

CODE OF CONDUCT FOR SUPPLIERS

It is the mission of Kocher Gesellschaft für Industrieautomation und Software mbH (hereafter referred to as “Kocher GmbH”) to achieve excellence, innovation, transparency, and performance in a sustainable way. This Code of Conduct applies to all external vendors, including but not limited to all suppliers, business partners, manufacturers, distributors, retailers, or contractors that provide Kocher GmbH with any kind of processes, products, or services.

This Code of Conduct expresses Kocher GmbH’s expectations for behavior with respect to business ethics, working conditions, human rights, health and safety, environmental leadership, sustainability, and due diligence in the supply chain for suppliers doing business with and on behalf of Kocher GmbH.

Suppliers are expected to understand Kocher GmbH’s approach and consistently act accordingly to achieve the highest standards of business integrity as well as social and environmental performance in our supply chain. Kocher GmbH expects its suppliers to comply with these standards and to implement them throughout their supply chain.

Kocher GmbH also expects its suppliers to always comply with applicable laws and regulations and to strive for industry best practices and compliance. Kocher GmbH expects to do business with suppliers who act in accordance with our values and standards.

Behave in accordance with Kocher GmbH’s values and reflect them positively throughout the supply chain. Kocher GmbH selects its suppliers carefully and expects them to fulfill and comply with contractual requirements. Comply with laws and regulations and act in accordance with the principles and values.

1. BUSINESS ETHICS

1.1. Anti-corruption and anti-money laundering

Kocher GmbH expects suppliers not to engage in or endorse corrupt practices of any kind, including offering or accepting bribes, inappropriate gifts, provision of food and drink, or facilitation payments. Suppliers should not facilitate or support money laundering and should report any suspicious transactions and watch for signs of money laundering.

1.2. Financial responsibility/precise records

Suppliers should manage their business relationships in a transparent manner and accurately reflect these in the company's financial reports and records. They should confirm that appropriate controls over the financial reporting system are in place.

1.3. Invitations and gifts

Employees of Kocher GmbH will not offer or accept gifts, provision of food and drink, or other items of substantial value from competitors, customers, suppliers, or others doing or seeking to do business with Kocher GmbH. Occasionally, employees may accept advertising or promotional items that are widely distributed by the supplier. Symbolic gifts and invitations may be a sign of courtesy or the country-specific cultural situation and may be of little value. Depending on the situation, no consideration may be paid or expected in return.

1.4. Conflicts of interest

Kocher GmbH expects its suppliers to avoid conflicts of interest and to act honestly and ethically throughout the supply chain and in accordance with applicable law. Employees of Kocher GmbH and suppliers may not participate in situations or business activities in which their personal or financial interests conflict or could appear to conflict with the goals and objectives of Kocher GmbH.

1.5. Fair competition and antitrust law

Kocher GmbH acts in accordance with the principles of national and international rules for the protection of free competition and therefore promotes fair competition in the conduct of its business activities. The company is aware that fair and loyal competition is a key element for the development of the company and the market.

With regard to compliance with antitrust laws, Kocher GmbH adheres to the following general principles:

- It defines and conducts its business activities in complete autonomy vis-à-vis its competitors in the market.
- It acts exclusively on the basis of its own strategic and economic decisions.
- It does not engage in any unlawful behavior.

1.6. Freedom of association and collective bargaining

Kocher GmbH recognizes the right of suppliers to freedom of association and collective bargaining where applicable.

1.7. Intellectual property, data protection, and security

Suppliers should respect valid intellectual property of competitors, business partners, and other third parties, including but not limited to trademarks, copyrights, trade secrets, patents, and other intangible rights.

All Kocher GmbH suppliers must be committed to ensuring that information used or obtained through any media, including but not limited to technical know-how, e-mails, construction drawings, technical specifications, RFQs, purchase orders, and trade secrets, is maintained. Their assignments are appropriately secured and protected from loss of confidentiality or integrity, unauthorized disclosure, or misuse.

The responsibility for maintaining confidentiality lies with the person to whom the information is entrusted. This trust implies an expectation that the individual will not disclose information or gain access to information unless required to do so by professional requirements. Suppliers should respect privacy and civil liberties in relation to the collection, storage, use, or dissemination and any other processing of personal data.

2. HUMAN RIGHTS AND WORKING CONDITIONS

2.1. Occupational health and safety

Kocher GmbH expects its suppliers to provide their employees with clean, healthy, and safe environments that meet or exceed legal standards, with safety procedures for their employees and the goal of causing no safety incidents in the workplace.

2.2. Child labor

Kocher GmbH expects its suppliers to prohibit and refrain from any form of child labor in their companies. Suppliers must comply with the minimum working age in accordance with the ILO Minimum Age Convention in their business activities and throughout the entire supply chain, and ensure that child labor is not tolerated in any form and that the emotional, mental, and physical development of children is protected.

2.3. Forced labor

Kocher GmbH does not engage in practices that involve the use of forced labor, and we will not knowingly do business with companies that do. Kocher GmbH requires that all employees who take up employment with the company or with our suppliers do so of their own free will.

2.4. Diversity, equity, and inclusion

Suppliers should develop and promote inclusive cultures where diversity is valued and celebrated and everyone is able to contribute and reach their full potential. Suppliers should promote diversity at all levels of their workforce and leadership, including boards of directors.

2.5. Working hours and remuneration

Kocher GmbH expects its suppliers to comply with applicable national laws and collective agreements (if applicable) or ILO standards on working hours, unless there are relevant local regulations. It is also assumed that the employees of suppliers receive remuneration that is in line with the applicable national laws.

2.6. Discrimination

Kocher GmbH expects suppliers not to discriminate against others on the basis of gender, skin color, race, national origin, religion, sexual orientation, age, veteran status, disability, or gender identity. Harassment or defamation of any kind will not be tolerated.

2.7. Ethical recruiting

Suppliers shall not mislead or deceive prospective employees about the nature of the work, require employees to pay recruitment fees, and/or confiscate, destroy, conceal, and/or deny employees access to employee passports and other government-issued identification documents. Employees must be given a written contract or employment notice in a language they can easily understand at the beginning of their employment that truthfully and clearly states their rights and responsibilities.

2.8. Women's rights

Kocher GmbH undertakes to comply with the principles that women have a right to political, economic, and social equality, as well as the applicable regional and international laws, rules, and regulations, in order to offer women equal employment opportunities and equal pay for equal work. Kocher GmbH also takes all reasonable measures to eliminate discrimination against women by individuals, organizations, or companies.

2.9. Rights of minorities and indigenous peoples

Suppliers should respect the right of local communities to decent living conditions, education, employment, and social activities. They must also respect the right to free, prior, and informed consent (FPIC) to developments that affect them and the land on which they live, with particular attention to the presence of vulnerable groups.

2.10. Land rights and eviction

Suppliers should avoid forced evictions and the deprivation of land, forests, and waters when acquiring, developing, or otherwise using land, forests, and waters.

2.11. Private or public security forces

Suppliers should not hire or use private or public security forces to protect the business project if this could lead to human rights violations due to a lack of training or control by the company.

2.12. Complaints mechanism

Suppliers should establish an effective complaints mechanism in line with UN Guiding Principle 31 that allows involved parties to raise concerns related to business ethics, human rights, or other issues – anonymously, confidentially, and without fear of retaliation.

2.13. Whistleblowing and protection from retaliation

Business partners of external suppliers or Kocher GmbH team members who report prohibited behavior in accordance with Kocher GmbH's Global Business Ethics Policy and the Code of Conduct for Suppliers will be protected from retaliation of any kind.

Disciplinary action will be taken against anyone who attempts to initiate such retaliation. In order for Kocher GmbH to achieve its goal of maximizing the safety of all employees, the full cooperation of all of Kocher GmbH's external business partners and team members is required.

Our internal reporting office for the submission of confidential information for the protection and promotion of a transparent and honest working environment (in accordance with the Whistleblower Protection Act) can be reached at any time at whistle@kocher.biz.

3. ENVIRONMENTAL PROTECTION AND SUSTAINABILITY

Suppliers should develop, implement, and support a proactive approach to environmental responsibility by applying environmental protection practices, conserving natural resources, and

reducing the overall environmental footprint of production, goods, and services throughout their life cycle.

Suppliers should implement an environmental management system that includes the following:

3.1. CO₂ neutrality

Suppliers should strive to set science-based and time-bound emission reduction targets and renewable energy targets that are in line with the Paris Agreement, and take actions that drive decarbonization of the entire value chain.

Suppliers are encouraged to report their sustainability performance, including greenhouse gas emissions, in accordance with

- (a) a recognized reporting framework (e.g., GRI, ISO 20400, CDP, Carbon Trust, SA8000) or
- (b) a sustainability review by a qualified third party, e.g., a party auditor (EcoVadis, Veritas, CERES or equivalent).

3.2. Water quality, consumption, and management

Suppliers should minimize water consumption, effectively reuse and recycle water through responsible treatment of wastewater discharges, and prevent potential impacts from flooding as a result of stormwater runoff, as required by law and in accordance with applicable legislation.

3.3. Air quality

Suppliers should routinely monitor and disclose, adequately control, minimize, and, to the maximum extent practicable, eliminate emissions that contribute to air pollution as required by and in accordance with applicable law. Suppliers should evaluate the cumulative impact of pollution sources in their operations and mitigate their pollution levels accordingly.

3.4. Responsible chemicals management

Suppliers should identify, minimize, or eliminate the use of restricted substances in manufacturing processes and finished products to ensure regulatory compliance. Companies should also be aware of the use of restricted substances in processes and finished products and actively seek suitable substitutes to maintain product and environmental responsibility.

3.5. Circularity

Suppliers should promote closed-loop systems by supporting the use of sustainable, renewable natural resources while reducing waste and increasing reuse and recycling.

3.6. Animal welfare

Suppliers should respect the five animal freedoms formalized by the World Organization for Animal Health (WOAH) in relation to animal welfare. No animal may be bred, tortured, and/or killed solely for the purpose of being used in products for Kocher GmbH.

3.7. Biodiversity, land use, and deforestation

Suppliers should protect ecosystems, especially important biodiversity areas affected by their operations, and avoid illegal deforestation in accordance with international biodiversity regulations, including IUCN resolutions and recommendations on biodiversity.

3.8. Soil quality

Where appropriate, suppliers should monitor and control their impact on soil quality to prevent soil erosion, nutrient depletion, subsidence, and contamination.

3.9. Noise emissions

Where appropriate, suppliers should monitor and regulate industrial noise levels to avoid noise pollution.



4. RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Suppliers should select business partners that adhere to responsible business conduct practices and communicate the guiding principles throughout the supply chain.

Suppliers should implement a supplier management system that includes the following:

4.1. Due diligence

Suppliers should conduct a due diligence review at their direct suppliers and subcontractors in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct, promote transparency and traceability, and do their best to further implement the ESG standards in the supply chain and transfer the guiding principles.

Kocher GmbH expects suppliers to have established and to implement a due diligence process with appropriate measures to ensure that their suppliers and subcontractors also comply with the standards and rules set out in this document.

4.2. Responsible sourcing of raw materials and minerals (conflict minerals)

Suppliers should responsibly source the raw materials and minerals used in their products by developing a management system that promotes supply chain traceability and transparency, and by implementing due diligence measures in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

If the use of conflict minerals (e.g., tin, tantalum, tungsten, gold) cannot be avoided, Kocher GmbH expects suppliers to ensure transparency in their supply chain upon request.

4.3. Counterfeit parts

A counterfeit part is fraudulent material that has been confirmed to be a copy, imitation, or substitute that has been represented, identified, or labeled as genuine and/or altered by a source without legal right with the intent to mislead, deceive, or defraud. (Ref.: SAE AS6174A)

Kocher GmbH expects the following from all external vendors during the term of the contract:

- External vendors shall not deliver falsified or suspected falsified work to Kocher GmbH under the contract.
- To the extent permitted by the contract, external vendors shall only provide services or products to Kocher GmbH directly from the original component manufacturer (OCM)/original equipment manufacturer (OEM) or through an OCM/OEM. Other sources may only be used if OCM/OEM sources are not available and formal approval has been obtained from the Kocher GmbH representative.
- External vendors must notify Kocher GmbH if they (the external suppliers) become aware of the supply of a counterfeit part/service (including a suspected counterfeit part/service) to Kocher GmbH and must fully assist Kocher GmbH with a detailed investigation upon request.

- In the event of a counterfeit part/service delivered to Kocher GmbH, the external vendor must replace the part/service with parts/services provided by OCMs/OEMs or original parts/services (including removal, transport, and replacement of counterfeit parts/services) at its own expense under the contract.



CODE OF CONDUCT FOR SUPPLIERS

Supplier declaration

1. We have received the Code of Conduct for Suppliers from Kocher GmbH.
2. By signing this document, we undertake to recognize and comply with all provisions and principles of the Kocher GmbH's Code of Conduct for Suppliers.

Supplier name: _____

I hereby certify that I have reviewed the above information and that to the best of my knowledge it is complete, accurate, and up to date.

Name (in block letters): _____

Date: __. __. ____ Title: _____ Signature: _____

Name (in block letters): _____

Date: __. __. ____ Title: _____ Signature: _____

This declaration must be signed by duly authorized representatives of the external vendor and returned to Kocher GmbH.