

Sustainability Code of Conduct for business partners

State: 20th of August 2024

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Preamble

These standards formulate requirements for all suppliers of KOVO HOLDING GMBH and its subsidiaries E.V.I. GmbH, Stark GmbH, Stark Innovation GmbH, Greppmayr GmbH (hereinafter referred to as “KOVO Group”) regarding human rights and labour standards, business ethics as well as environmental protection and safety. They are valid worldwide and are aimed at both manufacturing suppliers and service providers. The contents of this document are included in the contractual conditions with our suppliers worldwide. Companies are required to pass these requirements on to their employees and their own suppliers and to ensure compliance. In addition, KOVO and its subsidiaries expect business partners to comply with all applicable rules and laws. The frame of reference is the Declaration of Human Rights and the Global Compact of the United Nations, the Guidelines for Multinational Enterprises of the Organization for Economic Co-operation and Development (OECD) and the conventions of the International Labour Organization (ILO). The same provisions on labour standards, business ethics, environmental protection and safety apply to the “KOVO Group” in its own operational practice.

The KOVO Group also reserves the right to check compliance and to take action in the event of violations.

1. Labour standards

1.1. Respect for human rights

Suppliers are required to respect internationally recognized human rights and to promote compliance with them. In all business activities within their own sphere of influence, suppliers should work to ensure that they themselves, their business partners and their suppliers do not commit or participate in any human rights violations.

1.2. Free choice of employment

Forced or compulsory labour is not permitted. Employees must have the freedom to terminate the employment relationship by giving reasonable notice.

1.3. Prohibition of child labour

Child labour may not be used in any phase of production or processing. Suppliers are required to comply at least with the ILO conventions on the minimum age for admission to employment and the prohibition of child labour. Children must not be hindered in their development. Their safety and health must not be impaired.

1.4. Equal opportunities | Prohibition of discrimination

Suppliers are obliged to maintain equal opportunities in employment and to refrain from any form of discrimination. Employees may not be discriminated against, for example, on the basis of descent, origin, nationality, skin colour, religion, ideology, political or trade union activity, gender, sexual orientation, age, disability, illness or pregnancy.

1.5. Freedom of association and the right to collective bargaining

Companies should uphold the freedom of association and the effective recognition of the right to collective bargaining. It must be ensured that employees can openly discuss working conditions with company management without fear of disadvantages. The right of employees to join together, join a trade union, appoint a representative and be elected to one is respected.

1.6. Fairness in wages, working hours and social benefits

Compensation and benefits must comply with the basic principles regarding minimum wages, applicable overtime regulations and statutory social benefits. Working hours and time off must at least comply with applicable laws, industry standards or relevant ILO conventions, whichever is more stringent.

1.7. Health and safety in the workplace

As an employer, the supplier guarantees health and safety at the workplace, at least within the framework of the applicable national regulations and supports continuous further development to improve the working world.

2. Business ethics and compliance

2.1. Compliance with laws

The highest level of integrity is expected in all business activities and relationships. Suppliers are requested to refrain from any form of fraud or embezzlement, insolvency offenses, corruption, granting of advantages, bribery or corruptibility. The supplier is obliged to avoid all forms of business relationship with the "KOVO Group".

2.2. Fair competition

Laws that protect and promote competition, in particular antitrust laws, must be complied with. Companies must respect fair competition and comply with the ban on agreements with competitors and other measures that hinder the free market.

2.3. Avoidance of conflicts of interest

Suppliers are requested to make decisions in their dealings with business partners solely on an objective basis and not to allow themselves to be influenced by personal and personal financial interests.

2.4. Protection of business secrets

Suppliers are obliged to treat all non-public commercial and technical details that become known to them through the business relationship as business secrets.

2.5. Data privacy

Business partners are expected to comply with all applicable data privacy and information security laws when processing personal data in connection with their business relationships with "KOVO Group". When procuring, handling, processing or storing personal data, business partners are obliged to protect this data from unauthorized access, disclosure, theft or misuse.

3. Environmental protection and safety

3.1. Environmental responsibility

Suppliers must take a precautionary approach to environmental issues, take initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies.

3.2. Climate protection

The impact of climate change on the company and its value chains and the associated risks must be assessed and suitable measures implemented to combat climate change. All suppliers are required to identify economic solutions to improve their energy efficiency, reduce their energy consumption and minimize their carbon footprint.

3.3. Environmentally friendly production

Optimum environmental protection must be ensured in all phases of production. This includes a proactive approach to avoid or minimize the consequences of accidents that could have a negative impact on the environment. Special importance is attached to the application and further development of energy and water-saving technologies - characterized by the use of strategies to reduce emissions, reuse and recycle.

3.4. Environmentally friendly products

All products manufactured along the supply chain must meet the environmental standards of their market segment. This includes the entire product life cycle, and all materials used. Chemicals and other substances that may pose a risk if released into the environment must be identified.

A hazardous substance management system must be set up for them so that they can be safely handled, transported, stored, reprocessed or reused and disposed of using suitable procedures.

3.5. Sustainable resource management and waste reduction

All business partners are expected to prevent the exploitation and destruction of natural resources such as soil, forests, water, raw materials, etc. They must prevent their business activities from having such an impact on natural resources that the health of people is damaged, that they no longer have access to unpolluted drinking water or that the production of food is significantly impaired.

The partners must make reasonable efforts to reduce water consumption in their operational processes. When using water and discharging wastewater, negative impacts on the environment must be avoided as far as possible. Furthermore, they are expected to support the reduction of waste through increased material reuse and recycling as well as through the provision and use of sustainable materials.

3.6. Product safety and quality

Upon delivery, all products and services must meet the contractually defined criteria for quality and active and passive safety for people and the environment in the EU and be safe for users to use for their intended purpose.

3.7. Responsible sourcing of materials

Business partners are expected to use materials that have not contributed to human rights violations, health and safety issues, unethical business practices or compliance breaches, or caused negative environmental or social impacts.

Business partners must exercise due diligence in their supply chains to ensure that the materials they use are responsibly sourced and traded.

Business partners must ensure that any potential conflict minerals they identify in their raw materials or products are sourced from validated conflict-free mines and smelters, in particular for: Tin, Tungsten, Tantalum, Gold (3TG) and Cobalt. For this purpose, tools and resources provided by the Responsible Minerals Initiative (RMI) are recommended, including the Conflict Mineral Reporting Template (CMRT) and Cobalt Reporting Template (CRT). Business partners are expected to fully inform "KOVO Group" of their due diligence measures upon request in order to support efforts towards full traceability and transparency of the supply chain.

4. **Supply chain**

The supplier shall pass on the contents of this document to its suppliers, obligate them accordingly and check compliance with the sustainability provisions as far as economically feasible.

The management

Neuried, 20th of August 2024

Sustainability Code of Conduct for Business Partners

We hereby confirm the receipt, recognition and implementation of this
Sustainability Code of Conduct for Business Partners of the “KOVO Group”.

Company name: _____

Company stamp:

Name of signatory

Management level, Position

Place and Date

Signature