



## CODE OF CORPORATE SOCIAL RESPONSIBILITY

### Background

STUK International Ltd. is a special task company fully owned by the State of Finland. It provides expert services related to safety of the peaceful uses of nuclear energy and radiation and is authorized to practice related research and development activities. Furthermore, the company can own and manage stock, shares, equipment, real estate and intangible rights and trade and lease these.

Corporate social responsibility means that the company not only considers the financial implications of its decisions, but also the social, regional and environmental impact of its operations. The Code of Corporate Social Responsibility is based on the explicitly written Code of Ethics (Annex 1) and the Anti-bribery and Corruption Policy (Annex 2) of the company.

When performing project activities, the company aims to contribute to promoting and supporting wellbeing, equality and democratic practices and values in the country of operation. In this regard, the exemplary conduct demonstrated by the company and its most important partner, the Finnish Radiation and Nuclear Safety Authority (STUK), is the key. All decision-making relies heavily on the Government's decision-in-principle on ownership policy (8 April 2020), and the board of the company shall verify compliance with the Code of Corporate Social Responsibility as part of its annual planning. Matters concerning corporate social responsibility are reported to the owner in annual meetings.

### Financial Responsibility

A responsible company looks after its profitability and competitiveness. In so doing, it can succeed in achieving the best possible financial result. However, financial performance cannot and should not be based on ethically or morally dubious practices. In accordance with the existing legislation and the decision-in-principle on ownership policy, the company wishes to highlight the following key principles with regards to its financial responsibility:

- Company operations are governed by its own Anti-bribery and Corruption Policy.
- Before entering into a customer relationship, the company shall verify that the relationship does not involve money laundering or supporting terrorism. External experts are used for this process, if necessary.
- Funding required by the company is sought from the owner and/or from publicly known, reputable financial institutions. The costs of liabilities (interests) and loan instalments are handled in the agreed manner.
- The company does not engage in aggressive tax planning. In principle, the company pays its taxes in Finland. Any tax agreements concluded by the State of Finland are taken into consideration in this context.



- The salary of the CEO and other management is based on total compensation and shall be reasonable.
- Remuneration of the company management comply with the policies provided by the ownership steering of the State and are both reasonable and equal. Supplementary pensions are not used as remuneration s. The board of the company decides on the remuneration.
- The annual general meeting decides on remuneration to the board of the company. The remuneration policy has been laid out in the Government's decision-in-principle on ownership policy.

## Social Responsibility

Social responsibility refers to all the effects that the company operations have on different groups of people and communities. The policies of Finland and the EU are reflected in the human rights issues, taking into account, however, the country of operation and its customer dimension. Social responsibility appears in the company operations in the following activities:

- The physical health and safety of in-house staff and staff working in the subcontracting chain shall be ensured. To achieve this, the company requires strict compliance with the existing Finnish legislation. The legislation of the country of operation shall be respected and its effects taken into consideration.
- All employees shall be treated equally while respecting cultural differences, and this shall be ensured regardless of the individual's gender, age, ethnic background and religion.
- The use of child labour is in no circumstances acceptable, and if a suspicion of such conduct exists, the company shall report it to the authorities.
- If the company notices any signs of human trafficking, the authorities will be notified.
- A key tool of social responsibility is stakeholder dialogue, and the company engages in such dialogue actively with the owner, the subcontractors, the authorities and its customers.
- Enabling stakeholder dialogue helps ensure that any human rights violations and violations of employees' rights can be anonymously reported to the company, if needed.

## Environmental Responsibility

As a responsible company, STUK International Ltd. is aware of the environmental impact of its operations and complies with the related legislation. Any needs for change are identified and taken into consideration as part of the operational development of the company.

The company does not undertake direct production activity (use raw materials, refine them into products and sell them to the market), but provides an expert service based on



competence (immaterial commodity). The handling of environmental responsibility is based on the above, and the key principles to follow are listed below:

- Climate change is a global challenge that concerns not only all citizens, but also all companies, including STUK International Ltd.
- The services the company provides (ensuring the safe use of nuclear energy) indirectly contribute to fighting climate change (reducing greenhouse gas emissions with CO<sub>2</sub>-neutral nuclear energy).
- The fundamental principles of the company's in-house operations are energy saving, reducing the amount of waste and recycling. These measures are carried out in the operating environment.
- The service production of the company is being developed to make it digital. These services that utilize remote connections make it possible to help reduce greenhouse gas emissions.

## Corporate Social Responsibility Risks

The company has a separate risk management tool. Corporate social responsibility risks are included in this tool.

## Summary

STUK International Ltd. is a special task company fully owned by the State. The company produces and sells expert services, not material commodities. The corporate social responsibility of the company is divided into financial, social and environmental responsibility. The last of these also includes so-called regional responsibility.

Corporate responsibility is part of the company's business plan, and the principles of corporate responsibility are considered in annual planning and budgeting. Corporate responsibility is reflected in the business strategy.

The business operations of the company help the Radiation and Nuclear Safety Authority (STUK) to maintain its competence through international service projects that are subject to a charge. Furthermore, the interaction between the company and its stakeholders supports the broader fulfilment of social responsibility in society as a whole. These contributions are significant when assessing the state ownership of STUK International Ltd. in terms of the overall national economy.