

Code of Conduct for Suppliers

1. Introduction

Kohsel's core values support a strong commitment to economic, environmental, and socially sustainable development. We strongly believe that it is in the mutual interest of both Kohsel and our suppliers to meet the present and future requirements of the markets and society. This is done by demonstrating responsibility towards the people taking part in the manufacture our products.

To make our position clear to all suppliers, we have established this Code of Conduct for Suppliers. It is a non-negotiable requirement from our side that our suppliers with whom we have, or are considering negotiating agreements of cooperation, should comply with this code. It is our intention to maintain this Code of Conduct for Suppliers in a spirit of constructive dialogue and in partnership with our suppliers, to our mutual benefit.

2. Kohsel's General Requirements of Suppliers

2.1 Area of Application

All of Kohsel's suppliers, e.g. all companies who do business with any company or division of Kohsel, all supplier Group companies.

2.2 General Responsibilities

- 2.2.1 Kohsel expects our suppliers to conduct its business in full compliance with the governing laws, rules and regulation and this Code of Conduct.
- 2.2.2 It is the responsibility of the supplier to take all relevant and necessary initiatives and measures to ensure the highest possible degree of compliance with this Code.
- 2.2.3 Whenever requested by Kohsel, the supplier shall provide and present Kohsel with all relevant information and documentation without undue delay. This will enable Kohsel to monitor the supplier's compliance with this Code.
- 2.2.4 The supplier is solely responsible for the costs of complying with this code.
- 2.2.5 If Kohsel believes that there are serious incidents of non-compliance with the Code of Conduct for Suppliers, we expect our suppliers to correct these issues within an agreed timeframe. If the supplier does not show willingness to correct these issues, Kohsel shall consider terminating the business relationship.
- 2.2.6 If our suppliers use subcontractors/sub-suppliers for supplying to Kohsel, the supplier is responsible for ensuring that the subcontractor/sub-supplier is communicated and complies with this Code of Conduct. Our suppliers shall upon request inform Kohsel which subcontractors/sub-suppliers they use.

2.3 Monitoring and Rights to Audit

Kohsel will reserve to carry out audits of suppliers and expect supplier to cooperate in an open manner.

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3. General Principles of Code of Conduct for Suppliers

3.1 Child Labour

Kohsel respects the children's right to development and education. Therefore, we do not support child labour, meaning that we do not use children as a work force in production. This includes employing children under the age of 15, children younger than the legal minimum age, or children younger than the age of completing compulsory school.

Juveniles (children between the age of 15 and 18) can be employed by the supplier, provided that the work complies with local laws and the ILO Minimum Age Convention.

In general, all children under the age of 18:

- must not be employed in hazardous works.
- must not work night shift.
- are entitled to more breaks than adults.

The hazardous work is work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or morals of children.

3.2 Discrimination

Kohsel respects the differences and does not want to cooperate with suppliers who practice discrimination at work by race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation. Our supplier's employees must not be exposed to any physical punishment, threats of violence or physical, sexual, psychological or verbal harassment or maltreatment in the workplace or work-related situations.

3.3 Forced Labour

Forced or involuntary labour is not tolerated by Kohsel. This includes prison work, work on a forced contract, slavery, human trafficking and other forms of work, which are done against one's will or choice. There must be no deductions in salary as a consequence of fines or penalties imposed during the execution of disciplinary punishment, unless this is done with reference to a collective agreement.

3.4 Working Conditions

We support the fundamental human rights to have sound, safe, and hygienic working conditions. All suppliers must ensure good working conditions which comply with national rules and laws.

As a minimum:

- Workers must not be exposed to dangerous work without being properly protected. Workers must be provided with and must use suitable personal protective equipment and be instructed in its proper use.
- Facilities must comply with rules about construction safety as well as fire protection and fire alarms.
- Facilities must ensure appropriate lighting and ventilation.
- All dangerous materials must be stored in safe places and used in safe and controlled ways.
- All machinery must be properly maintained.
- Facilities for resting and sleeping, must, if used, be kept clean and safe.

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3.5 Working Hours and Salary

Kohsel recognises 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 at the supplier's site 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 work and overtime shall be in accordance with the law.

3.6 The Right to Organise and Collective Bargaining

Kohsel respects the employees' right to organise and to collective bargaining. This means that also suppliers must recognise their employee's right to choose whether or not to associate with or establish any organisation including labour organisations. If trade unions are not allowed in the area of operation, or only state authorised organisations are allowed, the supplier shall facilitate alternative measures to allow employees to access management to discuss work-related matters.

3.7 Environment

Through our environment environmental policy, we are committed to the protection of the environment and the prevention of pollution. The supplier shall commit to reducing the environmental impact of its manufacturing process.

- **Pollution Prevention and Resource Reduction**
The supplier shall avoid pollution and actively strive to reduce material consumption.
- **Chemicals and Hazardous Materials**
The supplier shall ensure that all chemicals and hazardous materials are handled, stored and disposed of in an environmentally safe way as required by law.
- **Air Emissions**
The supplier shall ensure that air emissions (e.g. volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals and combustion by-products generated from operations) are to be characterized, monitored, controlled and treated and discharged as required law prior to discharge.
- **Wastewater and Solid Waste**
The supplier shall ensure that wastewater and solid waste generated from operations, industrial processes and sanitation facilities are monitored, controlled, and treated, discharged, or disposed of as required by law prior to discharge and disposal.
- **Recycling and Reuse of Materials and Products**
The supplier shall contribute to the recycling and reuse of materials and products to extent possible.

3.8 Anti-corruption

Corruption and bribery are recognized as barriers for free trade and sustainable development. Kohsel does not accept these practices and therefore does not offer or accept any kind of undue payment or trade influence in any of our business transactions. Kohsel expects suppliers to act accordingly.

The supplier must;

- Not pay bribes – this also applies to third parties,
- Not make facilitation payments (payment to speed up processes), unless being threatened or coerced, and
- Not offer or accept excessive gifts, hospitality, or entertainment.

3.9 Trade Regulations

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

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3.10 Money Laundering & Financial Records

Kohsel expects suppliers to comply with all applicable laws and regulations designed to combat money laundering activities.

3.11 Fair Competition

Kohsel expects suppliers to comply with applicable competition and anti-trust laws.

3.12 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. The supplier shall disclose any actual or potential conflict of interest with Kohsel personnel.

3.13 Personal Data and Confidentiality

The supplier shall adhere to relevant data protection and security laws as well as to respective regulations, in particular with regard to personal data of customers, consumers, employees and shareholders. The supplier shall comply with all said requirements when personal data is collected, processed, transmitted or used. The supplier shall safeguard and make only appropriate use of confidential information. The supplier shall not disclose any information that is not known to the general public.

4. Reporting of Misconduct

Kohsel encourages our suppliers who believe that a Kohsel employee, or anyone acting on behalf of Kohsel, has engaged in illegal or otherwise improper conduct, to report the matter to us. This also applies to any potential violation of this Code. Reports may be made through our country's management team, e.g. Country Managing Director, Quality Director, and/or CEO. Contact details are published on our website. Reporters or whistle blowers could be anonymous and are fully protected from retaliation.

For Supplier / Organization Name: _____

We, the undersigned hereby confirm:

That we have received and taken due note of Kohsel Code of Conduct for Suppliers (the Code) and commit ourselves, in addition to our commitment as set out in the agreement with Kohsel, to fully comply with its principles and requirements.

That we agree that Kohsel or a third party appointed by Kohsel may carry out periodic audits surrounding the areas mentioned in the Code to verify our compliance with the Code.

That we effectively communicate the content of the Code to our employees, agents, subcontractors and all other suppliers involved in the agreement with Kohsel and ensure all reasonable measures required are implemented accordingly.

Signature: _____ Date: _____

Name: _____

Position: _____