value chain to assess their climate impacts and take measures to reduce greenhouse gas emissions, and to assess their energy consumption and take measures to improve energy efficiency.

Suppliers are required to:

- comply with applicable environmental laws and regulations
- identify, manage, and mitigate environmental risks
- continuously improve practices to reduce environmental impact
- adopt measures for climate change mitigation, the circular economy, energy efficiency, and biodiversity protection.

Whistleblowing

Suppliers must offer both channels to raise concerns and grievances (a grievance mechanism) and a separate whistleblowing channel designed for reporting serious violations. Reporting concerns, grievances, and misconduct are an important way to identify and prevent serious risks to individuals, companies, society, or the environment. No employee or individual will face retaliation, discrimination, or any adverse consequences for reporting concerns in good faith. Suppliers must establish clear channels for workers and other parties to report concerns, ensure confidentiality, and inform Terrafame immediately about any serious cases.

Terrafame's a third-party reporting channel is in place for reporting serious misconduct, and reports can be submitted anonymously. The channel is intended for reporting suspected or observed violations within the scope of the Whistleblower Act. The link to the channel can be found in Terrafame's intranet.

The channel is also open to external stakeholders. A public link to the channel can be found on Terrafame's website at <https://www.terrafame.fi/vaarinkaytosten-ilmoituskanava.html>. All reports will be processed confidentially and investigated appropriately in accordance with pre-defined processes.

Approval and supervision

Terrafame Ltd's Board of Directors approved this Supplier Code of Conduct on 17 December 2025. The Chief Procurement Officer is responsible for ensuring that the Supplier Code of Conduct remains up to date and for monitoring implementation. The Chief Procurement Officer is responsible for monitoring the application of and interpreting the Supplier Code of Conduct. The Supplier Code of Conduct is reviewed annually and updated as necessary. The document is public and available on the company's website at www.terrafame.fi.

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