

## **Statement to UK Modern Slavery Act of KOSTAL Automobil Elektrik GmbH & Co. KG**

### **UK Modern Slavery Act**

This policy statement was issued by KOSTAL Automobil Elektrik GmbH & Co. KG, and all its affiliated companies (KOSTAL) and is made in accordance with Section 54, Part 6 of the Modern Slavery Act 2015. It describes the measures KOSTAL has taken to ensure that slavery or human trafficking does not occur within KOSTAL's business areas.

### **KOSTAL at a glance**

Now in its fourth generation, KOSTAL is a family owned company and a worldwide partner to the automotive industry. KOSTAL mechatronic solutions and contact systems can be found in almost every car in the world.

KOSTAL considers itself as a partner, supporting its customers locally around the world and has 46 branches in 21 countries.

The supply chain through which KOSTAL obtains its raw materials, production materials, services, hardware and software as well as consumer goods thus spans the globe, as does the company network itself.

Proximity to KOSTAL customers is just as important as proximity to suppliers.

### **Corporate Compliance Guidelines**

For KOSTAL as a family owned company with a history of more than 100 years, the long-term and sustainable orientation of all activities and the strong and loyal relationship with customers and suppliers is a matter of course. This special connection is based on common values. By recognizing and acting on the basis of these values, KOSTAL is laying the foundation for a long-term, sustainable and successful future in cooperation with customers and suppliers.

In order to make these values visible to everyone, KOSTAL has established a corporate guideline, the „KOSTAL values“. These apply to all employees, plants and affiliated KOSTAL subsidiaries worldwide. True to the maxim „Values create security, values create community, values create values in all our relationships, values are the connecting element“, those are particularly valuable to KOSTAL. The „KOSTAL values“ reflect the essential principles which should be a matter of course not only in business but in every interpersonal interaction. Accordingly, all employees and companies belonging to KOSTAL have committed themselves to observing these values.

### **Code of Conduct**

In order to concrete the values, a code of conduct sets out the value guidelines, particularly with regard to human rights, fair working conditions, environmental protection and the fight against corruption. This creates fair and appropriate working conditions for all KOSTAL employees at all locations around the world. Similarly, KOSTAL expects all its business units to comply with or exceed the principles prescribed by local law and industry practice.



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KOSTAL also expects its business partners without exception to comply with these principles.

KOSTAL operates in Great Britain through its subsidiary KOSTAL UK Ltd. KOSTAL UK Ltd. has also committed itself to these guidelines and undertakes to fulfil its obligations under the UK Modern Slavery Act 2015, i.e. to eliminate all forms of modern slavery and human trafficking from the supply chain.

**Training of employees**

All KOSTAL employees receive face-to-face training and are informed about the sense of the „KOSTAL values“.

These measures are components of KOSTAL compliance management system, which is being introduced and optimised step by step. KOSTAL expects its employees to comply with the Code of Conduct and to conduct all business efficiently and within the guidelines of the Code of Conduct.

The managing directors ensure that the employees are well aware of the Code of Conduct and set a good example themselves within their respective management structures.

All KOSTAL employees are kept informed of changes to the Code of Conduct.

**Supplier Code of Conduct**

As stipulated in the Supplier Code of Conduct, KOSTAL expects all its suppliers to comply with the applicable national laws and the KOSTAL Code of Conduct in their activities and to observe the internationally acknowledged environmental, social and corporate governance standards (ESG standards). These include in particular the acknowledgement of the guiding principles for the observance of human rights and the strict fight against forced labour and modern slavery, in accordance with the UK Modern Slavery Act 2015.

Business partners are expected to agree to comply with the Supplier Code of Conduct. KOSTAL also expects suppliers to make every effort to implement these standards among their supply chain, subcontractors and affiliated companies.

KOSTAL does not willfully do business with business partners or support them if they are involved in slavery or human trafficking. The Supplier Code of Conduct is considered an integral part of every contractual agreement, compliance with the principles and requirements laid down is mandatory.

Accordingly, KOSTAL is entitled to terminate some or all of its contractual relationships with business partners if the business partner verifiable have not complied with the requirements of the Supplier Code of Conduct, or if it fails to introduce or implement improvement measures even after a reasonable period of grace has been set.

Regular audits at the Supplier’s premises cover environmental management, occupational safety and quality management. In addition to weaknesses, risks and potential for improvement of the corresponding management systems, compliance with the Supplier Code of Conduct is also taken into account. The adequate follow-up measures of the audit are then determined by the audited organization and coordinated with the person responsible for the measures.



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**Corporate social responsibility**

Lawful, ethically impeccable and responsible action is an important and indispensable part of the KOSTAL corporate culture.

In accordance with the principle „We do what is necessary and promote what we demand“, KOSTAL works together with its employees, customers and suppliers to constantly develop sustainability performance and consistent adherence to ethical and moral values. Accordingly, in addition to process-related, economic and technical criteria, social and ecological aspects such as human rights, working conditions, prevention of corruption and environmental protection are at the centre of all activities. This applies to the entire company and its employees and is an integral part of this value-oriented corporate organization.

KOSTAL focuses not only on compliance with laws and prohibitions, but also on compliance with its own „KOSTAL values“ and control concepts to which the company has committed itself.

Reports of suspicious facts in connection with the activities of the organisation and its business partners, including activities which may involve the risk of slavery, servitude, forced or compulsory labour or human trafficking, can be passed on to the respective superior or to the person responsible for compliance (compliance@kostal.com), in personal, electronic, written or telephone form.



Lüdenscheid, June 2020

