

Corporate sustainability requirements for GRK's suppliers

GRK and its strategy

GRK is an infrastructure sector company operating in Finland, Sweden and Estonia. GRK designs, builds, repairs and maintains roads, walkways, tracks and bridges. GRK's expertise also includes environmental technology.

Sustainability and ethical business practices are at the core of GRK's operations. Striving for sustainability requires us, as well as our Suppliers and subcontractors, to act and conduct business in sustainable manner throughout the entire value chain of GRK.

Purpose of the requirements

GRK has prepared these "Corporate sustainability requirements for GRK's suppliers" to ensure compliance with applicable law and regulations and the requirements of GRK in procurement. This document sets the minimum requirements required by GRK of service providers and suppliers (hereinafter referred to as "Suppliers").

These corporate sustainability requirements have been prepared to ensure that all Suppliers comply with GRK's principles of fair operations and other requirements for Suppliers. The requirements apply to all Suppliers and subcontractors that deliver products or services to GRK.

GRK reserves the right to update these corporate sustainability requirements. The up-to-date corporate sustainability requirements can be found grk.fi/en/sustainability-requirements. GRK also reserves the right to impose other corporate sustainability requirements on Suppliers. Such requirements are described in the procurement documents.

Corporate governance

At GRK, good governance is implemented through a clear-cut management system and operational control. GRK's governance is based on the company's values and principles of fair operations (Code of Conduct), compliance with applicable legislation, regulations and guidelines and the company's internal operating policies. GRK requires good governance practices of its contractual partners and their contractual partners participating in the subcontracting chain.

Yleiset vaatimukset GRK:n toimittajille

Compliance with regulation

Suppliers shall comply with all applicable laws and regulatory requirements, including, without limitation:

- Human rights regulations;
- Regulations concerning labor;
- Regulations concerning contractor's obligations and liability (Fi: tilaajavastuu);
- Data protection and information security regulations; and
- Environmental regulations

Prohibition of light entrepreneurship

GRK does not cooperate with so called light entrepreneurs. The Supplier warrants that it is not a light entrepreneur.

Ethical conduct

Suppliers must act in accordance with [GRK's principles of fair operations](#).

Human rights

Suppliers must comply with the principles of [GRK's human rights policy](#).

Sanctions regulation

Our Suppliers or their owners must not be subject to international sanctions, including but not limited to:

- Sanctions imposed by Finland and the European Union;
- Sanctions imposed by the United Nations Security Council;
- Sanctions lists maintained by the Office of Foreign Assets Control (OFAC) of the U.S. Treasury Department, such as the SDN list;
- Sanctions imposed by the UK Government (UK Sanctions List);

- Suppliers shall notify GRK without delay if they or their owners become subject to the aforementioned sanctions during the validity of the agreement.
- Suppliers shall provide GRK or a party acting on its behalf with all documentation required by GRK to demonstrate compliance with the aforementioned obligation.

Data protection and information security

- Suppliers shall maintain a high level of data protection and information security in their operations.
- If required by GRK, Suppliers shall commit to the minimum level of information security required by GRK.

Occupational health, safety and the environment

Occupational health and safety

GRK operates in accordance with its safety policy and ISO 45001:2018-certified operating system.

Safety policy:

- In accordance with our safety policy, we emphasise the following, among other things:
- Safety is part of everyone's professional skills.
- Proactive safety procedures are in place at all sites and for all employees.
- Every employee is orientated before starting work and the employees receive the necessary instructions for the use of machines and equipment.
- All near misses, railway safety incidents and accidents are investigated in accordance with instructions and the results of the investigations are utilized in the operations. Human factors are always taken into account in investigations.
- The safety level at each site is at least in accordance with the minimum level set by regulation.

Safe working conditions:

- Suppliers shall provide their employees and subcontractors with safe and healthy working conditions as well as appropriate protective equipment and orientation into the task. GRK requires that Suppliers and subcontractors commit to GRK's occupational safety objectives and promote them in cooperation with other operators.

Risk management:

- Toimittajien tulee tunnistaa ja hallita työterveys- ja turvallisuusriskejä sekä dokumentoida ja raportoida ne ajantasaisesti.

Environment

GRK Group operates in accordance with GRK Group's environmental policy and the ISO 14001:2015 certified environmental management system. GRK's operations aim for high energy and material efficiency. We carry out our work in such a way that we cause the minimum impact on nature and the environment. We therefore require our Suppliers to:

- Environmental protection: Suppliers shall minimise their environmental impact and comply with environmental legislation. In addition, Suppliers shall choose environmentally friendly solutions whenever this is technically and economically feasible.
- Resource efficiency: Suppliers shall promote sustainable development and use resources efficiently. In addition, we require our key Suppliers to report their CO2 emissions. "Key Suppliers" refers to the company's largest suppliers of steel, cement, aggregates, bitumen, aluminium, copper and wood.

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Risk purchases, reporting and auditing

Purchases from high-risk areas and industries

GRK strives to ensure that its purchases from high-risk areas and industries meet the required quality standards and ethical and other requirements. If required by GRK, Suppliers shall provide GRK with all of the documents and other receipts required by GRK and ensure that the Suppliers are able to obtain the necessary documents and other proof concerning their own supply chain as well. GRK has identified the following types of situations as high-risk:

- International shipments
- Procurement of steel, aluminium and copper
- Foreign subcontractors and their background networks

Auditing

GRK may audit the Suppliers' operations to ensure compliance with the requirements.

- Suppliers undertake to offer GRK or a third party designated by GRK (which, however, may not be a direct competitor of the Supplier) the right to carry out audits of the Suppliers' premises, documents and systems to ensure that the Suppliers comply with the requirements specified in this document. The information obtained during the audit will be treated as confidential in its entirety and will only be used for the performance of the audit and related purposes.

To conduct the audit:

- GRK shall give the Suppliers reasonable advance notice of the audit.
- Suppliers shall give GRK access to all relevant documents and information and facilitate access to their premises for the purpose of carrying out an audit. The Suppliers and GRK are each responsible for their own costs arising from the audits.

Reporting

Suppliers shall report their activities and any ethical violations as agreed.

Upon request and without separate compensation, the Supplier shall provide GRK with written reports and proof demonstrating compliance with the requirements. The report must contain, at the minimum:

- Measures, policies and documents related to the Supplier's compliance with corporate sustainability requirements.
- Any identified risks in meeting corporate sustainability requirements.
- Actions taken to address any deviations or risks.
- Other information required by GRK.

Suppliers shall inform GRK of the following without delay:

- Identified for suspected violations of corporate sustainability requirements.
- Significant changes in the Supplier's business that affect the Supplier's compliance with these corporate sustainability requirements, including their financial performance.
- Investigations or other legal actions initiated by competent authorities relating to the subject matter of these corporate sustainability requirements.

Suppliers shall submit the reports to GRK in writing and without undue delay.

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