

Modern Slavery Statement and Statement on Human Trafficking

Statement for Financial Year 2022

At Vaisala Ltd (“Vaisala”) we have a zero-tolerance approach to any form of modern slavery and human trafficking. We are committed to acting in an ethical manner, with integrity and transparency in all business dealings.

This statement sets out the steps that Vaisala Group has undertaken - and continues to take - to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

This statement is made pursuant to section 54 of the UK Modern Slavery Act 2015.

Vaisala in Brief

Vaisala Corporation, Vaisala Ltd’s parent company is a global leader in environmental and industrial measurement. Building on over 80 years of experience, we provide observations for a better world. We are a reliable partner for customers around the world, offering a comprehensive range of innovative observation and measurement products and services.

Headquartered in Finland, Vaisala employs over 2,200 professionals worldwide and is listed on the Nasdaq Helsinki stock exchange. In 2022 Vaisala net sales were 514.2M€. We have a strong market presence in all over the world with representatives in over 90 countries.

Human Rights

Integrity is one of Vaisala’s core values. We have a deep founded respect for people and our technology solutions touch millions of people’s lives each day. With such a global reach comes responsibility for doing things right. We have a longstanding tradition of ensuring people are treated fairly, both in Vaisala and in all parts of our value chain. In line with the United Nations Guiding Principles on Business and Human Rights, we are committed to respecting internationally recognized human and labour rights as set out in the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

Internal supply chain risk assessments suggest that risks for human rights infringements are most likely to be found in third tier suppliers and beyond. Typical issues are the same as in other electronic manufacturing supply chains, including but not limited to: unpaid or excessive overtime, dangerous working conditions, bonded labour, and low wages. Risks in Vaisala’s supply chain are mitigated by working closely with first tier suppliers and insisting on policies that go beyond what would be required by local legislation and obliging them to ensure that human rights are respected also in their supply chains.

Vaisala Policies

Most of our employees are highly educated professionals. However, we operate in a wide range of different countries and different cultures. Therefore, it is important for us to ensure that the fair labor conditions are realized for all of our employees and workers in the upstream supply chain.

We operate a number of Policies to ensure that we are conducting business in an ethical and transparent manner. These include:

1. Vaisala [Code of Conduct](#). This code explains the manner in which we behave as an organization and how we expect our employees and suppliers to act. This Code is implemented by training our employees and requiring periodical training and acknowledgements of their compliance with the Code.
2. [Supplier Code of Conduct](#). The Code sets out the standards required of our suppliers and is a mandatory part of supplier agreements. The Supplier will monitor compliance with this Code of Conduct, and provide Vaisala with information on any activities, which might violate the compliance. The Supplier will also provide Vaisala with documentation regarding any of the elements listed in the Code of Conduct on request, and allow Vaisala or person(s) authorized by Vaisala to perform compliance reviews, including on-site audits.
3. [Vaisala Supplier Requirements](#). This list of requirements is an extended version of the Supplier Code of Conduct that specifies in more detail the requirements Vaisala sets for its suppliers.

Vaisala Statements

To enforce these Policies, Vaisala makes sure the following Statements are met in its own operations, and requires the same from all entities in its supply chain:

- We refrain from using any form of forced or child labor or engaging in human trafficking.
- We do not employ low-skilled foreign or domestic migrants.
- We do not hold onto our workers' identity papers, or work with partners that do.
- We do not demand deposits or charge any recruitment fees, such as fees for soliciting, identifying, considering, interviewing, referring, retaining, transferring, selecting, testing, training, recommending employees or potential employees.
- We do our best to ensure that the information provided during recruitment covers all the key terms and conditions from the recruit's perspective. This shall include no misleading or fraudulent practices during the recruitment process. The employment contract and other required work documents are made in written and in language that the employee understands. We provide our employees with all the required documents in a timely manner.
- We ensure that our employees work voluntarily in a safe and responsible workplace.
- We verify that our employees are adequately educated and skilled to work in the position where we are recruiting and train them to meet our requirements for safety, security, and ethical conduct at the workplace.
- We carry out document checks to verify candidates' age and other qualifications.
- Our employees are paid regularly, in full and on time.

- We respect applicable international standards and national laws and regulations concerning maximum hours and minimum breaks and rest periods.
- We do not tolerate harassment or discrimination of our employees as detailed in Vaisala's Code of Conduct.
- We do not provide housing to our employees.

Grievance Mechanisms

We recognize that there may be situations where due diligence is needed to investigate potential policy violations. We welcome our people and suppliers to speak up about any unethical behaviour. Vaisala provides a whistleblowing channel for employees and external stakeholders, which allows denunciation of suspicious activities anonymously. It is important that all employees know they can raise concerns about unwanted behaviour, or practices within our business or supply chain, without fear of reprisals. The channel is also used as an operational-level grievance mechanism to process any complaints towards Vaisala. Vaisala's Compliance Committee handles all cases brought up through the channel. Vaisala has not ever retaliated against a complainant and ensures that the reporting does not cause any kind of harm to the complainant. The reported complaints or concerns are addressed immediately, and the complainants are informed about the progress of the handling process, if they have given their contact information.

Supply Chain

Vaisala's direct suppliers are located close to its manufacturing sites. The company sources components and mechanical parts primarily from Finland, Western Europe, and the United States, and to a lesser extent from Asian countries. Raw materials used in Vaisala's own sensor factory are currently sourced exclusively from Europe. The supply chains resemble those of other typical global electronic manufacturing industry supply chains.

Vaisala operates a supplier policy and maintains a preferred supplier list.

We conduct due diligence on all suppliers before classifying them as a preferred supplier. We monitor direct suppliers regularly and carry out audits depending on their risk profile.

Suppliers or contractors may be subject to onsite audits, which may be announced or unannounced, as part of our supply chain monitoring. Audits may be performed either by Vaisala personnel or third-party auditors. We are committed to develop the relationship with our suppliers to make sure they are meeting our expectations. If non-conformities to Vaisala's supplier requirements occur, we will work together with suppliers and contractors to help them understand how to remain in compliance with these requirements. In case of a breach to the Supplier Code of Conduct, we may ultimately terminate the contract.

Supplier Requirements

Our Code of Conduct, Supplier Code of Conduct, Supplier Requirements, and Procedures described above form part of our contract with all suppliers and they are required to confirm that no part of their business operations contradicts these policies.

Our Code of Conduct and Supplier Code of Conduct and their related processes include clauses on anti-slavery and other human rights issues.

By signing Vaisala's Supplier Code of Conduct, the supplier confirms that it is not violating following terms. The suppliers agree to extend the same requirements to their own supply chains.

1. The Supplier will respect internationally recognized human rights and ensure fair labor conditions.
2. The Supplier will refrain from any harassment and discrimination based on race, color, age, gender, sexual orientation, ethnic origin, disability, pregnancy, religion, political affiliation, union membership or marital status in all employment practices, and will respect the employees' freedom of association and collective bargain.
3. The Supplier will not use forced or child labor of any kind (the term "child" refers here to persons under the minimum legal working age of 15 (or 14 where local laws stipulate), or the age of completing compulsory education, whichever is higher).
4. The Supplier will also comply with the applicable laws and regulations regarding maximum working hours, minimum wage and other elements of compensation.

Verification is part of continuous supply chain management and compliance of our first-tier suppliers is monitored regularly through assessment questionnaires, audits, and ongoing dialogue with the suppliers. All new suppliers are audited as a standard procedure. Existing supplier base is audited based on a risk assessment. Vaisala complies with UK Modern Slavery Act the combination of these procedures.

Training

Vaisala started training key employees on modern slavery and related human rights issues in 2018. The primary focus is on employees with responsibilities in Vaisala's supply chain and those who may encounter these topics in their work. The trainings are held regularly and aim to educate our employees to identify risks concerning modern slavery and other human rights issues.

Approval of this Statement

This statement has been signed by Director Phil Griffiths and has been approved by the Board of Directors of Vaisala Ltd.



Mr Phil Griffiths, Director
for and on behalf of Vaisala Ltd.

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