

Kiel Group

Supplier Code of Conduct

INTRODUCTION | As a global operation, Franz Kiel has the obligation and the circumspection to act responsibly and within the bounds of the law. This responsibility is assumed by our company, and thus secures our long-term economic success.

This supplier code of conduct brings together into one document our important fundamental rules and principles, which are binding for us both today and in the future. It offers a framework and applies to all business partners.

KIEL suppliers should act according to the principles and standards specified in KIEL's supplier code of conduct. By delivering parts and services to KIEL, suppliers are obliged to observe the principles in this Supplier Code of Conduct and cooperate with KIEL in order to implement, when required, an action plan necessary to correct performance in the scope specified by these principles.

Suppliers should implement and observe the procedures and the principles specified herein towards their own suppliers and should ensure continued conformity and compliance with such procedures. By observing the Supplier code of Conduct, each supplier acknowledges and expresses their consent to an assessment and audit, conducted by KIEL or by third parties to the order of KIEL, of compliance with the above specified rules.

RULES | KIEL suppliers must observe all the principles mentioned below, according to the UN Declaration of Human Rights, Conventions of the International Labor Organization, the Guidelines of the Organization for Economic Cooperation and Development (OECD), the principles of conduct of the International Chamber of Commerce (ICC) as well as any other international acts and national and local regulations binding for the particular operations performed in the given country.

1. LABOR STANDARDS

KIEL suppliers should in particular:

- eliminate all forms of forced and illegal labor,
- eliminate children's labor: it is forbidden for KIEL suppliers to employ any persons who are not of minimal age as required by the law and use the children's labor, in any form, except for the government juvenile employee training program,
- eliminate and counteract any discrimination during employment,
- ensure compliance with binding regulations of the law regarding the maximum number of working hours as well as the minimum number of days of rest,
- ensure compliance with binding regulations of the law regarding minimal wage,
- provide to the employees and respect their right to associate according to valid laws.

2. ETHIC

KIEL suppliers must observe all the requirements of the binding law regarding the operations conducted as well as the requirements for running such operations and act in line with KIEL's obligations towards international institutions.

KIEL suppliers should, in particular, fulfill KIEL's certain requirements regarding:

- **competition:** act in line with the binding regulations of the law concerning Competition,
- **corruption:** act in line with the binding regulations of the law concerning corruption, extortions and offering financial gains. In particular, it is forbidden for KIEL suppliers, acting directly or indirectly, on their own behalf or on behalf of KIEL, to offer, in public or privately, any material benefits to any public person, any official, political party, employee or client's representatives in order to obtain or ensure the ability to run business operations or secure or ensure privileges contrary to valid regulations,
- **money laundering:** act in line with the binding regulations of the law concerning money laundering. KIEL suppliers cannot be, in any way, involved in any practices related to money laundering,
- **conflict of interest:** avoid, recognize as well as disclose any situations creating an actual or potential conflict of interest,
- **gifts and benefits:** refrain from giving and offering gifts as well as financial benefits to any KIEL employees. KIEL does not accept any gifts or financial benefits other than of symbolic or small value, incidental, with a clear purpose, in the event that reciprocation is not possible.

3. ENVIRONMENT

The supplier is not only obliged to comply with all legal regulations and regulations concerning environmental protection, but also to take active action, on a continuous basis, contributing to protection of the widely understood ecosystem and work environment. The supplier should make attempts to minimize the adverse environmental impact of any conducted operations and any products and services delivered with regard to the whole product life cycle i.e. at the stage of their conceptualization, development, production, transport, use, removal and disposal. To this end, it is recommended to implement an ISO 14001-compliant environment management system in order to properly identify and manage the environmental impacts.

3.1 Protection of natural resources

The supplier should make attempts to reduce the consumption of raw materials and resources as well as to minimize waste and contamination generated in their operations. These aims should be demonstrated by: effective management of material resources and manufacturing processes, introduction and maintenance of the so-called "clean" processes and maintenance methods, product packing and transport, ensuring a suitable level of waste segregation, allowing, as far as possible, waste to be transferred for reutilization, increasing the share of used recycled materials.

3.2 Forbidden substances and materials

The supplier assures that, in any delivered materials and products, there are no substances present that are subject to any bans and/or limitations resulting from the REACH Regulation, the GADSL list or other regulations and requirements, applicable in the supplier's country, the European Union as well as in all the countries the related manufactured products finally reach.

The supplier assures that any chemical substances applied, produced and supplied to KIEL, in their own form, as ingredients of mixtures or in the goods, have been registered in accordance with the requirements of the REACH Regulation (EC) no. 1907/2006 within specified registration deadlines. The supplier is obliged to submit information mentioned in Article 33 of the REACH Regulation (EC) no. 1907/2006 in the scope of the substances included in the candidate list containing substances raising particularly high concerns (Substances of Very High Concern). The current candidate list is available at <https://echa.europa.eu/pl/candidate-list-table>.

The supplier is obliged to report on request on the substances and the makeup of the materials in the IMDS system (International Material Data System). Any products delivered to KIEL should have appropriate specifications (material declarations, material safety data sheets).

3.3 CO2 emission reduction

The supplier should promote the development and implementation of technologies that contribute to a reduction in CO2 emissions and energy consumption as well as apply logistic solutions with as small an environmental impact as possible.

4. OHS

KIEL expect from it`s suppliers to ensure safety while performing any works by all employees, contractors, general society and product users.

KIEL suppliers should implement and observe relevant OHS procedures as well as estimate and identify any risk related to any operations performed. KIEL suppliers are under the obligation to provide appropriate measures to limit, to a practical and possible extent, any possible risk.

KIEL makes persistent efforts in order to increase safety for any persons performing works within the premises of the plant or in the clients' premises. Due to the risk related to the hazards, KIEL has adopted requirements that make suppliers obliged to ensure high OHS standards while performing works within the plant. KIEL suppliers are responsible for immediate notification on any hazards and risk that KIEL personnel are exposed to within the plant, it also applies to any hazards related to biological agents.

5. PRODUCTS AND SERVICES

KIEL suppliers are obliged to implement and observe OHS and environmental protection criteria when improving and developing any products and services in order to reduce the adverse impact throughout their whole life cycle on the OHS conditions and the environment, simultaneously ensuring and increasing quality when using the products.

6. ESCALATION PATH IN CASE OF DISPUTES AND COMPLAINTS WITH EMPLOYEES OF KIEL PURCHASING AND LOGISTICS DEPARTMENT.

