

Human Rights and Environmental Due Diligence Policy

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Foreword

Transmeri Group is an international multi-industry group consisting of over twenty companies. We import, manufacture, and market consumer products, and act as a partner of industrial customers by offering industrial products and equipment. Transmeri Group is committed to conducting its business ethically and responsibly, and we expect the same from our partners. We work together with our suppliers and stakeholders to create a more sustainable future.

Kari Leimola
CEO, Transmeri Group

Introduction

We aim to offer our customers high-quality and safe products through sustainable supply chains that respect human rights and the environment. This policy outlines our Human Rights and Environmental Due Diligence (HREDD) process. Accordingly, we strive to manage potential and actual adverse impacts on people and the environment within our supply chain. We are committed to continuously improving our practices for managing these impacts and responding to identified risks.

Transmeri Group consists of the parent company Oy Transmeri Group Ab and its subsidiaries, some of which are their own sub-groups. All the group companies are listed on page 9. This policy applies to all companies and business units within Transmeri Group.

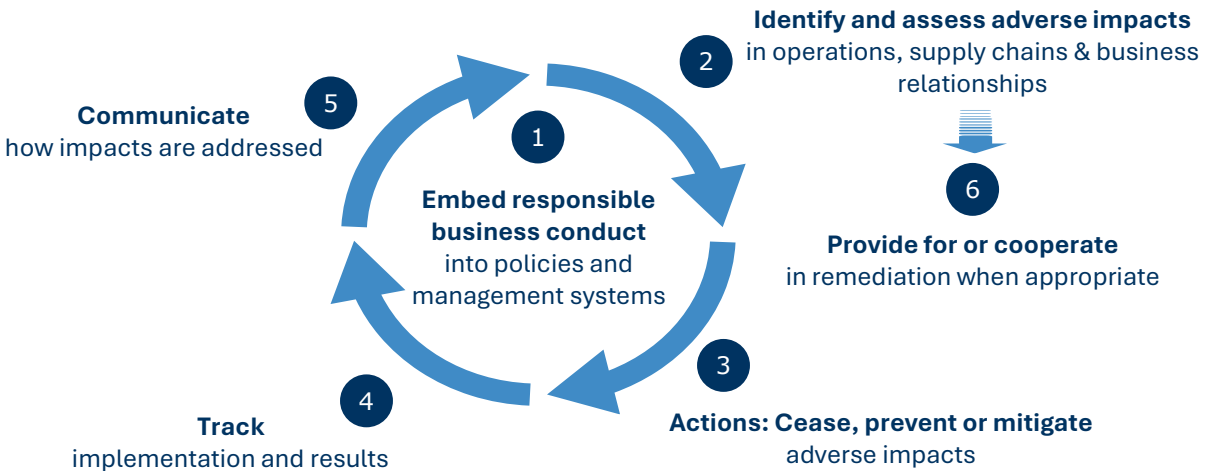
The policy aligns with the following international standards: the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the International Labour Organization (ILO) Conventions.

Due diligence at Transmeri Group

Through our due diligence process, we aim to improve the transparency of our supply chains, clarify responsibilities, and enhance continuous development. We implement the model with both group-level and company-specific solutions. This way, we leverage synergies between group companies while considering the specific characteristics of different industries and diverse supply chains.

In the policy, we focus on describing the common governance mechanisms that apply to all our companies. We clearly distinguish the company-specific tools and methods that are used by individual companies or some of them. These are not group-level solutions and are not used in all companies.

Our due diligence process:



1. Embed responsible business conduct into policies and management systems

Transmeri Group and all its companies are committed to responsible business practices, and we expect the same from our partners. In Transmeri Group, responsible business practices are integrated into the procedures and management systems at both the group and company levels. The group's common practices and systems apply to all companies, while company-specific tools address the individual needs of each company.

Sustainability program

Sustainable development is one of Transmeri Group's strategic priorities, and sustainability efforts are advanced according to the group's sustainability program. Promoting supply chain responsibility and managing human rights and environmental risks are reflected in the themes and goals of the sustainability program. The program is updated regularly every few years, and the most recent program is presented on Transmeri Group's website. The selected themes of the program are relevant to all group companies, and the targets and metrics of the group's sustainability program apply to every group company. Additionally, companies can create their own sustainability programs and set company-specific sustainability goals which are in line with the group's guidance.

Code of Conduct for employees and partners

The Code of Conduct provides guidance on the type of business Transmeri Group aims to conduct. Based on internationally recognized norms, guidelines, and principles, the Code of Conduct covers themes related to human rights, the environment, and data security. Every employee of the group must act in accordance with the Code of Conduct, and the same principles apply to all the group's partners, whose commitment to the principles is continuously monitored. Group companies may also create their own codes of conduct, as long as their content aligns with the group's principles.

UN Global Compact

Transmeri Group is a participant of UN Global Compact Finland which reflects the group's commitment to respecting human rights and the environment, adhering to labor principles, and combating corruption. The group is committed to promoting the UN Sustainable Development Goals and operating in accordance with the Ten principles of the UN Global Compact. This commitment and membership apply to the entire group and all its subsidiaries.

Company-specific tools

Group companies have company-specific methods to integrate responsible business practices into their own procedures. These methods apply only to the respective company and can also be targeted at specific business areas. Examples of company-specific management systems for human rights and environmental risks in the supply chain include standardized quality and environmental systems, membership in amforiBSCI, and internal procurement guidelines. Group companies independently decide on the implementation and management of these systems and practices.

Due diligence governance

The CEO of each group company is responsible for human rights and environmental due diligence. A designated person in each company is responsible for the implementation and execution of the due diligence policies and procedures. The person is supported by key personnel and internal stakeholders. Each company is thus responsible for managing human rights and environmental risks in its supply chain. The parent company supports subsidiaries in developing supply chain responsibility and aims to facilitate synergies and knowledge sharing between companies.



2. Identify and assess adverse impacts

Identifying and assessing risks is an essential part of Transmeri Group's due diligence process. It is the responsibility of the group companies to know their supply chains and identify related sustainability risks. Human rights and environmental risks in the supply chain are identified at both the group and company levels as part of business risk assessment processes and with tools designed for sustainability work.

Continuous principal and supplier collaboration

For Transmeri Group, principals and suppliers are key stakeholders in identifying and managing supply chain sustainability risks. Continuous collaboration and dialogue promote knowing the supplier and the supply chain. Especially in long principal and supplier relationships, cooperation can be deepened, which supports the identification of potential adverse impacts and the development of operations. Transparency and knowledge of supply chains are essential in identifying any risks.

Risk maps

Business risks are assessed annually in the group companies using risk maps. Each company's CEO and management team is responsible for assessing the risks. The boards of the group companies review the companies' risk maps annually. The overall work is guided by the CEO of Transmeri Group. In the risk maps also risks related to partners and the supply chain are evaluated. The process of identifying risks and the tools used are continuously developed.

Double materiality analysis

Positive and negative impacts related to sustainability, both in our own operations and in the value chain, are identified and assessed through a double materiality analysis. In the analysis, actual impacts and potential risks are identified and assessed company-specifically with direct subsidiaries, after which a group-level summary and analysis are compiled. In addition to identifying impacts, the analysis evaluates their severity and, for potential risks, also their likelihood. The analysis and identified human rights and environmental risks are reviewed and updated at regular intervals.

Risk assessment for new businesses

When planning the acquisition of a new company or business within Transmeri Group, a sustainability assessment of the potential business is part of the due diligence process. This ensures that the potential new business aligns with the group's Code of Conduct and can commit to the group's sustainability program. Supply chain responsibility and potential sustainability risks are an essential part of the assessment.

When new companies or businesses join the group, they also become part of Transmeri Group's sustainability program and fall under the group's Code of Conduct. The introduction to sustainability-related management systems, principles, tools, and monitoring systems is aimed to be carried out as soon as possible after the acquisition. At the same time, the existing ethical and responsible business practices of the acquired company are integrated with the principles of the Transmeri Group in a suitable and collaborative manner.

Company-specific tools

Company-specific risk identification tools address the needs of Transmeri Group's diverse businesses and supply chains. Companies identify potential human rights and environmental risks related to supply chains and specific raw materials using various methods. Some companies have implemented supplier questionnaires and supplier assessments to gather information about suppliers and evaluate supply chain risks. Audits, conducted either internally or by a third party, are also used.

3. Cease, prevent or mitigate adverse impacts

Ensuring the sustainability of supply chains is important to Transmeri Group, and the group is committed to primarily preventing and, if necessary, stopping or mitigating adverse impacts on people or the environment. Developing supply chain sustainability cannot be achieved alone, which is why the group works together with its partners to manage identified risks.

Supplier selection

Partners play a significant role in the implementation of supply chain due diligence and in preventing, ceasing, and mitigating identified sustainability risks. Considering human rights and environmental risks in supplier selection and aligning sustainability expectations at the beginning of the partnership enables smooth collaboration and effective management of sustainability risks.

Transmeri Group requires its business partners to comply with applicable national and international requirements and laws. This includes both general requirements and industry-specific regulations. Additionally, the group's partners are expected to commit to Transmeri Group's Code of Conduct or a similar ethical guideline.

Group companies have several long-term principal and supplier relationships. Long relationships with stable partners enable deepening cooperation and effectively addressing identified sustainability risks in the supply chain.

Supplier disengagement

Transmeri Group aims to enable effective collaboration and open dialogue with its partners. If a group company identifies adverse human rights or environmental impacts in its supply chain, it assesses the situation and works with its partners to cease or mitigate the impacts, and, if necessary, to remedy them. If the situation cannot be improved despite efforts, the last resort is to responsibly terminate the partnership with the respective partner. The potential impacts of ending the partnership on people or the environment are considered when making the decision.

Company-specific tools

Group companies have set more specific requirements for their partners, which may apply to all or certain types of partners. The most common requirements include different audit and certification systems, which may be required from contract manufacturers' production facilities, suppliers operating in identified risk countries, or suppliers providing or utilizing identified risk raw materials. Additionally, some group companies have decided not to use certain raw materials or procure products manufactured in certain countries due to significant risks of human rights or environmental violations associated with them.

4. Track implementation and results

Transmeri Group's Code of Conduct communicates the requirements for all employees and partners, and the companies specify them according to the needs of their operating environments and stakeholders. The commitment of suppliers to the common principles and the development of supply chain sustainability are monitored internally at both the group and company levels. Monitoring with suppliers is conducted in ways determined by the companies.

Monitoring the goals of the sustainability program

The group's sustainability program defines the goals related to managing supply chain sustainability for the entire group. The achievement of these goals is monitored annually using defined metrics, and the results are used to improve operations. Additionally, group companies may set their own more specific or ambitious goals, which are monitored on a company-specific basis.

Company-specific tools

Companies use various tools to monitor the development of supply chain sustainability. Supplier questionnaires conducted in some companies regularly collect information about the supply chain, enabling not only the identification of sustainability risks but also the monitoring of supplier development. Regular supplier assessments and audits examine the implementation of different sustainability aspects and track the progress of sustainability. Companies utilize self-conducted supplier assessments as well as audits conducted by external parties such as amforiBSCI. External assessments, such as Ecovadis certification, targeting Transmeri Group or a specific company within the group provide comprehensive sustainability evaluations that indicate the current state and progress of sustainability efforts. Companies independently determine the criteria and methods suitable for their operating environment and tools to monitor the management of human rights and environmental impacts and how to respond to the results obtained through various tools.

5. Communication and reporting

The implementation of the due diligence process is ongoing work to which Transmeri Group is committed. Managing and developing supply chain sustainability happens in collaboration with partners, making open communication and trust key factors. The group is committed to communicating its activities and progress openly using various platforms.

Human rights and environmental due diligence policy

This policy is available on the parent company's website. The policy is reviewed annually and updated when necessary. Smaller updates, such as clarifications of process steps and tool updates, are made with the approval of the group's CEO, while broader updates that change the entire due diligence process are approved by the group board. Changes to the policy are communicated internally, and broader or task-specific training is organized as needed.

Sustainability reporting

Transmeri Group communicates its due diligence process and its implementation in the group's annual sustainability report. Group companies may also choose to communicate about the management of supply chain sustainability and actions related to the due diligence process in their own sustainability reports and annual reviews.

Continuous stakeholder engagement

The group communicates its actions and enhances its understanding of supply chain sustainability by continuously engaging its stakeholders. Open dialogue with partners is essential for identifying sustainability risks in the supply chain and improving operations. Internal cross-company discussions enable shared learning and the exchange of best practices.

6. Provide access to remedy

The primary goal of Transmeri Group is to identify and prevent human rights and environmental risks in the supply chain. Despite efforts, violations related to human rights, or the environment may still occur. Providing a reliable and secure channel is crucial for internal and external stakeholders to report any concerns and misconduct. The group has implemented grievance mechanisms that stakeholders can use to report issues.

Internal grievance mechanism

Every employee of Transmeri Group has the right and duty to report any concerns of actions that violate the group's Code of Conduct or other internal guidelines. The concern may be related to the group's own activities or those outside the company, including the supply chain. The first point of contact for reporting a concern is one's immediate supervisor or the supervisor's supervisor. The concern can also be reported directly to the HR Director. It is the supervisors' responsibility to ensure that all reported concerns lead to appropriate actions.

Whistleblowing channel

Transmeri Group's Whistleblowing channel is a tool for maintaining ethical principles and trust. Through it, all internal and external stakeholders can anonymously report suspicions of crimes, violations, or misconduct. The channel is provided by an external service provider to ensure confidentiality. All notifications made to the channel are handled by the group's management and resolved appropriately. The number of notifications made to the channel is reported annually in the group's sustainability report. The link to the Whistleblowing channel can be found from both the parent company's and group companies' websites.

List of group companies

The HREDD policy applies to all companies and business units within Transmeri Group. The companies belonging to Transmeri Group at the time of publishing this policy are listed below.

Oy Transmeri Group Ab (FIN)
Oy Transmeri Logistics Ab (FIN)
Miraculos Oy (FIN)
Oy Transmeri Ab (FIN)
Transmeri Nordic Ab (SWE)
Banmark Oy Ab (FIN)
Kiertopaine Oy (FIN)
Banmark Voiteluaineet Oy (FIN)
Orat Oy (FIN)
Transmeri China Ltd (CHI)
AB Banmark (SWE)
A/S Kaupmees Grupp (EST)
A/S Kaupmees & Ko (EST)
A/S Kaupmees Investeeringud (EST)
Karisma food Oü (EST)
Vegeolog Oü (EST)
Vitamiinikuller Oü (EST)
Jahelogistika Oü (EST)
SILRO Logistics OÜ (EST)
A/S Tridens (EST)
UAB Tridens (LTU)
SIA Tridens LV (LTV)
Tridensi Kuressaare Kaubalao OU (EST)

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