

# **Kendrion Code of Conduct for Suppliers**

**Version 10.0  
January 2022**

# Kendrion Code of Conduct for Suppliers

Standards and principles of sustainable sourcing

## 1. Introduction

At Kendrion, sustainable sourcing represents our ambition to work with suppliers that act responsibly and with integrity. Kendrion selects suppliers based on various sustainability criteria and as a minimum, each supplier is required to sign and adhere to the standards and principles of sustainable sourcing described in this code of conduct for suppliers (the "Code"). This Code requires our suppliers to accept and take their responsibility for matters such as the environment, human rights, working conditions, fair trade etc.

At regular intervals, Kendrion will conduct audits to review whether suppliers comply with the standards and principles recorded in this Code. Audits that reveal that a supplier does not meet the requirements of this Code are followed by recommendation for the supplier concerned to prepare and implement a remediation plan/remediation measure(s). Failure by the supplier to adequately follow-up and implement the remediation plan/remediation measure(s) may result in the termination of the business relationship with the relevant supplier.

## 2. General requirements

### 2.1 Scope

This Code applies for all suppliers of Kendrion ("Supplier"). Suppliers are expected to develop and maintain their own supplier code of conduct imposing standards and principles to their suppliers no less stringent than the requirements described in this Code. Adherence to this Code is a prerequisite for doing business with Kendrion.

### 2.2 General responsibilities

The Supplier shall take all necessary action to ensure the Supplier's compliance with the standards and principles of this Code. The Supplier is solely responsible for the costs of complying with this Code.

If Kendrion finds or has reasonable grounds to suspect the Supplier's non-compliance with the Code, Kendrion shall inform the Supplier hereof. Kendrion expects the Supplier to investigate and correct issues of non-compliance through the preparation and implementation of an agreed remediation plan/remediation measure(s) as soon as possible. If the Supplier does not show meaningful action to correct its non-compliance with this Code, Kendrion reserves the right to terminate the business relationship. Any such termination of a business relationship due to substantive and continuing non-compliance with the Code is considered a termination for cause and does not entitle the Supplier to any kind of compensation.

## 3. Audit

Kendrion may conduct audits at the Supplier's site, including its manufacturing site, to verify Supplier's compliance with the Code. Such audits may include inquiries into Supplier's monitoring of its own suppliers. Such audits may be performed either by Kendrion employees or by a third-party auditor designated by Kendrion.

To allow Kendrion to verify Supplier's compliance with the Code, Supplier shall provide Kendrion access to relevant and reasonably requested information and documentation. Kendrion will use the information only to assess Supplier's compliance with the Code and (as the case may be) verify the preparation and implementation of an agreed remediation plan/remediation measure(s), and not use the information for any other purpose.

#### 4. Recognition of human rights

Kendrion expects each Supplier to recognize human rights and to ensure that it is not involved in human rights violation or abuses. The Supplier will neither tolerate nor by any means profit from, contribute to, assist with, or facilitate the commission by any party of:

- (i) any forms of torture, cruel, inhuman, and degrading treatment; and
- (ii) any forms of forced or compulsory labour, which means work or service which is extracted from any person under the menace of penalty, and for which said person has not offered him/herself voluntarily.

##### 4.1 Prohibition of child labour

The Supplier shall respect children's rights to education and development. The minimum employment age may not be below the completing age of compulsory school in the country in question and under no circumstances under the age of 15.

Juveniles (children aged between 15 and 18) are only allowed to be employed by the Supplier, provided the Supplier complies with and ensures that the employment and work conducted complies with applicable laws and regulations. No child under the age of 18 shall be employed under circumstances that are likely to harm their health, safety, or morals or impede their right to education and development.

##### 4.2 Prohibition of forced labour

The Supplier does not accept any form of forced or involuntary labour, which includes slavery, human trafficking, or any other form of involuntary work. This includes forced prison work, work on forced employment schemes, slavery, or any other form of work which is done against one's will or choice with any form of intimidation or punishment threatened because of not engaging in such work. The Supplier shall not engage in any form of forced labour and shall not directly or indirectly benefit from or sustain or support any form of forced labour.

The Supplier and each agency supplying labour to the Supplier shall not charge recruitment fees to its employee(s) or withhold any part of any personnel's salary, benefits, property, or documents or to create debt bondage to force employees to continue working in the company. All employees shall have the right to leave the workplace premises after completing the workday and shall be free to terminate their employment within reasonable notice.

##### 4.3 Forced eviction and deprivation from land, forest, and waters

The Supplier recognizes the necessity to preserve the natural livelihood of people. The Supplier shall not engage in the unlawful eviction of and deprivation from land, forest, and waters.

##### 4.4 No abusive use of security forces in pursuit of business activities and projects

The Supplier values a healthy and constructive interaction between corporate activities and the communities in which it is active. The Supplier shall not – in a health or life threatening or otherwise abusive manner – use any private or public security forces to pursue its business activities and projects.

##### 4.5 Restrictions on the use of conflict minerals

Conflict minerals include all minerals (i.e. tantalum, tin, tungsten, gold) mined in an area of armed conflict, widespread violence or other risks of harm to people (i.e. conflict affected and high-risk areas), and traded illicitly to finance the conflict, or to otherwise directly or indirectly benefit the non-state armed groups in the relevant country or jurisdiction.

The Supplier shall ensure that it procures minerals (i.e. tin, tantalum, gold and tungsten) responsibly and from legitimate and conflict-free sources only, and retraces the use of these minerals accurately. The Supplier will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals from conflict affected or high-risk areas.

Should Kendrion have reasonable grounds to suspect that the supply chain helps funding armed conflict or other illegal practices, Kendrion may commission and demand the Supplier to participate in a comprehensive supply chain due diligence investigation.

Kendrion reserves the right to suspend or discontinue engagement with the Supplier where Kendrion identifies a reasonable risk that the Supplier is sourcing from, or linked to, any party committing abuses, including: (i) any forms of torture, cruel, inhuman, and degrading treatment; and (ii) any forms of forced or compulsory labour, which means work or service which is extracted from any person under the menace of penalty, and for which said person has not offered him/herself voluntarily.

## **5. Commitment to a safe and fair working environment**

### **5.1 Commitment to safe and healthy workplaces**

The Supplier is responsible for maintaining a healthy, hygienic, and safe working environment which complies with all applicable laws, regulations and industry standards and the Supplier shall do its utmost to prevent any health hazards whatsoever. As a minimum standard:

- Employees must not be exposed to a dangerous working environment without being properly protected against any chemical, physical, or biological substance potentially harmful to the employees' health and safety. If working under dangerous working conditions, employees must be provided with adequate personal protection equipment and be instructed and trained in its proper use.
- Facilities' safety standards must comply with applicable laws and regulations and industry standards about construction safety and fire protection.
- Facilities must provide appropriate light and ventilation.
- Dangerous materials must be stored in safe and secure places and used according to safety instructions.
- Machinery must be properly maintained and shielded to ensure employees' health and safety.
- During working hours employees must be given sufficient time to rest and recreate to prevent overfatigue in line with applicable laws and regulations and industry standards.
- Employees must always be adequately qualified and sufficiently instructed and trained to conduct their work responsibly and safely.
- Such other measures as may be necessary or appropriate to secure the safe and responsible continuation of the Supplier's operations.

### **5.2 Fair remuneration**

The Supplier shall recognize the need for a fair remuneration and a sound balance between working and leisure time for all employees. Salaries and working hours applied by the Supplier shall meet the applicable (local) wage level and comply with the minimum wage provided for under applicable (local) laws and regulations.

### **5.3 Freedom to organize and collective bargaining**

Supplier shall not unduly interfere with the right of employees to form and join unions or to bargain collectively. The Supplier shall recognize the employees' right to form or join trade unions and not discriminate against or penalize any employee because he/she pursues to form or join a trade union. The Supplier shall not unduly interfere with any operations of the trade union or other form of organized labour association, to the extent such trade union or other form of organized labour association is permitted by local law.

### **5.4 No discrimination, prevention harassment**

The Supplier shall treat all its employees with dignity and respect. The Supplier shall not accept any practices or any action, conduct or behaviour which is disrespectful, humiliating, intimidating or in any other way hostile or inappropriate. Actions, words, jokes, or comments based on a person's ethnicity, (social) background, health

condition, handicap, sexual orientation, age, gender, political opinion, religion, ideology or any other (protected) characteristic are not tolerated. No employee shall be subject either to physical punishment, threat of violence or other forms of physical, sexual, psychological, or verbal violence. Supplier shall not pay unequal remuneration for work of equal value.

#### 5.5 Right to privacy

The Supplier shall respect the right to privacy. The Supplier shall only process personal data of its employees, suppliers, customers, and other business relations in compliance with the applicable laws. Supplier shall always observe the basic personal data processing principles, including without limitation: processed information must always be correct and up to date and the processing must be reasonable, proportional, time-limited and relevant to the business purpose.

### 6. Environmental protection and sustainability

The Supplier shall commit to responsible and sustainable business conduct and shall strive to continuously reduce its impact on the environment, nature, and humanity to preserve and built natural capital.

#### 6.1 Pollution prevention

The Supplier shall avoid any production, use, storage or disposal of substances and material which may lead to harmful soil change, water pollution, air pollution or harmful noise emission and result in an impairment of the natural livelihood for humans and nature.

#### 6.2 Chemicals and hazardous materials

The Supplier must ensure the safe handling, movement, storage, re-use or disposal of chemicals and hazardous materials. As a minimum requirement it must always act in compliance with the Stockholm Convention on persistent organic pollutants (POPs) and the Minamata Convention on mercury.

#### 6.3 Resources saving

The Supplier must avoid any excess in the consumption of natural resources, in particular drinking water, which impairs the livelihood for humans and nature in Supplier's local environment.

The Supplier shall continuously strive to reduce the consumption of resources including any form of energy, water and (raw) materials in its production processes and general business conduct.

#### 6.4 Recycling and reuse of materials and products

The Supplier must observe applicable law standards for the recycling and reuse of materials. It shall contribute to the recycling and reuse of materials and products wherever possible.

### 7. Proper and responsible business practices and integrity

#### 7.1 No bribery and corruption

The Supplier shall not tolerate any form of bribery and corruption, including any kind of undue payment in any of our business transactions and has reflected these values in its Anti-Bribery and Corruption Policy. Supplier must adhere to this policy and and not be involved in any bribery, facilitation payments or the offer or acceptance of excessive or otherwise inappropriate gifts, hospitality, and entertainment.

#### 7.2 Avoiding conflicts of interest

The Supplier shall not accept that business decisions are influenced by personal or private considerations. The Supplier must ensure that the personal interests of its employees do not interfere with their business decisions.

### 7.3 Fair competition

The Supplier shall in its business activity observe the applicable antitrust laws and laws against unfair competition.

### 7.4 Intellectual property

Kendrion respects intellectual property rights and does not accept any infringement of third-party intellectual property rights by the Supplier. The use of counterfeits in the supply for Kendrion will lead to an immediate termination of the business relationship with Supplier.

### 7.5 Speak-Up Procedure

The Supplier shall foster a culture and environment where employees feel free to raise and discuss their concerns. To enable anyone to (anonymously) report any suspected irregularity or behaviour violating this Code and/or the values underlying this Code, the Supplier shall establish a speak-up or whistle-blower procedure where people can report their concerns anonymously and without any fear of retaliation. Kendrion itself has established a speak-up line where anyone including any Supplier or employee of Supplier can report violations of this Code accessible via Kendrion's website.

## 8. Acknowledgement

The undersigned is authorised to represent the Supplier and agrees and acknowledges on behalf of the Supplier that the Supplier shall comply and act in accordance with the standards, principles, and requirements of this Code. The Supplier shall ensure that its affiliated companies and its and their respective employees, officers, directors, agents, and others retained or engaged by the Supplier or any of its affiliated companies are aware of the principles and standards of this Code and the Supplier shall procure that they comply with these principles and standards.

Supplier's name: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_