

Whistleblowing policy and ethical channel

1 Background

We value an ethical and open business culture where anyone can openly come forward with any issues in our operations. We adhere to legislation and mutually agreed values that are a part of our practices. Our goal is to operate openly and transparently and to comply with legislation and our agreed values. In accordance with our values, we put our customers first, we work together, we are professional and we deliver results.

According to The Act on the Protection of Persons Reporting Infringements of European Union and National Law (1171/2022 and its amendments) (*'Whistleblower Act'*), ARE Oy ('ARE' or 'company') is obligated to establish an internal whistleblowing channel for reporting any infringements within the scope of said legislation. ARE also wants to encourage its employees to report other types of suspected breaches and issues.

By reporting through the ethical channel, employees and certain other stakeholders have the opportunity to safely report illegal and/or unethical activities, practices that threaten the health or safety of employees and actions that are harmful to the reputation of the company. The report can be made openly or anonymously through the company's ethical channel.

With this policy, we aim to ensure the implementation of our Code of Conduct and to maintain trust in our operation. Moreover, the goal of this policy is to encourage reporting without having to worry about being victimised, discriminated against or disadvantaged, and to ensure that the investigative process is appropriately managed.

This policy is fully applicable to ARE Oy's business operations. ARE Sverige AB and other companies outside Finland employ their own whistleblowing channels in accordance with the preconditions of local legislation.

2 Reporting suspected misconduct

2.1 Issues that should be reported

A report submitted through the ethical channel may pertain to a breach of legislation within the scope of the Whistleblower Act and to any activities which infringe on ARE's code of conduct or good business practices or to any activities which might otherwise harm the company or the group or pose a risk to life or health.

The Whistleblower Act is applied to breaches within the scope of the legislation, with certain exceptions in the following legislative areas:

1. public procurement, excluding defence and security procurement;
2. financial services, products and markets;
3. prevention of money laundering and financing of terrorism;
4. product safety and compliance;

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5. traffic safety;
6. environmental protection;
7. radiation and nuclear safety;
8. food and feed safety and animal health and well-being;
9. public health as stipulated in Article 168 of the treaty on the functioning of the European Union;
10. consumer protection;
11. protection of privacy and personal data as well as security of network and data systems.

Please note that for the legislative areas specified above, the Whistleblower Act is applied only to such suspected acts or neglections:

1. which are punishable as criminal offences;
2. which may lead to punitive administrative consequences; or
3. which may otherwise seriously jeopardise the achievement of the objectives in the general interest of the legislation.

In addition, the Whistleblower Act is applied to whistleblowers who report suspected misconduct with regard to an infringement of a law related to financial management of the European Union, subsidies or state aid provided by the European Union or its Member States, competition rules or corporate taxation. Scope of Whistleblower Act is stipulated in more detail in §2 of the law.

Please note that the procedure stipulated in the Whistleblower Act is only applied to reports that are within the scope of said legislation. You may, however, report other suspected infringements through the ethical channel as well.

Issues not within the scope of the Whistleblower Act include, for instance:

- serious risk to human life or health (breach of occupational health and safety)
- discrimination, bullying and harassment
- conflicts of interest
- violations of ARE's code of conduct and good business practices

Issues not within the scope of the Whistleblower Act are investigated in accordance with applicable legislation and this policy and any other currently valid guidelines.

2.2 Submitting a report

We recommend that all reports be submitted through ARE's ethical channel (<http://report.whistleb.com/are>). The whistleblower may choose to include their name to the report or remain anonymous.

If the issue pertains to a breach of occupational health and safety or discrimination, bullying or harassment, the report can also be made to the employee's own supervisor. If the issue

concerns supervisor conduct or there is suspicion of a supervisor not taking a report seriously, the report should be submitted to the human resources department.

The ethical channel is under the administration of WhistleB which is an independent external service provider. WhistleB does not store any metadata related to the reports and cannot identify the IP address of the whistleblower. Through the ethical channel, people in charge of processing the report and the whistleblower may engage in dialogue. Reports are processed only by appointed ARE employees and any external experts assisting in the investigation.

The whistleblower is not required to have strong evidence before submitting a report of suspected misconduct. However, reports shall be made truthfully and in good faith. Submitting a false or fraudulent report is a serious offence that may lead to disciplinary measures.

2.3 Whistleblower protection

Whistleblowers who have submitted reports may not be subjected to any countermeasures. This is strictly prohibited. Whistleblowers may not also be prevented from submitting a report in the ethical whistleblowing channel.

According to the Whistleblower Act, prohibited countermeasures include, for instance, procedures which would lead to reduced conditions of employment, termination of employment or a temporary lay-off or to other unfavourable conduct towards the person as a consequence of submitting a report in the ethical channel or having otherwise participated in solving the matter.

Similarly, as stipulated in the Whistleblower Act, it is prohibited, for instance, to terminate a contract with a contracting party prematurely or to otherwise act unfavourable towards the contracting party as a consequence of them submitting a report in accordance with the Whistleblower Act or having otherwise participated in solving the matter.

2.4 Data privacy of the subject of the report and information provided to them

The subject of the report shall be treated fairly. All parties involved have the right to review the reported information concerning themselves and demand rectifications if the information is inaccurate, incomplete or obsolete. However, in applying these rights, security matters shall be taken into account where pertinent to the prevention of destroying evidence or obstructing the processing of other reports and investigations, as stipulated in applicable legislation. Similarly, any preconditions stipulated in data protection legislation and the Whistleblower Act shall be taken into account.

3 Processing of reports

3.1 Persons responsible for processing reports:

The Whistleblowing team consists of the following individuals who are responsible for processing the reports:

- Tuomas Santala, General Counsel, SVP Legal

- Maiju Nupponen, SVP HR, Communications and Sustainability
- Jari Mikkonen, CEO
- Sari Kaikkonen, CFO

Where necessary, the Whistleblowing team may be supplemented with more report processors.

3.2 Processing of reports

All reports are taken seriously. The Whistleblowing team processes reports confidentially and without delay. The Whistleblowing team takes immediate action required to verify the validity of the report and, where necessary, to address the suspected breach or to refer the matter to relevant authorities for investigation.

The report obligates the Whistleblowing team to assess the situation and the severity thereof. The assessment shall include a brief analysis of the events, specify the parties involved and suggest follow-up measures. The assessment shall also determine the roles and responsibilities for the purpose of conducting the investigation.

The investigation is led by a responsible person from the Whistleblowing team. After hearing the investigative team, the responsible person is tasked with drawing up general guidelines, drafted in the course of the investigation and outlining where to direct the investigation and which measures to take.

In addition, reliable external investigators may be requested to assist in the investigation. This may become necessary due to the extent and the nature of the misconduct, for instance, or if individuals in charge of processing the reports are suspected of misconduct. The decision on using external investigators is made by the Whistleblowing team.

The whistleblower is provided a receipt notification within seven days upon reception of the report. If necessary, the whistleblower may be requested to provide more information through the ethical channel.

Within three months of the receipt notification, the whistleblower shall receive information regarding the measures that are to be taken or are considered to be taken based on the report. However, legal limitations regarding confidentiality and privacy and the required investigative measures shall be taken into account in the communication.

3.3 Finishing the processing

The Whistleblowing team decides on follow-up measures and whether an actual misconduct investigation is started, with the help of external experts where necessary.

A decision to finish the processing is made by the responsible person of the Whistleblowing team in cooperation with other members of the investigative team. Processing of a report may be finished if:

- the report proves to be false;
- there is not enough information available for further investigations;
- the reported issue has already been solved.

Conclusion of the matter is appropriately documented and documentation is archived. Each quarter, the Board of Directors is provided a summary of submitted whistleblower reports. The information in the summary is kept anonymous.

3.4 Consequences and remedies

Depending on the severity of the misconduct and within the preconditions set in legislation, the employee responsible for the misconduct may, for instance, be issued a notice or a warning or their employment contract may be terminated or rescinded. Depending on the misconduct, the employee may also be subjected to a claim for damages or other consequences.

Moreover, each case is always assessed to determine the need for any other corrective measures the matter may require. If the organisation is seen to have shortcomings in the way it conducts its business, the shortcomings are corrected and organisational policies are adjusted accordingly. For instance, guidance or specific training may be provided to employees where necessary.

3.5 Exclusions in investigations

If a report involves a member of the Whistleblowing team, the member is considered biased and shall exclude themselves from the investigation. The bias and the exclusion are documented. Investigations shall be conducted by individuals who are not disqualified to do so due to bias. If required, an independent external expert shall assist in the investigation. Any disqualified individuals are denied access to all documentation related to the issue.

Where a matter involves the CEO, the chairperson of the Board of Directors shall also be appointed to participate in the processing, as necessary.

3.6 Retention of reports and privacy

Each report is processed separately by the Whistleblowing team only. No company personnel nor supervisors or upper management have access to an individual report or to any whistleblower information unless they are a member of the Whistleblowing team. Any materials and the report created during the investigation are archived securely. Access is limited to the Whistleblowing team. However, reports not within the scope of the Whistleblower Act (e.g. harassment or other issues related to employment relations) may be referred to another relevant entity, such as the human resources department, for investigation in accordance with current company processes.

As stipulated in the Whistleblower Act, members of the Whistleblowing team shall be committed to the statutory non-disclosure obligation regarding the identity of the whistleblower and the subject of the report. However, the identity of the whistleblower or other individuals included in the report may be disclosed, in accordance with legal requirements, to e.g. experts, authorities or courts that assist in verifying the validity of the report. The whistleblower shall be notified of the disclosure in advance if the notice does not jeopardise any investigations, preliminary investigations or legal proceedings. Consent to the disclosure shall be obtained where required by law.

Reports and other materials are retained only as long as is needed to resolve the issue. Any unnecessary information is removed without undue delay. As per the Whistleblower Act, reports and other materials are removed five years after the receipt of the report, unless it is necessary to retain the materials for the fulfilment of legal rights or obligations or for the establishment, exercise or defence of legal claim.

For more information on the processing of personal data, please see the privacy statement of the ethical channel.

3.7 External whistleblowing channel

ARE's ethical channel is the primary mechanism for reporting any suspected misconduct.

However, in accordance with the Whistleblower Act and its preconditions defined in §8, the whistleblower is entitled to submit a report through the centralised external reporting channel of the Office of the Chancellor of Justice if:

- 1) the suspected infringement is within the scope of the Whistleblower Act; and
- 2) ARE's ethical channel is not available for some reason or the whistleblower has not been given the opportunity to submit a report through the ethical channel; or
- 3) the whistleblower has a justifiable reason to believe that their report has not lead to the actions required to verify the validity of the report and to address the breach, within the three-month time limit; or
- 4) the whistleblower has a justifiable reason to believe that the breach cannot be efficiently addressed on grounds of an internal report; or
- 5) the whistleblower has a justifiable reason to believe that they are in danger of being subjected to countermeasures due to the report.

The Office of the Chancellor of Justice acts as a centralised external reporting channel for whistleblower protection. The Office of the Chancellor of Justice does not investigate reports and instead forwards them to the competent authority.

Suspected breaches may be reported through the Office's centralised external reporting channel by e-mail, post or verbally:

- <https://oikeuskansleri.fi/en/about-whistleblower-protection>
- ilmoittajansuojelu@gov.fi
- Chancellor of Justice, P.O. Box 20, FI-00023 VALTIONEUVOSTO, Finland

The whistleblower has the right to make a suspected breach public only under exceptional circumstances as stipulated in §9 of the Whistleblower Act.

Please note that, as stipulated in the Whistleblower Act, the ethical channel is the primary mechanism for reporting breaches. External reporting through a channel maintained by the authorities or making a report public is allowed only under exceptional circumstances, as stipulated in the Whistleblower Act.

3.8 Validity and updates

ARE Oy's management team has processed and approved this updated Whistleblowing policy on August 21, 2024.

The latest version of this policy is available at the company's website and its intranet.