



VALIO'S CODE OF CONDUCT (22.9.2020)

Common rules are everyone's right and obligation

The Code of Conduct covers the common rules for Valio people: what good business conduct means in practical terms, how we treat each other, and what are our operations like in line with laws and Valio's values. The Code of Conduct applies to all Valio people around the world. The Code of Conduct describes our ways of working.

Adhering to common rules is the obligation of every Valio employee, but clear and impartial guidelines are also the right of every employee. We all may encounter situations at work or outside of work where we don't know how we should act or where we aren't sure if we are acting within the limits allowed.

It is much easier and more convenient to stop and think about the right way to act or to ask for help than it is to discuss any misconduct afterwards. And remember, in a difficult situation it is good to turn to a colleague or supervisor and think about a solution together.

Annikka Hurme, CEO, Valio

The Code of Conduct communicates our common rules

- How we act in line with Valio's values
- How we treat each other
- How we collaborate with customers, consumers and suppliers
- How we operate as part of society
- How we act if we suspect inappropriate conduct

This Code of Conduct applies to all employees of Valio and its subsidiaries around the world. The Purpose of the Code of Conduct is to familiarise employees with important information about Valio's policies and practices and to provide guidelines for conduct. ¹

THE CONTENT OF THIS CODE OF CONDUCT INCLUDES FIVE PARTS

VALIO PEOPLE

- Valio's role and responsibility in society
- International principles respected by Valio
- Valio's and Valio people's values

FAIR BUSINESS PRACTICES

- We comply with laws, good business practices and are we honest
- We market and communicate responsibly

CONFIDENTIALITY

- We protect Valio's intellectual property and brand
- We respect privacy
- We take care of data security

OPERATIONS AS PART OF SOCIETY

- We promote sustainability
- We sponsor and give donations according our guidelines
- We select responsible collaboration partners

VALIO AS AN EMPLOYER

- We lead by example
- We treat each other equally and fairly
- We respect human rights
- We ensure a healthy and safe workplace
- We promote a climate of confidence and we address grievances

¹ Please note that this is not a contract, nor does it contain any promises or guarantees of any kind. This Code of Conduct is not intended to modify the terms of employment provided in an employee's employment contract or employment offer letter.

VALIO PEOPLE

Valio's role and responsibility in society

Food consumption and production have significant impacts on the environment, animals, and people's lives, locally and globally. Valio has an important role as part of society and people's daily lives.

Our products and innovations create wellbeing for people. At the same time, we develop milk production to be as sustainable as possible in terms of people, the environment and animals. We pay out all the profits to our owners, i.e. Finnish dairy farmers, through the cooperatives. In doing so, we secure rural vitality and the security of the food supply.

We operate openly with authorities and other stakeholders. We engage in a dialogue and learn from others, even when there is a disagreement on issues. We organise events where we openly communicate about Valio's operations and impacts on, e.g., society and the environment.

Valio's social impact is open and factually based. We collaborate proactively with authorities. Valio's statements are public, and Valio has registered in the European Commission's Transparency Register. Valio has registered in the European Commission's Transparency Register and e.g. Valio's statements regarding legislation development are public.

International principles respected by Valio

In our operations we respect human rights and are committed to promoting their realisation in line with international agreements and guidelines. We have taken the principles into consideration in Valio's own Code of Conduct and in the Supplier Code of Conduct.

The main international agreements and guidelines respected by Valio:

- The International Bill of Human Rights, IBR:
 - o UN Universal Declaration of Human Rights
 - o International Covenant on Civil and Political Rights
 - o International Covenant on Economic, Social and Cultural Rights
- UN Guiding principles on Business and Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprise
- U.N. Convention on the Rights of the Child

Valio and Valio people's values

The vision, mission and values are shared by all Valio employees in different countries. Our shared vision describes what we want to accomplish. Our mission describes what drives our operations. Our values are the foundation for our daily activities.

OUR VISION

Leader in innovative dairy and food solutions.

OUR MISSION

Together we make life better.

VALIO'S VALUES

Consumer and customer focus, Responsibility, Renewal, Collaboration

Consumer and customer focus

We engage in our customers' world and we offer the best customer experience.

- I focus on the customer and help create the best possible solutions for external and internal customers.
- I evaluate the added value created for the customer in my day-to-day work and prioritise my duties accordingly.

Responsibility

We take care of our owners, Valio people, animals, the environment and society. We take personal responsibility and are result-oriented.

- I act responsibly in my day-to-day work.
- My actions are based on clearly defined common goals, and I challenge myself to achieve my work goals.
- I take care of my working capacity, and I take responsibility for the continuous development of my expertise and the high quality of my work.

Renewal

We act in an agile way and are open to change.

- I have the courage to present and try new ideas, and I actively seek innovative solutions.
- I see changes as opportunities.
- I listen to others and learn from them, and I make use of the feedback I receive.
- I learn from my mistakes and try again.

Collaboration

We help each other to achieve the best results in a solution-oriented way.

- I have the courage to challenge, and I actively seek solutions to problems.
- I inspire others by my example, and I appreciate and make use of diversity.
- I ask for help, and I offer to help others.
- I share information and actively give constructive feedback.

RESPONSIBLE AND FAIR BUSINESS OPERATIONS

We comply with laws, good business practices and we are honest

In all of our operations and business relationships, we comply with applicable laws, good trade practices and our agreements with partners. We continuously monitor legislation and include its requirements in our operations. If our own guidelines are stricter than the local laws, we adhere to Valio's guidelines. Nevertheless, if local legislation provides different or additional rights or entitlements, it will be applied to employees subject to such laws.

We do not tolerate bribery or corruption, or gifts or entertainment that could influence on decision making. In decision making, the interests of Valio take precedence over the self-interest of the person. It is our responsibility to not participate in decision making in situations where the pursuit of a self-interest is possible. More specific instructions on avoiding bribery and conflicts of interest are available on the [Intranet](#).

We do not participate in business activities that have a suspected connection to money laundering, the funding of terrorism, or that have sanctions imposed on them. To ensure this, we maintain effective measures, such as screening customer information based on sanctions lists, and we react to warning signs of suspicious activities. We require the same from our customers and suppliers. More specific procedures are available on the [Intranet](#).

We respect fair competition and update our competence regularly (in Finland Fair competition training).

We market and communicate responsibly

The key principles of Valio's communication are credibility, transparency, interaction and planning. Our communication is factually based. Our marketing is in compliance with laws and regulations, proper, honest, and factually-based.

We openly highlight linkages and interests related to the issue being communicated. In addition to successes, when relevant we also disclose challenges, failures and corrective measures.

We engage in dialogue with various stakeholders and we learn from others, even when there is disagreement on issues. We encourage all Valio employees to be active communicators. If you are unsure about the public nature of an issue, ask your supervisor or the communications team.

It is best to be honest and accurate in social media. When we share Valio-related content, we participate in the discussion with respect for others, and we don't share trade secrets or other confidential information.

- We do not market our products directly to children under 13 years old, nor do we design our marketing communications in a way that directly appeals to children under 13.
- We do not have a presence in marketing channels disseminating hate speech.
- We do not tolerate employees posting information on social media that could be viewed as hostile or threatening, or that might constitute harassment or bullying.

Check out Valio's more detailed communications guidelines on the [Intranet](#).

CONFIDENTIALITY

We protect Valio's intellectual property and brand

A significant part of Valio's most valuable assets is intangible. Intellectual property includes, e.g., trade secrets, know-how, patents, brands, trademarks, designs, and copyrighted materials. Intellectual property created or developed during the employment relationship is owned by Valio, if it is related to work done at Valio.

Employees must respect the intellectual property rights of Valio and other parties, and must comply with all applicable laws targeting the intellectual property rights of Valio and its business partners. Valio's partners must understand that the right to use intellectual property rights related to Valio's brand portfolio, such as trademarks, designs and logos, must be confirmed by Valio.

We protect the confidential information of our customers and of Valio's and others' stakeholders, and we do not use such information for our own benefit or for the benefit of someone else.

We respect privacy

We comply with current laws and Valio's internal instructions in the processing of personal data. We collect, use, and maintain personal data only when it is necessary for the operations and there is a legal basis to do so.

We respect privacy and we comply with privacy protection laws at work. For example, disclosing or commenting on personal matters or matters related to a colleague's or their family member's health

is not permitted without consent from the person in question. We do not communicate to others about our customers' or partners' matters.

Read more about Valio's data protection practices on the [Intranet](#).

We take care of data security

We carefully protect and process confidential data. We take data security and data protection seriously, and we actively prevent the compromising of them. Every Valio employee must complete up-to-date data security training and commit to data security in their work.

We comply with applicable laws and respect privacy in data security monitoring. We report misconduct and violations using the agreed procedures.

Read more about Valio's policies and guidelines related to data security and data protection on the [Intranet](#).

RESPONSIBLE OPERATIONS AS PART OF SOCIETY

We promote sustainability

Every one of us is responsible in our own work for Valio's impacts on the surrounding world and society. We take the wellbeing of the environment, people and animals into consideration when we are making business decisions and in our actions in daily life.

We know our own environmental impacts, and it is our responsibility to reduce them. The principles for taking the environment into account are defined more specifically in Valio's Environmental Policy. Read more about the policy on the [Intranet](#).

We are determined to improve the wellbeing of people and animals, and we are part of the solution to sustainability challenges. Food safety is our priority in all decision making, and we take it into account by acting in accordance with our Food Safety and Quality Policy. Read more about the policy on the [Intranet](#).

We respect the land use, control and ownership rights of communities and indigenous peoples as well as the access rights to water and other natural resources, and we do not tolerate land grabbing.

We sponsor and give donations according our guidelines

In Finland we support exercise and balanced diets among children and young people through the Valio Akatemia® programme. We may support other projects at our discretion.

We do not support political parties or organisations, nor do we participate in the funding or support of election campaigns of individual candidates.

We can donate products for marketing and sponsorship purposes, provided that we comply with the guidelines drafted for them.

Check out the more specific guidelines on the [Intranet](#).

We select responsible collaboration partners

We expect our cooperation partners to operate responsibly, and we perform careful background checks before the start of collaboration.

All sourcing, i.e. purchases, must be done in accordance with Valio's sourcing process and in compliance with the sourcing policy. This way we can ensure the transparency, uniform criteria and management of sourcing. We want to ensure responsible sourcing, and we expect all our suppliers to commit to the principles described in the Supplier Code of Conduct.

Further information related to sourcing processes and practices is available on the [Intranet](#).

RESPONSIBLE EMPLOYER

We lead by example

We all share the same passion working at Valio: together we make life better while listening to our customers and encouraging one another.

The work contribution of every Valio employee is important. We invest in supervisory skills, people-centred management, and the development of team collaboration. We want every Valio employee to have a clear understanding of their own job and goals, and the opportunity to influence their own work and expertise. Interaction between management and personnel is regular and issues are discussed openly.

Valio supervisory work is guided by the shared leadership promise.

Supervisors at Valio:

- Inspire employees to achieve common goals, and lead the way.
- Continuously improve operations and facilitate change and development.
- Clarify goals and ensure that the right people are in the right jobs.
- Encourage participation, are present for employees and help others succeed.
- See the big picture and address essential aspects.
- Act in accordance with Valio's values.

We treat each other equally and fairly

We are a reliable and fair employer

We comply with international agreements, local legislation, and possible collective agreements related to the employment relationship. We do not circumvent employer obligations through, e.g., unwarranted internships, leased manpower, or subcontracting work; instead, we make sure that every employee has a valid reason for their role and fair working conditions.

- All employees receive clearly stated written terms of employment through an employment offer letter or employment contract.
- We give our employees paid annual leave and sick leave.
- Our employees have the right of association and the right to participate in trade union activities.

Read more about the employment-related guidelines on the [Intranet](#).

We respect and value each individual for who they are

In our operations we draw on the opportunities brought by diversity. We learn from each other and increase understanding from different perspectives.

For us it is important that Valio is a workplace that is free of discrimination and harassment, and that all people are treated respectfully. All people are equal at Valio, and we do not discriminate against anyone based on their gender, age, ethnic origin, nationality, language, religion, conviction, opinions, political activities, trade union activities, family relationships, health, disability, sexual orientation or other characteristic related to their person and protected under applicable law or Valio policy.

We make sure that there is no discrimination of individuals at any phase of the employment relationship, including recruiting, remuneration, changes in job duties or access to training.

- We do not tolerate physical, psychological, sexual or verbal abuse, harassment, or any form of intimidation and bullying.

Read more in the topic-related guidelines on the [Intranet](#).

Equal remuneration

The premise of Valio's remuneration is a remuneration package that supports Valio's strategy, goals and values. The aim of remuneration is to encourage employees to achieve set targets and to strive for performance excellence.

Valio ensures the equal and fair treatment of all employees by linking remuneration to job duties, the local wage level, and the performance of the individual and/or team. It is important to Valio to pay competitive wages consistent with the job description. Possible collective agreements and remuneration surveys help to ensure this.

In addition to wages and attractive remuneration, Valio offers other incentives, e.g. in the form of comprehensive employment benefits and service year bonuses.

- In all our countries of operation, we pay wages that are in line with any collective agreements or country-specific minimum wage and comply with applicable equal pay law and wage transparency regulations.
- Changes in possible collective agreements are monitored regularly and their changes are taken into account in operations.
- We pay our employees on time per pay period and in full.
- Deductions from pay are always done in accordance with applicable legislation and possible collective agreements.
- All employees receive a pay slip that describes the basis for determining the wages and the statutory deductions.

We are a flexible employer

Valio supports employee success at work taking into account the current stage of life and work, and offers flexible solutions. Among the practices used, where applicable, are various flexible work arrangements, an early support model, work and work-time arrangements, returning to work support and rehabilitation.

We invest in virtual and electronic tools that enable efficient and flexible work practices, and we support the possibility to work remotely if job duties allow for such.

We respect human rights

We respect all human rights, including the rights of women, children and migrant workers, and we do not tolerate the violation of them in any way. We have identified our own human rights impacts, and we work continuously to prevent and mitigate human rights risks from occurring. We regularly engage impacted stakeholders in our human rights work.

We do not tolerate the use of child labour, and the age and identity of all Valio employees is verified already in the hiring phase. Valio doesn't hire people under 18 years old, with the exception of for student internship programmes. In these cases, we take the intern's age into account in the safety of the work tasks, working hours, and breaks for example.

- We do not tolerate the use of forced labour or work in which an individual is put in a position similar to forced labour.
- We do not take possession of any employee's property, such as their personal identification documents.
- All employees are free to accept a job or to resign in accordance with the terms of the governing agreement or employment offer letter, without penalties or fines.
- We do not restrict the movement of employees outside of working hours or force an employee to use and pay for accommodation provided by Valio.
- There are no employee fees associated with our recruitment or employment.

We ensure a healthy and safe workplace

Ensuring the occupational safety and health of Valio employees is of utmost importance in all our operations. Our goal is to eliminate or minimise hazards targeting personnel, operations and property, and to ensure disruption-free operations. Our goal is for zero injuries and accidents. Employees must work in compliance with all posted warnings and safety procedures, report unsafe working conditions and potential hazards, as well as workplace accidents.

Valio's safety policy defines the safety management principles. Read more about them on the [Intranet](#).

Valio employees' capacity to work and to cope with changes and challenges in working life is supported in close cooperation with occupational safety and health. We have a variety of measures to improve Valio employees' work wellbeing and working capacity and to prevent employees' incapacity to work; these measures include working capacity management and an early support model.

Valio does not tolerate working or being at the workplace while intoxicated. We are committed to ensuring a drug-free and safe working environment for all our employees. At celebratory events, we can raise a glass together.

We promote a climate of confidence and we address grievances

Valio's Code of Conduct creates common rules for us and is an important part of the induction of a new employee and the knowledge of every Valio employee.

Implementation of the Code of Conduct at Valio

Implementation and maintenance

- Valio's General Counsel is responsible for Code of Conduct documentation and maintains it with separately appointed experts and managers in the area of responsibility.
- The implementation and timeliness of the Code of Conduct policies are reviewed annually by the Valio Executive Board.

Approval

- The Valio Executive Board is responsible for approving the Code of Conduct.

Communication and deployment

- It is the responsibility of every Executive Board member to communicate the Code of Conduct (also new versions/modifications) to their own organisations.
- Every manager and supervisor is responsible for the practical deployment of the Code of Conduct policies.

Commitment

- All Valio employees review the Code of Conduct, complete the Code of Conduct online training every other year, and seek supervisory support on interpreting the Code of Conduct.
- Compliance with the Code of Conduct is the responsibility of every Valio employee. We also help our colleagues to choose the right way of working, and we maintain a good work.

It is important to immediately address all inappropriate, dangerous or otherwise prohibited activity. We want all issues to be open to discussion, confidentially and with a focus on a solution. We have country-specific practices known to employees for handling possible misconduct. The goal of these practices is to ensure a fair review of matters from the perspective of all parties. Read more about addressing and warning procedures on the [Intranet](#).

If you suspect or notice activities in violation of the Code of Conduct, contact your own supervisor or the manager of your function. If that feels uncomfortable, you can anonymously report any concerns via the Whistleblowing channel. All reports are taken seriously and handled confidentially. There will be no consequences or retaliation against the employee who reports misconduct.

Read more about the Whistleblowing channel on the [Intranet](#).

It is easier to stop and think for a moment about the right way to act than it is to discuss any misconduct afterwards. And remember, in a difficult situation it is good to turn to a colleague or supervisor and think about a solution together.