



Management System Description (Code of Conduct)

Rev. 3.0
2025-02-19

1 ABOUT THIS DOCUMENT

This document describes the foundation of how Kytola Instruments Oy works and is managed to meet and exceed the expectations and objectives related to e.g. Health, Safety, Environmental, Quality, Social, Governance and Data Security aspects. It is intended to be the main guideline (Code of Conduct) and presentation for all interested parties by introducing the overview to the company's values, policies and management system. The more detailed (internal) system descriptions and instructions are set separately and documented whenever needed.

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2 TERMS AND DEFINITIONS

In this document, mainly the terms and definitions of the standard ISO 9000 are applied. In addition, the following concepts are defined:

- **Documented information** = Whatever information documented by any means (paper, photograph, electronic file, physical model, etc.).
- **ESG** = Environmental, Social and Governance
- **HSEQ** = Health, Safety, Environment and Quality.
- **IRO** = Impacts, Risks and Opportunities
- **MSD** = Management System Description (this document).
- **MS documentation / document** = A management system document is a document describing and/or defining the MS (e.g. MSD, SOP or Process map) or a document created mainly due to MS itself and for itself (e.g. Audit report or Management review). MS documents are managed in a specific way as their own document collection.
- **Operating Instructions (OI)** consisting of **Procedure Instructions (PI)** and **Work Instructions (WI)** = Lower level, more detailed MS instructions. Applicable in executive work. "Shop floor instructions".
- **OHS** = Occupational Health and Safety.
- **Standard Operating Principle (SOP)** = High level MS description / instruction supplementing the basic process descriptions intended mainly for managerial use (not too detailed instructions).

3 GENERAL CONCEPTS AND BASICS OF QUALITY AND MANAGEMENT SYSTEMS

The concept of quality is defined as “the degree to which a set of inherent characteristics of commodity meets the expectations and requirements of the customer”. This sets up the very basic idea, that quality is always defined by the interested parties (i.e. customers) with their needs and expectations. To meet these objectives, effective management is needed and that calls for a good system leading to the concept of (high-quality) Management System.

The very foundation of an effective MS is made of the following concepts:

- Customer (interested party) orientation
- Risk based thinking
- Systematic / Process approach
- Facts based decision making
- Continuous improvement

On this foundation, the MS can be constructed using the following building blocks:

- Recognizing and defining the needs and expectations of interested parties
- Recognizing and defining the processes
- Recognizing and defining the organization
- Recognizing and analyzing the risks and opportunities
- Measuring and analyzing (the performance)
- Developing / improving
- Documenting essential information
- Help and support from the related standards

4 KYTOLA INSTRUMENTS OY

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Kytola Instruments Oy develops, manufactures and sells precision instruments for flow metering, controlling and regulating for the needs of industry and equipment manufacturing. The two main concepts that our products are based on are rotameter and oval gear technologies.

4.1 Values

Kytola Instruments Oy's core values set the very foundation for all our actions:

1) We are reliable partners.

Our products are known for their reliability, but our work ethic based on reliability doesn't end there. We want to ensure that it is shown in every aspect of our work, from our products to customer service and partner relations. It is a matter of pride for us to build long-lasting customer relations.

2) Our customer's benefit is our benefit.

Our aim is to find the right solution for our customers' individual needs. A willingness to face the customer's individual needs has come all the way from the beginning of our history. We are constantly developing our products, so we could provide the best solutions for our customers' needs in a rapidly changing world.

3) Our knowledge is the key to success.

Our history takes us over 100 years backwards in time, and the knowledge gathered from all that time is an irreplaceable part of our success. Our ability to inherit knowledge and skills is committing our professionals and makes them the best experts in measuring technology in the world.

4) We seize new opportunities.

Because of the size of our company, we are capable to seize new opportunities quickly and adapting our operations to change flexibly. At the same time with streamlining our production, we have maintained an atmosphere of creativity and open communication. Our culture enables us to have fast designing at the same time with dynamic production.

4.2 Mission

We develop, manufacture and sell precision instruments for flow metering, controlling and regulating for the needs of industry and equipment manufacturing. We supply our products around the globe with our well-educated sales network.

4.3 Vision

We are a successful family-owned company and a desired long-term partner for industry and equipment manufacturers all around the world.

We are easy to find, and it is easy to cooperate with us.

We are known for our high quality, knowledge, flexibility and the best products in our industry.

4.4 Customer Value Statement

With Kytola Instruments Oy's solutions, you can optimize your flow, thus saving resources, environment and money.

5 POLICIES

5.1 Governance and Business Ethics Policy

- International and (Finnish) national laws, regulations and agreements related to business ethics are conformed.
- The company's operating environment, strategy and the IROs related to governance and business ethics are identified and reviewed regularly.
- Where applicable, metrics are set on governance and business ethics aspects. The performance is monitored, analyzed and improvement actions taken.
- Corruption, extortion and bribery are not accepted in any shape or form. Conflicts of interest are to be avoided. All employees are trained and encouraged to keep an eye on and report on any incident where impartiality is jeopardized and to report these incidents via the grievance mechanism.
- The privacy of all stakeholders is highly valued. All individuals are respected as they are and treated with dignity.
- Financial responsibility is carried out following international and national regulations and keeping accurate records and metrics (financial and managerial / operational).
- Confidentiality and intellectual property are high priorities and respected. All employees are made aware of not to disclose any confidential customer, supplier or internal information. A confidentiality agreement can be written whenever any party requests it.
- Fair competition is highly supported.
- Using counterfeit parts is not allowed.
- International (and national) agreements and decisions (that Finland, Europe or USA are part of) regarding export controls and economic sanctions are to be followed.

5.1.1 Grievance Mechanism (Whistle-blow)

- Any grievances (also external) can be reported directly to one's supervisor, Managing Director, OHS representative or shop steward.
- Grievances can also be reported anonymously via our "Whistleblow" contact form on our website.
- All complaints are treated with confidentiality and the complainants are consulted during the handling process (where possible). The effectiveness of the process is evaluated at the end of the process.

5.2 Social Policy – Working Conditions and Human Rights

- International and (Finnish) national laws and regulations as well as Finnish collective labor agreements (of Technology Industry Finland) related to social aspects, working conditions and human rights are conformed, covering e.g. the following:
 - Child labor and young workers
 - Secure employment
 - Social dialogue
 - Privacy
 - Adequate housing
 - Wages and benefits
 - Working hours and work-life balance
 - Forced labor (i.e. slavery, servitude and forced or compulsory labor and human trafficking)
 - Freedom of association and collective bargaining
 - Harassment and non-discrimination
 - Gender equality
 - Diversity, equity, and inclusion as well as rights of minorities and indigenous people.
 - Training and skill development
 - The company's operating environment, strategy and the IROs related to social aspects are identified and reviewed regularly.
 - Where applicable, metrics are set on social aspects. The performance is monitored, analyzed and improvement actions taken.

5.3 Health and Safety Policy

- International and (Finnish) national laws, regulations and agreements related to occupational health and safety aspects are conformed.
- The company's operating environment, strategy and the IROs related to occupational health and safety aspects are identified and reviewed regularly.
- Where applicable, metrics are set on OHS aspects. The performance is monitored, analyzed and improvement actions taken.
- Kytola Instruments Oy's Management System includes Occupational Health and Safety Management aspects, encompassing e.g. the following areas:
 - o Health and safety risk assessments
 - o Personal protective equipment
 - o Machine safety
 - o Emergency preparedness
 - o Incident and accident management
 - o Workplace ergonomics and security
 - o Handling of chemicals
 - o Fire protection
 - o Occupational health care
 - o Health and safety training
 - o Well-being at work

5.4 Environmental Policy

- International and (Finnish) national laws, regulations and agreements related to environmental aspects are conformed.
- Kytola Instruments Oy takes responsibility for its environment in all its activities. Taking the environment into account is part of the company's business.
- The company's operating environment, strategy and the IROs related to environmental aspects are identified and reviewed regularly.
- Where applicable, metrics are set on environmental aspects. The performance is monitored, analyzed and improvement actions taken.
- The effectiveness of the environmental policy, objectives, actions and management system are evaluated and developed regularly.
- The entire staff of Kytola Instruments Oy is aware of the environment policy and committed to it.
- The following environmental matters are considered:
 - o Adapting to and mitigating climate change
 - o Minimizing the environmental impact caused by our own operations:
 - Smaller pollution to air, water, soil and food sources
 - More sustainable consumption of water and other resources
 - Reducing SVHC and microplastics (PFAS)
 - Energy efficiency and supporting renewable energy
 - Waste reductions and better recycling
 - o Train our staff to recognize the environmental effects of their work and to work in a responsible manner.
 - o Help our partners to act in accordance with these principles.
 - o Maintain open communication and confidential relationships with customers, authorities and other key stakeholders.
- Chemical management is done systematically, responsibly and efficiently.
- We commit to conform to the requirements of the international standard ISO 14001 in all our functions.

5.5 Quality Policy

- Our company produces high-quality instruments for flow measurement, regulation and control needs.
- All our functions (designing, manufacturing, sales and marketing) are carried out considering the needs, requirements and expectations of our customers.
- Our organization and processes, as well as risks and opportunities, are well recognized and defined.
- Our goals are good service and a satisfied customer by:
 - o Flawless and reliable products
 - o Flexible and fast deliveries
 - o Recognizing the customer's specific needs
- We are continuously measuring and analyzing our performance, and the entire personnel are committed to maintaining and continuously developing the quality of our operations and products.
- The quality policy is known to all personnel and is available upon request.
- We are committed to conforming to the requirements of the international standard ISO 9001 in all our functions.

5.6 Information and Cyber Security Policy (IT and Data Management)

- International, European and (Finnish) national laws, regulations and agreements related to information security aspects are conformed.
- The company's operating environment, strategy and the IROs related to information and cyber security aspects are identified and reviewed regularly.
- Where applicable, metrics are set on information and cyber security aspects. The performance is monitored, analyzed and improvement actions taken.
- Information and data security encompasses the following base pillars:
 - o Confidentiality
 - o Integrity
 - o Availability
 - o Authenticity
- Employees' personal data is handled and managed with care and appropriate confidentiality.
- Customers' (and other stakeholders') confidential data is handled with extreme care and (where necessary) appropriate restrictions on access to it are set for personnel.
- Access rights and availability to the company's different data are identified, set and monitored.
- Critical IT and data systems are backed up to external location.
- All employees are made aware of and trained in cyber security and data protection aspects.

6 MANAGEMENT SYSTEM HIERARCHY

Kytola Instrument Oy's management system (documentation) is constructed with the hierarchy of the following requirements, definitions, descriptions and instructions (supplementing each other):

1. Management System Description (this document)
2. Legislation (external requirements)
3. Standards ISO 9001 and ISO 14001 (external requirements)
4. Customers' / interested parties' specific requirements (external requirements)
5. Process Descriptions and SOPs (Internal requirements)
6. Organization and Position Descriptions (Internal requirements)
7. Operating Instructions (Internal requirements)

and additionally (outside the MS documentation scope)

8. Specific method and "way of working" instructions / Manufacturing Standards (Internal & external requirements)
9. Other management system related information (Internal & external requirements)

7 MANAGEMENT SYSTEM STRUCTURE AND PRACTICES

7.1 Processes

Kytola Instruments Oy’s processes are recognized and documented. The main process: “Order-delivery -process” consists of different key processes (e.g. Sales, Part manufacturing and Assembly), which then might consist of their sub-processes and so forth. In addition, some support processes are defined and documented:

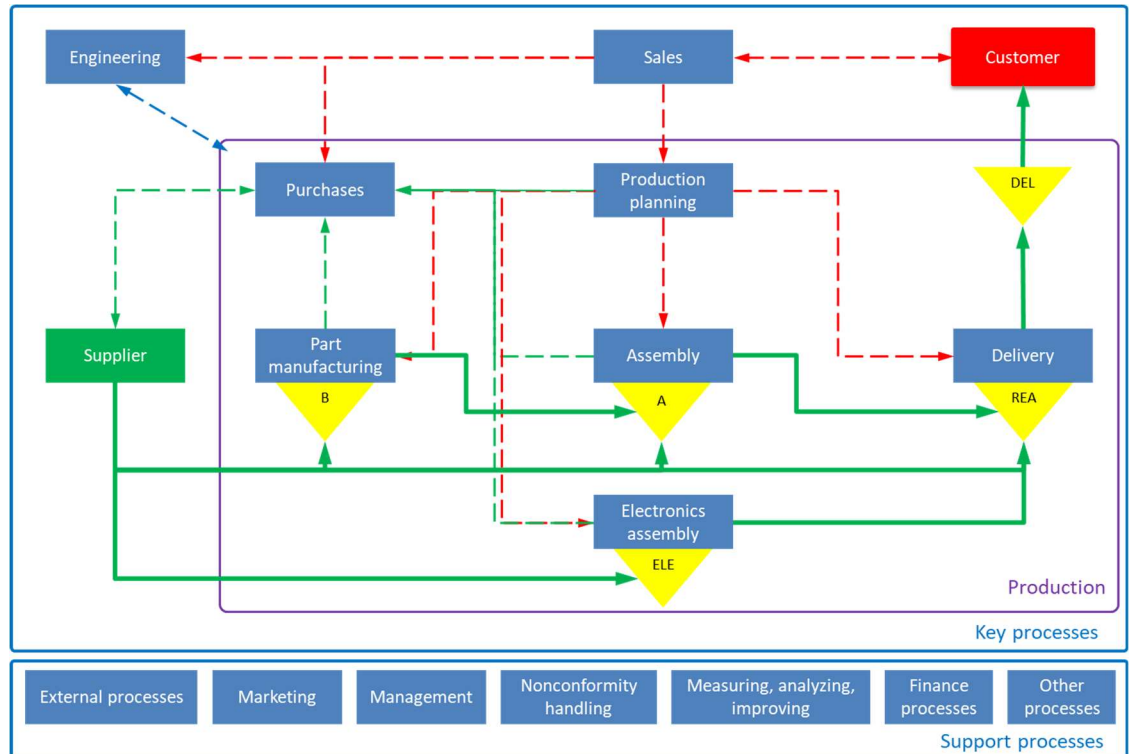


Fig. 1. Kytola Instruments Oy’s main process description.

7.2 Organization

7.2.1 Main Organization

Kytola Instruments Oy’s main organization is defined (and documented) by its different functional departments (e.g. Sales, Engineering, Production). Each department has different (work-) positions / titles working at them (with their main duties related to the department’s main function). For each position a specific position description has been drawn up. Every employee then “occupies” (mainly) one of these positions. Some positions may have many employees and on the other hand some employees might have multiple positions.

The top (operational) management is done within the Management Group, that is led by the Managing Director and consists of the Managers of the main departments / functions.

7.2.2 OHS Committee

As per Finnish legislation, a company having more than 10 employees, must have an Occupational Health and Safety representative and 2 vice representatives. In addition, workplaces with at least 20 employees must have an occupational health and safety committee that deals with the state and development of working conditions and makes development proposals.

Kytola Instruments Oy has defined a separate OHS Committee, that consists of:

- Occupational Health and Safety Manager (Employers representative)
- Occupational Health and Safety representative and vice representatives (Employees' representatives)
- Other appropriate members (e.g. Managing Director, HR Manager, Shop Stewards, Production Supervisors).

7.2.3 Collaboration Group

Kytola Instruments Oy's Collaboration Group handles the company's collaborative topics (when needed) and consists of:

- Managing Director
- Shop Stewards
- HR Manager

7.2.4 Knowledge and Competences

Kytola Instruments Oy's (employees') needed knowledge is recognized and special competences as well as training planned, reviewed regularly and documented, where needed.

7.2.5 Equipment, Infrastructure (premises) and ICT

Kytola Instruments Oy's needed equipment, tools, measuring instruments, premises infrastructure and ICT systems are recognized. Maintenance, service and calibration actions are planned and executed regularly and the effectiveness of these resources as well as their management reviewed regularly and documented, where needed.

7.3 Operating Environment

Kytola Instruments Oy's operating environment is recognized and defined by:

- Needs and expectations of interested parties
- Legislative requirements
- Risk assessments on e.g:
 - o Processes
 - o Emergencies
 - o Chemicals
 - o Environmental issues
 - o Exposures (noise, chemicals, physical, lifting, ...)
 - o Work environment
 - o Business & strategy
 - o Product use and manufacturing
- IRO assessment of sustainability matters

These issues are reviewed and updated regularly.

7.4 Management Practices - Meetings

7.4.1 Management Reviews

Management Group has regular (documented) meetings for reviewing all aspects of Kytola Instruments Oy's Management System and its effectiveness as well as other topical operative agendas.

Kytola Instruments Oy's strategy is reviewed and updated at least once a year.

7.4.2 Department Meetings

Kytola Instruments Oy's different departments have their own regular (documented) meetings for reviewing the department's topical issues related to e.g.:

- Operative situation
- HR
- Investments
- Process / practices development
- Strategy implementation
- Occupational health and safety

In regular all-staff info meetings, the company's prevailing general situation and performance is presented for all employees.

7.4.3 Order-Delivery Review

Sales order backlog and Production's workload are monitored continuously as well as quotation situation (possible new orders). Production has regular meetings with Sales and Purchases to review the essential operative situation of sales orders.

7.4.4 OHS Committee Meetings

Kytola Instruments Oy's OHS Committee has regular meetings (twice a year) for reviewing and dealing with the state and development of working conditions and making development proposals. E.g. the following topics are reviewed:

- OHS Committee organization composition
- OHS Management System (timeliness and effectiveness)
- Health and safety risk assessments, inspections and audits:
 - o Exposure risks (noise, chemicals, physical, lifting, ...)
 - o Emergency risks
 - o Cargo pallet racks & shelves, Machines and lifting aids inspections
 - o List of chemicals (with exposure risk)
 - o Fire inspections
 - o Emergency exit rehearsals
 - o Work environment audits
 - o Work atmosphere questionnaire results
 - o Workplace OHS audit (by the health care provider)
- Changes in work environment and conditions
- Work accidents, safety nonconformances and development / improvement ideas
- Well-being at work
- Occupational health care (external provider)
- OHS action plans and acquisitions
- OHS training
- Other topics and informing employees

7.5 Performance Metering

The key to facts-based decision making is adequate and accurate performance metering.

In addition to the basic financial performance meters (e.g. turnover, cross margin, EBIT and profit) Kytola Instruments Oy is monitoring the following company level KPIs:

- Sales order delivery accuracy
- Sales order lead time
- Nonconformances (customer and internal) – number and costs
- Work accidents – number and severity
- Customer satisfaction survey results (NPS)

In addition, Kytola Instruments Oy monitors several separate process / function / department -specific performance meters.

7.6 Auditing

Regular auditing is one of the most efficient ways to check the current performance and to find improvement / development opportunities. Auditing is commonly executed based (against) on some general requirements (e.g. ISO 9001 or ISO 14001) but can also be conducted just for some specific need (e.g. checking some given sub-process for suspected problems and finding improvement opportunities).

Records of these actions are retained.

Kytola Instruments Oy is implementing the following audits:

- External audits
 - o Kytola Instruments Oy is externally audited on a regular basis (once a year) by the certifying body (DNV) to meet the requirements of ISO 9001 and ISO 14001
 - o Some (random) customer audits are carried out as per separate request of the customer.
- Internal audits
 - o A couple of internal audits (~4-5) per year are executed by Kytola Instruments Oy's internal auditors according to preplanned schedule. Internal audit areas, topics, subjects and points of view may vary, but all the main processes are audited at least once in three years.
- Supplier audits
 - o Suppliers are audited by Kytola Instruments Oy's supplier auditors if/when needed. The need and suppliers to be audited as well as the audit issues are determined yearly by the Management (Review) Group, based on the importance and the recent performance of the suppliers

7.7 Improving and Developing

Developing and improving is carried out in three different main categories: i.e. Business development, Products development and Operations development. These functions utilize (amongst many other things) the outputs of e.g. Management reviews, audits, performance meters and customer satisfaction surveys.

Continuous improvement is executed on all the categories in every day work on all levels and departments of organization. For larger development needs, separate development projects may be launched. This development of operations is monitored and managed on different levels. Larger (company-wide) development projects are monitored by Management reviews, whereas department development projects are reviewed in the corresponding department meetings. A separate Initiative Assessment Group reviews the improvements (changes) / initiatives and decides if some of these should be rewarded (thus assessing the effectiveness of the implemented improvements).

Developing and improving the Kytola Instruments Oy's Operations utilizes the principles of "PDCA" (Plan, Do, Check, Act) and "DMAIC" (Define, Measure, Analyze, Improve, Control).

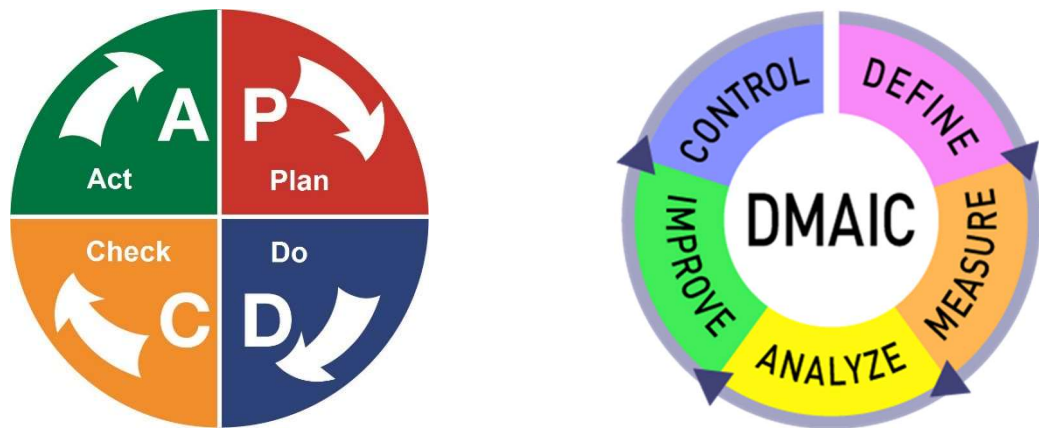


Fig. 2. PDCA and DMAIC cycles of continuous improvement

7.7.1 Handling Changes – Improvements, Nonconformances and Other Customer Grievances

Change (improvement) can be initiated from any new improvement idea, deficiency or nonconformance observation (done internally or by a stakeholder), of which corrective actions at the end are the improvements to the existing product or process. Kytola Instruments Oy has a specific centralized system (tool) for reporting, monitoring and managing all these change initiatives.

7.8 Responsibilities

Each manager or process owner is responsible for his/her management area / process conforming the Kytola Instruments Oy's management system and being improved.

The Quality Manager acts as the internal expert / consultant / facilitator related to management system description, quality and improvement operations supplying the relevant information from e.g. Management Review decisions, audits or other development needs to the appropriate bodies and cooperating with them in planning and implementing the needed actions. The Quality Manager also supervises the main Management System documentation.

Every employee is responsible for following these principles of Kytola Instruments Oy's Management System, high-quality and efficient work performance, safety and good working atmosphere.

7.9 Management System Introduction and Training

The principles presented in this MSD document are introduced to all new employees as a keen part of their basic adaptation training. All employees are expected to be committed to these principles and reporting of any failure in conforming to them.

8 REVISIONS
Revisions Table

Rev.	Chapter	Change	Date	Resp.
1.0 ->	Whole document	- The original quality manual and environmental manual created as their own documents (in Finnish) and updated several times (in small amounts) without a separate revision history	19.11.2002 / 20.4.2009 - 2016	JOT/ ML
2.0	Whole document	- Document completely recreated - Combined quality and environmental manuals into one document - Both versions of standards 9001 and 14001 are considered (9001:2008 -> 2015 and 14001:2004 -> 2015). - Simplified and clarified content: the goal of the document is to give an overview of the quality system and at the same time serve as an orientation document for the staff to the quality system. - Appearance updated. - Implemented revision table.	17.3.2016	HHE
3.0	Whole document	- The whole document re-written in English (to better serve company's interested parties). - Whole structure and all aspects updated from previous Quality Manual to over-all Management System Description / Code of Conduct. - Included health and safety as well as data security aspects. - New from top to down -perspective: values => policies (Code of conducts aspect) => ...	2025-02-19	HHE / Management Group (MG)