

CODE OF CONDUCT

A. Introduction

Kohsel A/S; hereafter is “Kohsel,” is a Scandinavian supplier of customized transformer solutions for customers all over the world. Our mission is to unleash our customers’ full potential in transformer design. We are headquartered in Denmark and have our own business and production sites across Europe and Asia. Our core values support a strong commitment to economic, environmental, and socially sustainable development. This is done by demonstrating responsibility towards the people taking part in the manufacture our products.

B. Scope and Responsibility

The Code applies to everyone involved in the business of Kohsel;

- Employees of all types; permanent, temporary, part-time.
- Subsidiaries, e.g. Kohsel (Thailand) Co Ltd, Kohsel SIA (Latvia), and all Sales Offices.
- Hired contractors acting on behalf of Kohsel
- Anyone who holds a position of trust in Kohsel
- Boards of Directors and committees

You are responsible for reading and understanding the content of this Code and related documents, must conduct your tasks and responsibilities for Kohsel in accordance with the requirements and principles that are set out in the Code.

C. Compliance with Laws, Rules and Regulations

We shall observe and comply with laws, rules and regulations in the countries where we operate.

Kohsel subscribes to the United Nations Global Compact and undertakes to incorporate the ten principles into our businesses, daily operations and corporate culture in the areas of human rights, labour standards, environmental protection and anti-corruption.

1) HOW WE TREAT OUR EMPLOYEES

Human Rights & Labour Standards

1.1 Child Labour

We respect the children’s rights to development and education. Therefore, we do not support child labour, meaning that we do not use children as a work force in production.

1.2 Discrimination

We respect the differences. We promote an inclusive work environment that values the diversity of its employees. We do not discriminate or tolerate in any form of discrimination or harassment on the basis of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

1.3 Forced Labour

We do not permit forced or involuntary labour, which includes slavery, human trafficking, or any other forms of involuntary work. All labour must be voluntary.

1.4 Working Conditions

We support the fundamental human rights to have sound, safe and hygienic working conditions.

1.5 Working Hours and Salary

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We recognise the need for a sound balance between working time and leisure time for all employees. Unless the national law is different, the maximum working time is 48 hours per week plus maximum 12 hours overtime work, except in extraordinary circumstances. All workers have the right to have at least 1 day off in a period of 7 days. Salaries for overtime work shall be in accordance with the law.

1.6 The Right to Organise and Collective Bargaining

We respect the employees' rights to organise and to collective bargaining in accordance with applicable laws. Employees are free to join or not to join an employee representation of their choice, free from threat or intimidation.

2) HOW WE CONDUCT BUSINESS

2.1 Anti-corruption

Corruption and bribery are recognized as barriers for free trade and sustainable development. We do not accept these practices and therefore does not offer or accept any kind of undue payment, e.g. bribes, facilitation payments.

We must not offer or accept, directly or indirectly accept gifts which are intended to influence business decisions, except for promotional items of minimal value normally bearing an organization logo. We may accept gifts in situations where it would clearly give offense to refuse, in which case the gift must be immediately handed over to responsible manager or management and will be regarded as Kohsel's property. Hospitality, such as social events, meals or entertainment can be accepted if there is a clear business reason for Kohsel.

Our financial systems are set up to control and ensure transparency of all monetary transactions and we regularly educate our management and employees to handle possible borderline situations. Our organizational culture is built upon high ethical standards.

2.2 Trade Regulations

We comply with all applicable trade and import regulations including sanctions and embargoes that apply to the company's business. (For example; Conflict Minerals, RoHS/REACH, etc.)

2.3 Money Laundering & Financial Records

We comply with all applicable laws and regulations designed to combat money laundering activities. We maintain financial records and reports according to international laws and regulations.

2.4 Fair Competition

We comply with applicable competition and anti-trust laws.

2.5 Charitable Contributions

We believe in giving back to those communities where we live and work. We are committed to making a positive contribution to the communities through grants, charitable contributions, sponsorships, and other initiatives.

- When we offer donations and charitable contributions, we will have no expectation of receiving specific benefits or financial returns in exchange for this support.
- We will only contribute to reputable, not-for-profit organizations and will ensure our contributions are made in a transparent manner.

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- All charitable contributions must be acknowledged, reviewed and approved by responsible management according to Kohsel's approval authority.

2.6 Political Contributions

We uphold a strict policy of neutrality in the political process of any country where we operate. We do not contribute funds or resources to any political party, elected official or candidate for public office in any country.

3) PERSONAL CONDUCT

3.1 Conflicts of Interest

A conflict of interest arises when an individual has a private/personal interest which could appear to influence their decisions. Such conflict of interest situations include a relationship by blood or marriage, partnership, business partnership or investment. Everyone concerned with Kohsel's business shall disclose any actual or potential conflict of interest with Kohsel personnel.

3.2 Personal Data and Confidentiality

We will protect confidential, secret, and personal data. This is one of the key principles on which we base our relationships with our employees, customers, and suppliers.

4) ENVIRONMENTAL CONDUCT

Through our environmental policy and environmental management system according to ISO 14001 Standard, we are committed to the protection of the environment and the prevention of pollution. We undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies.

D. REPORTING OF MISCONDUCT / WHISTLE BLOWERS

- Everyone is encouraged to report possible violations of the Code.
- Serious violations, such as cases of corruption and bribery, must be reported immediately.
- Reporters or whistle blowers are fully protected from retaliation.
- The person(s) to be reported the misconduct could be line manager, HR Manager, Managing Director, Quality Director or CEO. The contact details are listed in Kohsel's website.
- The report could be in form of email, phone, voice mail, or letter. Reporters or whistle blowers can be anonymous.
- Every Kohsel subsidiary is responsible for finding the way to report freely and anonymously and suitably with the country's norms and culture.

E. DISCIPLINARY PROCEDURE

Violations of the Code may result in disciplinary procedures, including termination of employment or contract, as well as potential legal proceedings.

Henrik Sørensen
CEO
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