



# Business Partner Code of Conduct

December 2023

## **General**

KWH operations are based on openness, honesty, reliability, reason and respect. KWH wants to develop and maintain relationships with business partners, including suppliers, sub-contractors, distributors, agents, consultants and other business partners (each below “Business Partner”) that share similar corporate values as KWH, and conduct business in an ethical manner.

This Business Partner Code of Conduct (the “Code”) is based on KWH Group’s Code of Conduct that applies throughout the KWH Group of companies consisting of its four divisions Mirka specialized in abrasives, KWH Logistics that offers logistic services, KWH Freeze offering frozen storage and KWH Invest consisting of strategic holdings and Prevox that manufactures water traps. This Code is also based on international conventions and standards such as the United Nations (UN) Global Compact, Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, International Bill of Human Rights, International Labour Organization’s (ILO) Fundamental Principles and Rights at Work, and UN Guiding Principles on Business and Human Rights.

This Code including the above-mentioned international conventions and standards comprises the values according to which KWH operates. KWH expects its Business Partners to conform to similar values and standards in their dealings with KWH and in their dealings with their own employees, business partners and other third parties including governmental and other officials.

References in this Code to “KWH” or “the company” shall mean KWH Group Ltd, including all divisions, subsidiaries, branches and other entities where KWH exercises management control.

### **1. Guidelines for business conduct**

#### **1.1. Compliance with laws and regulations**

Business Partner is expected to conduct its business in a professional and ethical manner and must in all its operations comply with all applicable laws and regulations applicable to its businesses as well as relevant and applicable international conventions and standards.

Where the requirements in this Code are stricter than existing laws or regulations, the requirements of this Code take precedence in that jurisdiction. If any part of this Code contradicts local law where the Business Partner operates, the stricter local law takes precedence in that jurisdiction. In situations where there are no specific guidelines in this Code the Business Partner shall undertake conduct in the spirit of this Code.

## **1.2. Anti-Bribery and Anti-Corruption**

Corruption includes a wide variety of activities. It is not only about money but also includes other forms of favours, such as nepotism and favouring friendship. KWH has zero tolerance towards corruption and bribery in any form, whether direct or indirect.

Business Partner shall ensure that all directors, employees, and third parties acting on its behalf shall comply with all applicable anti-corruption laws.

Business Partner will not offer, promise, give or accept anything of value or an undue advantage to influence a person to act or refrain from acting for the purpose of improperly obtaining, maintaining or securing a benefit of any kind. This applies regardless of whether the advantage is offered directly or through an intermediary.

## **1.3. Business Gifts and Corporate Hospitality**

Business gifts and corporate hospitality can play a positive role in building relationships between parties, if they are given in compliance with applicable laws and cannot be construed as a bribe to secure unfair preferential treatment. A gift is something you can talk about openly; a bribe is not. A bribe is assumed to involve favours in return whereas a gift is not.

Occasional and reasonable business-related gifts, entertainment and other corporate hospitality is acceptable when customary and in accordance with applicable laws. Business Partner must not provide any gift, meal or entertainment to a KWH employee or his/her family members that might influence, or appear to influence, the KWH employee's decision in relation to any KWH business with the Business Partner. KWH employees are expected to pay for their own travel and accommodation when visiting Business Partner.

KWH employees cannot give or accept gifts over the value of 100 euro without express written approval from their superior. Cash or cash equivalent, such as gift cards, can never be offered or accepted.

## **1.4. Conflicts of Interest**

Business Partner shall avoid potential conflicts of interest involving its work with KWH. Business Partner shall disclose to KWH any conflict of interest or situations giving appearance of a conflict of interest, for example, if a KWH employee or his/her immediate family member:

- (a) holds a material financial or other interest in the Business Partner;
- (b) holds a managerial position at the Business Partner; or
- (c) works for the Business Partner and such employment creates a conflict of interest or appearance thereof.

## **1.5. Competition**

Business Partner must comply with all applicable competition laws. Business Partner shall not discuss, communicate, agree or make any other understandings

or exchange information with the intent to prevent competition, such as price fixing, market sharing, customer allocation or other illegal restrictive practices.

## **1.6. Confidentiality and Intellectual Property Rights**

Business Partner shall safeguard KWH's intellectual property rights including confidential know-how and trade secrets in accordance with applicable laws and contracts and shall ensure that the level of its information security and other security routines is adequate to keep all such information confidential and secure.

## **1.7. Data Protection and Privacy**

Business Partner shall only collect and process personal data (i.e. information relating to an identified or identifiable person) in compliance with applicable laws and regulations and secure that such information is maintained securely.

## **1.8. Accurate and Complete Accounting**

Keeping accurate books and records as well as declaring taxes and duties is part of running a lawful and transparent business in a sustainable way. Business Partner must follow all laws that apply to prevent tax fraud and tax evasion.

## **1.9. Anti-Money laundering, Export Control and Sanctions**

Business Partner must follow all laws that apply to prevent money laundering as well as legislation related to anti-terrorism. Business Partner must comply with applicable laws and regulations regarding export control and trade sanctions, including but not limited to those issued by the U.S., United Nations, European Union or the United Kingdom, and shall not engage in, nor cause KWH to engage in, any form of sanction breaches.

Business Partners must share accurate trade data and documents related to their products and services upon request. Business Partners must also share accurate data about company ownership.

Business Partner must ensure that materials, components, products and services sold to KWH can be exported by KWH without any license. Business Partner shall immediately advise KWH in advance if an export license is needed.

## **1.10. Product Safety**

Business Partner shall make no compromises on product safety. All its products and services must be safe for people and the environment.

## **1.11. Environmental Responsibility**

Business Partners must comply with all laws relating to the environment and environmental protection. They must commit to continuous

improvement activities to reduce greenhouse gas emissions and the carbon footprint to mitigate climate change impacts.

Business Partners must incorporate a circular business model, to the extent possible, into their operations by recycling or reusing waste materials from their production lines to minimize waste sent to landfills. When recycling and/or reuse is not possible, Business Partners shall investigate the possibility of selling materials to third parties for onward processing, thereby creating new revenue streams.

Business Partners must manufacture their products and carrying out their services in an environmentally sustainable manner, anticipating, reducing and preventing the environmental harm arising from its operations, products and services. It is essential to identify the environmental impacts of the operations and manage the environmental risks systematically by taking environmental matters into account while planning and implementing operations and products. The aim must be to comprehensively reduce the negative environmental and climate impacts arising from the operations.

### **1.12. Responsible sourcing of raw materials**

Business Partners shall comply with applicable laws concerning responsible sourcing and conflict minerals and make a reliable determination of the origin and source of such metals and minerals.

## **2. Human Rights and Working Environment**

### **2.1. Respect for human and labour rights**

Business Partners must demonstrate good faith and mutual respect in dealings with their employees and their representatives in the workplace. They must recognize the fundamental right of employees to decide on whether, or not, to be represented by unions of their choice, and they must provide the right for the employees and their legally recognized trade unions to engage in collective bargaining.

Employees must be supported and encouraged to express their opinions and to discuss issues freely with their managers.

Business Partners practices must be based upon internationally recognized labour standards and will take into account the applicable customs and regulations of the various jurisdictions in which they operate.

Business Partners must pay fair wages and other benefits that meets or exceeds national legal standards, collective agreements or generally

accepted standards for the industry where they operate. This applies also to laws, collective agreements and standards on working hours, including overtime and overtime compensation, to ensure adequate time for rest and leisure.

## **2.2. Non-Discrimination**

Business Partners shall be committed to an inclusive work culture. They must appreciate and recognize that all people are unique and should be respected for their individual abilities and views. Only merit, qualifications and other professional criteria shall be used as a basis for employee-related decisions, such as recruitment, training, compensation and promotion. In making such decisions, no relevance shall be given to the employee's gender, age, religion, sexual orientation, political orientation, national or ethnical background, or other similar characteristics.

Business Partners must not accept any form of discrimination. They must treat all current and potential employees fairly and without prejudice. No bullying, harassment or retaliation, direct or indirect, physical or verbal shall be tolerated.

## **2.3. Forced and child labour**

Business Partners shall not tolerate child labour or forced labour in their facilities or in the operations of any of their business partner. Wherever they operate, Business Partners are required to comply with the applicable national laws and international standards on minimum age requirements.

Business Partners, including their recruitment agencies, shall not engage in or tolerate any form of forced, bonded or illegal labour, including human trafficking and other forms of modern slavery. They must protect human dignity in their operations, and prevent all forms of sexual harassment, exploitation and abuse.

No employee shall be required to pay recruitment fees or surrender financial or personal documents upon commencement of employment or at any time during employment.

## **2.4. Health and Safety**

Business Partners must provide a safe and healthy working environment that minimizes the incidence of work-related injuries and takes all feasible measures to prevent such occurrences and injuries. They must strictly abide by applicable national health and safety laws and applicable collective agreements' health and safety provisions.

Business Partners shall be committed to process safety and systematically applying management systems and controls to identify and understand potential hazards to prevent incidents and injuries.

### **3. Sub-suppliers and affiliates**

Business Partner shall ensure that its affiliates and its own business partners shall adhere to this Code (or comparable requirements). An “affiliate” refers in this Code to a company that is controlled by the Business Partner, controls the Business Partner or is under common control with the Business Partner.

Business Partner shall evaluate and monitor its supply chain, and upon request collect relevant information to KWH regarding the supply chain’s compliance with this Code.

### **4. Monitoring, reporting and sanctions**

Business Partner shall regularly monitor its conformance with this Code including the conformance of its affiliates and its own business partners.

Business Partner shall upon request provide KWH access to all relevant information and documents needed to verify Business Partner’s conformance with this Code. Upon request Business Partner shall grant KWH (or a third party authorized by KWH) access to relevant premises and information to conduct on-site audits, including interviewing relevant personnel and access to accurate and complete documentation and records.

Business Partner shall immediately cure any non-conformity identified and prevent a recurrence of such breach in the future.

Failure to comply with this Code may have negative consequences for Business Partner’s business relation with KWH. Should Business Partner, in the reasonable opinion of KWH, materially violate this Code or fail to cure a breach of the Code, then KWH is entitled to terminate the business relationship with Business Partner with immediate effect irrespectively of the termination rules in any contract between Business Partner and KWH.

Should Business Partner have concerns that something in the relationship with KWH is not consistent with this Code, it shall report the matter to KWH, e.g. to its KWH contact person or any other suitable person in the KWH management. Such reports can always be sent to KWH Group Compliance Team (e-mail: [kwhethics.contact@kwhgroup.com](mailto:kwhethics.contact@kwhgroup.com)). Misconduct can also be reported to KWH Group’s confidential reporting system, the Ethics Line (links and additional instructions are available at <https://www.kwhgroup.com/en/kwh-group/whistle-blowing>).