Code of Conduct for business partners of KME SE and all companies under its direct or indirect controlling influence

KME SE, and the companies of which KME SE has direct or indirect controlling influence ("KME"), expect their business partners to comply with the principles below which are based on globally established standards such as, in particular, the "UN Global Compact", the "UN Guiding Principles on Business and Human Rights", the "ILO Declaration on Fundamental Principles and Rights at Work" and the "OECD Guidelines for Multinational Enterprises"[1].

The business partner hereby makes a binding commitment to:

A. ETHICS AND INTEGRITY

- ensure that operations are in full compliance with ethical principles and all statutory regulations of the applicable legal system;
- neither advise, tolerate nor participate (irrespectively of directly or indirectly, actively or passively) in any measures which may lead to corruption and/or bribery.
  This also includes not offering or granting payments or other illegal benefits to anyone (including the so-called "facilitation" payments, intended to expedite or secure performance of a routine governmental action), or requesting or accepting them from anyone in order to gain a personal advantage or to create dependencies;
- conduct reasonable due diligence to prevent and detect bribery and corruption in all business arrangements;
- report any episode of bribery and corruption, even only attempted or suspected, as well as any other fraudulent conduct of any nature, undertaken by any person;
- avoid any situation that may lead to conflicts of interest or that may interfere with the capacity to make impartial decisions;
- report any conflict of interest situation, even potential, from as early as the negotiation phase with KME;
- conduct itself fairly in competition and comply with the respective applicable legal provisions protecting fair competition. In particular, not conclude any agreements or coordinate conduct with other companies with the aim or result of preventing, limiting, or falsifying competition in accordance with applicable antitrust law provisions and do not exploit any monopolistic position;
- report any anti-competitive behaviour, even only suspected;
- ensure that the business practices are in accordance with all applicable laws, directives and regulations, including economic sanctions and embargoes, governing the export and transfer of products, components, technical data and services. Provide truthful and accurate information and obtain export consents and/or licenses if necessary;
- comply with applicable statutory regulations on anti-money-laundering as well as the international standards relevant in this connection and not request the use of cash or other untraceable payment methods;
- operate in full respect of KME's quality policies and the applicable contractual requirements, checking and constantly overseeing their respect by its personnel and by its own suppliers;
- exercise quality and sustainability due diligence when designing, manufacturing, and testing products;

[1] All standards, laws, regulations and conventions referred to in this Code of Conduct always refer to the most recent version.

- develop, implement and maintain effective methods and processes to minimize the risk of counterfeit parts and materials being delivered;
- comply with the laws and regulations in force regarding the direct and indirect supply of critical metals and minerals from conflict zones;
- take appropriate measures to avoid the use of raw materials that directly or indirectly finance armed groups that violate human rights.

B. HUMAN RIGHTS, HEALTH AND SAFETY AND ENVIRONMENT

- respect and adhere to internationally recognised labour and human rights standards as defined in the principles of the United Nations Global Compact;
- actively ensure compliance with:
  1. the prohibition of employing a child under the age at which compulsory education ends according to the law of the place of employment, provided that the age of employment is not less than 15 years of age; this shall not apply if the law of the place of employment deviates therefrom within the meaning of Article 2, paragraph 4, and Articles 4 to 8 of No. 138 of the International Labour Organization Convention of June 26, 1973, concerning Minimum Age for Admission to Employment;
  2. the prohibition of the worst forms of child labour for children under 18 years of age; this includes, pursuant to Article 3 of International Labour Organization Convention No. 182 of June 17, 1999, the prohibition and immediate action for the elimination of the worst forms of child labour;
  3. the prohibition of the employment of persons in forced labour, which includes any work or service which is required of a person under threat of punishment and for which he or she has not made himself or herself available voluntarily, for example as a result of bonded labour or human trafficking. Exceptions to forced labour are any work or service that comply with Article 2, para. 2, of the International Labour Organization Convention No. 29 of June 28, 1930, concerning Forced or Compulsory Labour, or with Article 8 (b) and (c), of the International Covenant of December 19, 1966, on Civil and Political Rights;
  4. the prohibition of all forms of slavery, slave-like practices, servitude or other forms of domination or oppression in the workplace, such as extreme economic or sexual exploitation and humiliation;
  5. the prohibition of disregarding the obligations of occupational health and safety applicable under the law of the place of employment, if this results in the risk of accidents at work or work-related health hazards, in particular due to:
     a) inadequate safety standards in the provision and maintenance of the workplace and work equipment,
     b) the lack of appropriate protective measures to avoid exposure to chemical, physical or biological substances,
     c) the absence of measures to prevent excessive physical and mental fatigue, in particular through improper labour organization in terms of working hours and breaks; or
     d) the inadequate training and instruction of employees;
  6. the prohibition of disregarding the freedom of association, according to which:
     a) employees are free to form or join trade unions;
     b) the formation, joining and membership of a trade union may not be used as a reason for unjustified discrimination or retaliation,
     c) trade unions may operate freely and in accordance with the law of the place of employment; this includes the right to strike and the right to collective bargaining;

7. the prohibition of unequal treatment in employment, for example on the basis of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, unless this is justified by the requirements of the employment; unequal treatment includes in particular the payment of unequal remuneration for work of equal value;
8. the prohibition of withholding a reasonable wage; the reasonable wage shall be at least the minimum wage established by the applicable law and shall otherwise be determined by the law of the place of employment;
9. the prohibition of causing harmful soil alteration, water pollution, air pollution, harmful noise emission or excessive water consumption which:
   a) substantially impairs the natural basis for the preservation and production of food,
   b) denies a person access to safe drinking water,
   c) impedes or destroys a person's access to sanitary facilities; or
   d) harms a person's health;
10. the prohibition of unlawful evictions and the unlawful deprivation of land, forests and waters associated with the acquisition, development or other use of land, forests and waters, the use of which secures a person's basis of existence;
11. the prohibition of hiring or using private or public security forces for the protection of the business project if, due to a lack of instruction or control on the part of the company in the use of the security forces:
    a) the prohibition of torture and cruel, inhuman or degrading treatment is disregarded,
    b) life or limb is violated, or
    c) the freedom of association and organization are impaired;
12. the prohibition of an act or omission contrary to duty which exceeds numbers 1 to 11 and which is directly capable of impairing a protected legal position in a particularly serious manner and whose illegality is obvious upon a reasonable assessment and consideration of all the circumstances in question.

- take measures ensuring health and safety of employees and neighbours, as well as the general public at large against hazards inherent in processes, products and services;
- comply with applicable statutory regulations of environmental legislation as well as the relevant international standards;

  Where relevant, actively ensure compliance with:
  1. the prohibition of the manufacture of mercury-added products in accordance with Article 4(1) and Annex A, Part I of the Minamata Convention on Mercury of 10 October 2013 (Minamata Convention);
  2. the prohibition of the use of mercury and mercury compounds in manufacturing processes as defined in Article 5(2) and Annex B, Part I, of the Minamata Convention from the phase-out date specified for the respective products and processes in the Convention;
  3. the prohibition of the treatment of mercury waste contrary to the provisions of Article 11(3) of the Minamata Convention;
  4. the prohibition of the production and use of chemicals under Article 3(1)(a) and Annex A of the Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (POPs Convention), and in the version of the European Parliament and of the Council of 20 June 2019 on Persistent Organic Pollutants as last amended by Commission Delegated Regulation (EU) 2021/277 of 16 December 2020;
  5. the prohibition of non-environmentally friendly handling, collection, storage and disposal of waste in accordance with the regulations in force in the applicable jurisdiction under the terms of Article 6(1)(d)(i) and (ii) of the POPs Convention;

6. the prohibition of exports of hazardous waste as defined in Article 1(1) and other waste as defined in Article 1(2) of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Basel Convention) and as defined in Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste (Regulation (EC) No 1013/2006):
   a) to a party that has prohibited the import of such hazardous and other wastes (Article 4(1)(b) of the Basel Convention),
   b) to an importing country, as defined in Article 2(11) of the Basel Convention, that has not given its written consent to the particular import, if that importing country has not prohibited the import of such hazardous waste (Article 4(1)(c) of the Basel Convention),
   c) to a non-party to the Basel Convention (Article 4(5) of the Basel Convention),
   d) to an importing country if such hazardous waste or other waste is not being managed in an environmentally sound manner in that country or elsewhere (Article 4 (8) sentence 1 of the Basel Convention);
7. the prohibition of exports of hazardous waste from countries listed in Annex VII to the Basel Convention to countries not listed in Annex VII (Article 4A of the Basel Convention, Article 36 of Regulation (EC) No 1013/2006); and
8. the prohibition of the import of hazardous wastes and other wastes from a non-Party to the Basel Convention (Article 4(5) of the Basel Convention).

C. INFORMATION SECURITY AND ACCURATE RECORDS

- ensure that all sensitive, confidential and proprietary information of KME is appropriately protected;
- establish effective measures and controls to ensure the accurate and secure creation, storage, and maintenance of business records, with a commitment not to modify any record entry in order to conceal or misrepresent the underlying transaction;
- report any suspected or actual breach or security incident as soon as become aware of it, if the data breach/security incident affects the business relationship with KME;
- respect property (including intellectual property) of third parties;
- provide, during business relationship with KME, correct, truthful and complete accounting information.

KME reserves the right to verify business partners' compliance with this Code of Conduct to a reasonable degree. For this purpose, KME shall come to an agreement with the business partner on the scope, duration, and location. The business partner undertakes to actively support the necessary verification, to grant KME access to operating facilities within the scope of the previously concluded agreements, to make its employees available for interview, and to answer questions and information requests in a timely manner.

The business partner and its respective employees as well as stakeholders in general are encouraged to report violations of this Code of Conduct to the KME Compliance Office (compliance@kme.com) or through the reporting channels implemented by KME.
Details are available in the dedicated section on the KME website (https://www.kme.com).
Business partner shall support any investigations into alleged violations. If stipulated by national rules and consistent with its own due diligence efforts, the business partner shall establish its own system for addressing grievances/complaints or support relevant non-judicial mechanisms specific to the sector or country.

The business partner is aware that KME SE and the companies under its direct or indirect controlling influence reserve the right to adjust these principles to changing requirements of the aforementioned international standards, and that they expect such adjustments, within reasonable limits, to be accepted. The business partner fundamentally agrees with this.

The requirements and principles of this Code of Conduct are an integral part of the contractual obligations and cooperation between KME and business partner. The business partner hereby declares his unconditional agreement with this "Code of Conduct for business partners of KME SE and all companies under its direct or indirect controlling influence" and commits to communicate the requirements and principles outlined herein, or equivalent guidelines, to third parties involved in the fulfilment of the contractual relationship with KME.

In case of significant breaches by the business partner of this Code of Conduct, KME reserves the right to terminate the business relationship with the business partner subject to applicable laws.

……., on ……

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Company stamp Name/first name in block letters

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Signature