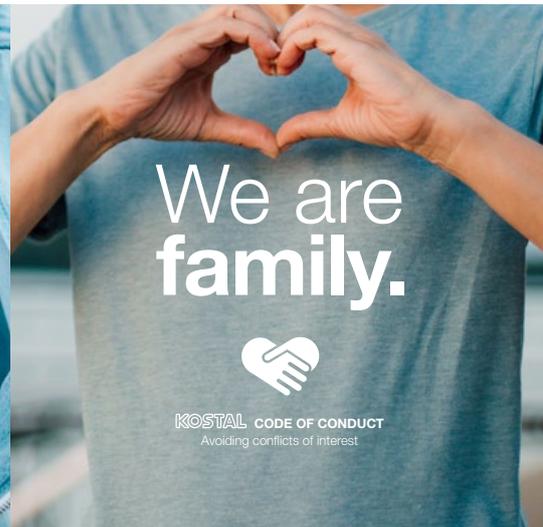




KOSTAL Code of Conduct



KOSTAL Code of Conduct



Languages

ONLINE VERSION

Deutsch

English

Content

1. Principles	12	4. Production and development	34
Lawful, compliant, responsible and fair behaviour	12	Products	34
Indications of possible irregularities	15	Intellectual property and expertise	35
Cooperation with authorities	15	Occupational health and safety and environmental protection	36
Leading by example	15		
Behaviour towards employees	16	5. Scope of application	40
Responsibility towards society	17		
2. Protection of relationships of trust	20	6. Reporting violations of the Code of Conduct, company policies or laws	44
Avoiding conflicts of interest	20	Contact information	44
Dealing with information	21		
Documents	21		
Company property	21		
Data protection and information security	22		
E-mail and Internet use	22		
Confidentiality	23		
3. Shaping KOSTAL business relationships	26		
Conduct towards business partners and third parties	26		
Competition and antitrust law	26		
Supplier and customer relations	28		
Corruption and bribery	29		
Export and import control	30		
Money laundering	30		
Taxes, duties and customs	30		
Donations and sponsorship	30		

Introduction

KOSTAL is over 100 years old and in all these years we have been and continue to be sustainably very successful in what we have done and are doing. To continue this, it is essential that we abide by the law and act with integrity. It goes without saying that each and every one of us is committed to this.

KOSTAL is aware of its social responsibility in all its global activities and sees this as a fundamental element of sustainable success.

As a family-run business, we know how to preserve, develop and pass on a legacy for future generations. Sustainable business practices that protect the environment and resources, and put people first, are key to preserving our legacy – perhaps even more so today than in the past.

This Code of Conduct shows you how we think and act at KOSTAL and which values guide us in all that we do. It forms the foundation on which all other guidelines are based.

Acting ethically and with integrity enables KOSTAL to continue to build and maintain its excellent reputation in the industry, to attract and retain outstanding colleagues and to meet the high expectations placed on us by our customers, suppliers, partners and society.

This Code of Conduct provides you with an understanding of how the company and you must act sustainably, today and in the future – wherever you are in the world. It shows what is expected of you, your colleagues and our business partners in the course of your work.

Please read this Code of Conduct carefully and observe the principles of conduct it covers.

Do not be afraid to ask if you are not quite sure how to interpret individual principles. Your supervisors and the Legal and Compliance Department will be happy to help you.



Andreas Kostal
Executive Director



Kai Knickmann
Managing Director



Dr. Gregor Mark Schmeken
Managing Director



Andreas Kostal



Kai Knickmann



Dr. Gregor Mark Schmeken

KOSTAL Principles

1. Principles

Lawful, compliant, responsible and fair behaviour

As a globally active group of companies, KOSTAL faces up to its social responsibility.

KOSTAL employees always follow the principles of sustainable and responsible action, the applicable laws and the KOSTAL guidelines in their actions, measures, contracts and all processes. KOSTAL employees are honest and reliable towards our customers, the authorities and the public.

KOSTAL pays the applicable taxes, duties and customs, complies with competition and antitrust law, does not engage in corruption, bribery or money laundering and ensures that its products are state of the art. Necessary official approvals are obtained, export control regulations are followed and the rights of third parties are respected.

Should we fail to comply with these principles, we as a company or as employees would not only be threatened with business or personal disadvantages through loss of reputation, criminal prosecution, fines or claims for damages, we would also be acting contrary to KOSTAL values.

Therefore, it is important for us to always act in accordance with these principles, even if this means having to accept business disadvantages in individual cases.

Everyone in the company is responsible for ensuring that the laws and KOSTAL guidelines are adhered to in our work area. The working environment must be continuously checked from this point of view and for compliance with these principles. The managers and the Legal and Compliance Department are available at any time and in confidence to discuss and clarify possible uncertainties and must also be approached in such cases.

This Code of Conduct is binding for all KOSTAL employees worldwide, regardless of where and in which function they work. KOSTAL applies a zero tolerance principle in the application of this Code of Conduct, violations of which will not be tolerated and may be subject to legal or disciplinary action, up to and including termination and the assertion of claims for damages.



LAWFUL, COMPLIANT,
RESPONSIBLE & FAIR BEHAVIOUR
KOSTAL CODE OF CONDUCT

With great power
comes great
responsibility.



KOSTAL CODE OF CONDUCT
Leading by example

LEADING BY EXAMPLE
KOSTAL CODE OF CONDUCT

Indications of possible irregularities

Every KOSTAL employee is required to report possible or actual violations of the provisions of this Code of Conduct, KOSTAL guidelines or applicable laws through appropriate channels, whether through supervisors, the Legal and Compliance Department or the KOSTAL compliance hotline operated for us by a professional external company. It is better if you can give your name, but anonymous reporting is also possible. Any information will be treated in strict confidence. Any form of disadvantage or discrimination against KOSTAL employees who have made a report in good faith and not in an abusive manner is excluded and will not be tolerated, even in the event that the report later proves to be unfounded.

Cooperation with authorities

KOSTAL maintains a cooperative relationship with authorities and as KOSTAL employees we always cooperate fully with lawful investigations conducted by KOSTAL itself or by authorities. Of course, the legal rights of each individual, such as rights to testify and refuse to testify and other procedural rights, remain unaffected.

Leading by example

Managers are obliged to prevent violations of legal provisions, the Code of Conduct and all other KOSTAL guidelines in their areas of responsibility and monitor this regularly. They shall ensure that their employees are aware of this, that the rules are observed and that violations are subject to disciplinary action, irrespective of the employees' hierarchical position in the company.

Managers act as role models for employees and inform them about the regulations of the Code of Conduct, discuss them with them and, together with the Legal and Compliance Department, are available as points of contact. They are in regular dialogue with their employees about compliance.

Human rights
are non-negotiable.



RESPONSIBILITY TOWARDS SOCIETY
KOSTAL CODE OF CONDUCT

Responsibility towards society

KOSTAL bears considerable social responsibility as an employer and along the entire value chain. Sustainable management, fair and responsible dealings with each other within the company and with business partners, is a prerequisite for our sustainable and long-term success.

KOSTAL complies with all protective laws, such as the German Due Diligence Act and the equivalent laws of the countries in which KOSTAL operates.

KOSTAL expressly condemns and rejects the violation of human rights and any form of forced or child labour and modern slavery, expecting the same of all business partners, and ensures that human rights are fully respected.

KOSTAL stands for fair working conditions along the entire supply chain and the internationally recognised standards of the International Labour Organisation (ILO) are binding for KOSTAL.

KOSTAL is expressly committed to the principles of the UN Global Compact and acts in line with these principles.

Behaviour towards employees

The personal dignity of each individual is protected and respected. Discrimination on the basis of age, gender, race, skin colour, social or ethnic origin, nationality or sexual orientation, religious or political conviction or other legally protected characteristics will not be tolerated, nor will any form of physical or psychological harassment or violence. Diversity and equal treatment are a matter of course at KOSTAL.

Employees working for KOSTAL must have reached the minimum age required by law.

All employees have a right to freedom of association and to have their interests represented by their elected representatives.

KOSTAL respects the statutory minimum wage and complies with the nationally applicable labour laws without exception.

Inappropriate behaviour must be reported to Human Resources or the Legal and Compliance Department.

BEHAVIOR TOWARDS EMPLOYEES
KOSTAL CODE OF CONDUCT

Zero tolerance
for intolerance!



KOSTAL CODE OF CONDUCT
Behavior towards employees

KOSTAL Protection of
relationships of trust

2. Protection of relationships of trust

Avoiding conflicts of interest

Secondary employment may only be taken up after prior written approval from KOSTAL.

Employees are only permitted to have a significant shareholding in competitors, suppliers or customers with the prior written approval of KOSTAL on a case-by-case basis. Business may only be done with companies in which a life partner or close family member has a shareholding or is active in a managerial function with the prior written approval of KOSTAL.

Approval may be prohibited in each case if it cannot be ruled out that this relationship may influence the business relationship and that there is a possibility of a conflict of interest.

AVOIDING CONFLICTS OF INTEREST KOSTAL CODE OF CONDUCT

We are
family.



KOSTAL CODE OF CONDUCT
Avoiding conflicts of interest

Caution!
ESD controlled environment.



COMPANY PROPERTY
KOSTAL CODE OF CONDUCT

KOSTAL CODE OF CONDUCT
Company property

Dealing with information

Documents

Internal and external documents of all types, such as customer and sales documents, technical documents, financial documents, expense reports and time recording documents, must be issued correctly and truthfully and must accurately reflect the relevant transaction. The principles of legally compliant bookkeeping and accounting are complied with. Data entries and other records must be complete, correct, timely and system-compatible.

Documents that are subject to a statutory retention or deletion period are treated at least in accordance with these periods. Other documents are subject to a retention or deletion period determined by KOSTAL.

Company property

The proper use and protection of company property is the responsibility of each employee. Company property provided may only be used for business purposes and must be handled with care and in accordance with the guidelines applicable to it.



CONFIDENTIALITY
KOSTAL CODE OF CONDUCT

Confidentiality

KOSTAL employees keep confidential information relating to KOSTAL as secret as information relating to its business partners. This obligation continues beyond the termination of the employment relationship.

Data protection and information security

The protection of privacy, the protection of personal data and the security of all business information are carried out in compliance with legal requirements. Data is protected against unauthorised access and loss, whereby a risk-appropriate standard is maintained that is technically and organisationally oriented to the relevant state of the art.

Compliance with data protection and information security requirements is ensured at all times in all business processes.

Questions in this regard will be answered by the Legal and Compliance Department as well as the Data Protection Officer.

E-mail and Internet use

Even if many e-mails have a rather informal character, every e-mail sent constitutes a business document and must be treated accordingly. E-mails must comply with the KOSTAL business principles. E-mails and the Internet may only be used for official purposes.



DATA PROTECTION & INFORMATION SECURITY
KOSTAL CODE OF CONDUCT

Phishing
impossible.

KOSTAL CODE OF CONDUCT
Data protection & information security

KOSTAL

Shaping KOSTAL business
relationships

3. Shaping KOSTAL business relationships

Conduct towards business partners and third parties

Competition and antitrust law

Our customers value working with us because of our competitive products, technologies and prices as well as our reliability, but not because we behave dishonestly. At the same time, we are in competition with many other companies and customers.

Compliance with the rules of free and fair competition within the framework of legal regulations is an integral part of our actions and our self-image. This means that competitors are not permitted, either directly or indirectly, to divide up territories or customers, to collude or exchange information on prices, their components or other competitive parameters, supply relationships and their conditions, existing or future production capacities or supply behaviour. This also applies to exchanging information on market strategies or participation strategies. Written contracts or verbal agreements on this or tacit, coordinated parallel behaviour are generally not permitted.

Agreements or information on research and development projects are only exchanged within a strictly limited and legally permissible framework and always require the involvement of the Legal and Compliance Department.

Customers and buyers determine their resale prices independently and without influence from KOSTAL.

The respective national competition and antitrust laws are fully observed.

A strong market position is not abused, for example to enforce price discrimination or refusal to supply.

For further information, please refer to the corresponding KOSTAL policy.



COMPETITION & ANTITRUST LAW
KOSTAL CODE OF CONDUCT

Supplier and customer relations

Agreements with suppliers and customers are fully and clearly documented, including subsequent changes and amendments.

The internal control rules are complied with.

Suppliers are selected only on a competitive basis, taking into account price, quality, performance and suitability with regard to the products and services offered.

SUPPLIER & CUSTOMER RELATIONS KOSTAL CODE OF CONDUCT

Proof of Concept.



KOSTAL CODE OF CONDUCT
Supplier & customer relations

Hard to get. Not just playing.



CORRUPTION & BRIBERY KOSTAL CODE OF CONDUCT

Corruption and bribery

KOSTAL does not tolerate any form of corruption or active or passive bribery. Such conduct by employees or business partners is punishable by law and leads to distortions of competition as well as financial and reputational damage for KOSTAL.

Donations to public officials or persons equivalent to them are not permitted. Even the mere appearance of influence must be avoided. KOSTAL employees may also not accept benefits from public officials. No benefits shall be offered or granted to public officials for performing or expediting official acts – regardless of whether there is a claim to the performance of the official act or whether the public official violates their official duties through their actions.

In business dealings with customers, suppliers and other third parties, any form of corruption or bribery or other unfair influence on business decisions is not permitted, for example in connection with agreements on the procurement, award, delivery, processing and payment of orders. Services which may be assumed to be intended in whole or in part for the payment of bribes may neither be agreed upon nor provided. If representatives or other intermediaries are commissioned by KOSTAL to obtain orders or approvals for KOSTAL, they shall be obliged in writing to act in accordance with the law and to refrain from bribing or granting advantages or accepting bribes. In the event of a violation, it must be possible to terminate the relationship with this person without notice.

The giving or acceptance of gifts or other benefits is only permitted if they have negligible financial value (e.g. promotional pens or promotional mugs). Business invitations may only be extended or accepted in an appropriate setting. Any form of extravagance is not permitted.

For further information, please refer to the corresponding KOSTAL policy.

Export and import control

KOSTAL complies with applicable export and import laws, such as sanctions, embargoes and other laws, regulations and government orders or policies. These laws are extensive and can be difficult to apply due to KOSTAL's global operations. The Legal and Compliance Department is available to answer questions on this matter.

Money laundering

KOSTAL is subject to certain obligations under national anti-money laundering laws that may apply or have an impact internationally. Therefore, all questionable or dubious financial transactions must be reviewed and clarified, whilst all business relationships must be continuously monitored.

Taxes, duties and customs

As a globally active group of companies, KOSTAL is obliged to pay various types of taxes, duties and customs. These taxes, duties and customs are calculated correctly and paid on time.

Donations and sponsorship

The management team at the respective KOSTAL company decides in a transparent manner, on the basis of the relevant laws and after consultation with the Legal and Compliance Department on the granting of donations in cash or in kind or sponsorship for the promotion of education, science, culture or for social and charitable purposes. Should a donation be approved, it must be appropriately documented and properly accounted for. For further information, please refer to the corresponding KOSTAL policy.



**Good vibes
only**



KOSTAL CODE OF CONDUCT
Export & import control

**EXPORT- & IMPORT CONTROL
KOSTAL CODE OF CONDUCT**

KOSTAL

Production & development

4. Production and development

Products

For generations, KOSTAL products have stood for quality, innovation, reliability and sustainability. KOSTAL develops and manufactures safe and reliable products that comply with the contractual agreements made and the state of the art. In the event that conflicts arise in the practical implementation of these requirements, they will be resolved in the spirit of fair and responsible action.



PRODUCTS

KOSTAL CODE OF CONDUCT KOSTAL CODE OF CONDUCT
Products



INTELLECTUAL PROPERTY & EXPERTISE
KOSTAL CODE OF CONDUCT

Intellectual property and expertise

Intellectual property is a valuable asset. It includes industrial property rights (for example, patents or trademarks) and works protected by copyright (for example, software or image rights).

Intellectual property of third parties is respected and only used if the use has been permitted beforehand. Expertise not protected by industrial property rights or copyrights may only be used if there are no legal regulations to the contrary.

Occupational health and safety and environmental protection

Safety and health protection form an essential part of our responsibility and activities. Therefore, all applicable, relevant regulations and work instructions must be followed without restriction and the legally required protective equipment must be used in each case.

Economic activity and environmental protection are interdependent and form the basis of sustainable and resource-conserving value creation. In this way, KOSTAL makes a significant contribution along the supply chain to the sustainable use of resources (including conflict minerals) for environmental and climate protection.

KOSTAL conserves resources by continuously adapting the production, quality and performance of its products with a view to their environmental compatibility and by reducing the consumption of energy, water and raw and operating materials, whilst using renewable energies wherever possible.



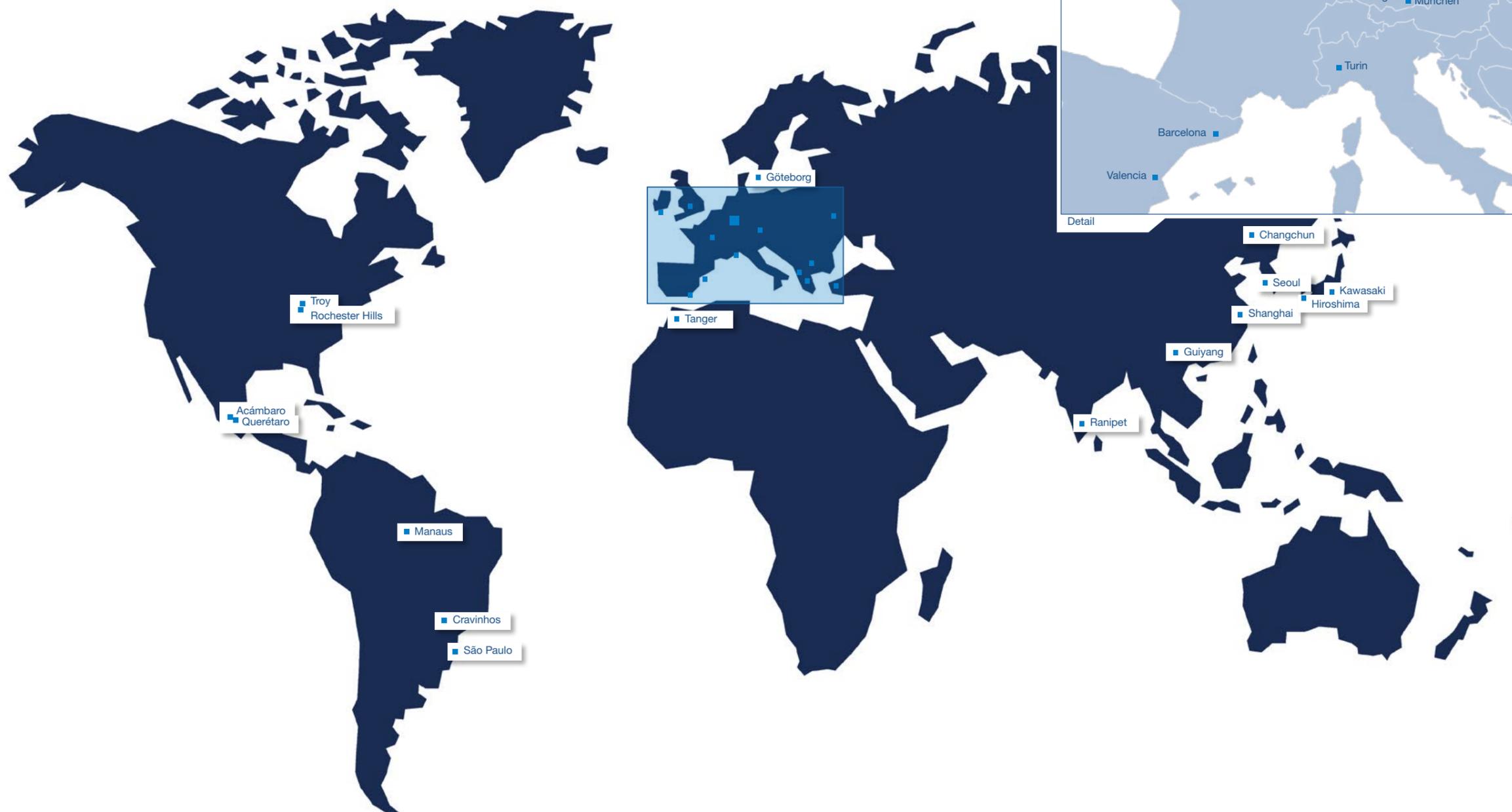
OCCUPATIONAL HEALTH & SAFETY & ENVIRONMENTAL PROTECTION
KOSTAL CODE OF CONDUCT

KOSTAL

Scope of application

5. Scope of application

This KOSTAL Code of Conduct applies to all legal entities of the KOSTAL Group, regardless of their legal form, the country of the branch office, the operating facility or the location. It applies equally to all employees of these units, regardless of their position, function or level of employment, as well as to all members of the corporate bodies of these units.



KOSTAL

Reporting violations of the
Code of Conduct,
company policies or laws

6. Reporting violations of the Code of Conduct, company policies or laws

KOSTAL requires all employees to report potential and actual violations in good faith. This can be done through the supervisors or their superiors. The Human Resources Department and the Legal and Compliance Department are also available for this purpose.

KOSTAL maintains an independent compliance hotline through which possible violations can also be reported. Although it is preferable for a name to be given for easier communication and clarification of the facts, this is voluntary and there is always the option to remain anonymous.

Employees who report potential or actual violations impartially and in good faith are fully protected from reprisals, discrimination or disciplinary action, even if the report is subsequently found to be unjustified. Every report is taken seriously, treated in strict confidence and processed. KOSTAL will not tolerate any form of discrimination against employees who report possible or existing violations in good faith.

You are unsure whether any of your actions comply with this Code of Conduct, the KOSTAL policies and applicable laws, ask yourself:

Is this the right action from your point of view?

Is this action legal?

Does this action follow KOSTAL policies and processes?

Would you be proud of this action?

Would my family and friends be proud of me if they heard about it?

Would my colleagues, superiors and management team be happy with me if they heard about it?

Contact information

E-Mail: compliance@kostal.com

Chief Compliance Officer: Sebastian Petrausch
Internet: www.speakupfeedback.eu/web/kostal



Sebastian Petrausch



Julia Abert



Carolin Schulte-Kunze

KOSTAL

Values

Our values



We have our feet on the ground.



We are decent.



We make it easy.



We do things with feeling.



We do what is necessary.



We form a bond and the bond is binding.



We encourage people to achieve what we expect.



We are moved by what we do and aim to move others.



What we do, we do with conviction.



We shape the future today.

Legal notice

Leopold Kostal GmbH & Co. KG
Holding Legal/HL
An der Bellmerlei 10
D-58513 Lüdenscheid

Telephone: +49 (0) 2351 16-0
Fax: +49 (0) 2351 16-2400
E-mail: compliance@kostal.com

Status: June 2021



KOSTAL CODE OF CONDUCT