



Supplier Code of Conduct of the **KRAH** Group of Companies

Preamble

As an independent and family-run company, the KRAH group of companies has been producing electronic components, in particular wire-wound power resistors, since 1970. With our own development and production sites in Europe, Asia and America, we are globally positioned and provide our customers worldwide with consistently high quality.

The basis of our business activities are the corporate principles drawn up in 1987, which provide us with a strict set of ethical rules, as well as being a guiding vision, a constant motivation, a commitment to performance and a yardstick for the decisions of employees and management.

With the present Code of Conduct¹ we concretise this set of rules for KRAH suppliers² of raw materials, goods and services, who we expect to base their actions on the same ethical principles.

In particular, we expect them to respect human rights, to respect and comply with the applicable national legislation and to protect the environment.

Drolshagen, May 2023

¹ The principles of conduct apply to all plants of the KRAH Group and define the basic principles. The group companies may issue their own principles of conduct, provided that these do not conflict with the principles of conduct of the KRAH Group.

² KRAH suppliers include all suppliers of all sister and subsidiary plants in which the KRAH Group holds a majority stake.

Basic rights

1.

In our company, people from different cultures and with different perspectives and skills work together successfully. This diversity of our employees and the intensive contact with customers, suppliers and various organisations worldwide are prerequisites for our economic strength. As a group of companies, we benefit from

shared understanding of integrity and responsible behaviour. Our suppliers, too, contribute in their daily work to ensuring that this remains the case in the future. The supplier is committed to promoting diversity, equality and inclusion in all its operations.

Laws and ethics

2.

The supplier undertakes to observe the applicable laws and other relevant provisions of the countries in which we are active in all business actions and decisions.

It shall treat its business partners fairly. Contracts shall be complied with, taking into account changes in the framework conditions.

Corruption

3.

When dealing with business partners (customers, suppliers...) and state institutions, the interests of the company and the private interests of employees on both sides are strictly separated. Actions and (purchase) decisions are made free of extraneous considerations and personal interests. The management and employees of the supplier may not offer, promise, demand, grant or accept any gifts, payments, invita-

tions or services in business dealings which are granted with the intention of influencing a business relationship in an inadmissible manner or where there is a risk of jeopardising the professional independence of the business partner. This is generally not the case with gifts and invitations that are within the scope of customary hospitality, custom and courtesy. The supplier shall comply with the applicable criminal law on corruption.

Fair competition and antitrust law

4.

The supplier shall pay attention to fair competition. Therefore, it shall comply with the applicable laws that protect and promote competition, in particular the applicable antitrust laws and other laws regulating competition. In dealing with competitors, these regulations prohibit in particular agreements and other activities that influence prices or condi-

tions, allocate sales territories or customers, or impede free and open competition in an impermissible manner. Furthermore, these regulations prohibit agreements between customers and suppliers aimed at restricting customers' freedom to determine their prices and other conditions autonomously when reselling.

Non-disclosure and data protection

5.

The supplier undertakes to respect internal and external (e.g. those of its customers and suppliers) trade and business secrets. Confidential information and confidential documents may not be passed on to third parties or made accessible in any other way without express permission. or made accessible in any other way without express permission. Only publicly accessible information shall re-

main unaffected by this provision. In all business processes, it shall respect the protection of privacy, personal data and the security of all business information in compliance with legal requirements. In the technical and organizational protection of data, it shall maintain an appropriate standard that takes decisive account of the state of the art and the respective risk.

Human rights

6.

The KRAH supplier respects and supports the observance of internationally recognized human rights. In particular, it respects the personal dignity, privacy and personal rights of each individual. Unacceptable treatment of colleagues or employees, such as psychological harshness, sexual and personal

harassment or discrimination will not be tolerated. This includes any behavior (including gestures, language and physical contact) that is sexual, coercive, threatening, abusive or exploitative.

Forced & Child Labor

7.

The supplier rejects any form of forced labor. He further undertakes to comply with the applicable national regulations concerning child labor.

Discrimination

8.

The KRAH supplier opposes, within the framework of the respective applicable rights and laws, any form of discrimination. This refers in particular to discrimination against

employees on the basis of gender, race, disability, ethnic or cultural origin, religion or belief, age or sexual orientation.

Health and safety

9.

The supplier ensures occupational safety and health protection at the workplace within the framework of national regulations. He supports continuous development to improve the working environment.

Contractual freedom

10.

The Supplier shall respect the right to freedom of association of all employees within the framework of the respective applicable rights and laws.

Environmental protection

11.

Like us, our suppliers are committed to the goal of environmental protection for present and future generations. Environmental protection laws are to be observed and environmentally conscious actions are to be supported. Our suppliers undertake to design their products, services and processes in an environmentally compatible manner. The respective nationally applicable laws on animal protection and animal welfare are to be fully complied with. Suppliers also undertake to avo-

id the use of environmentally hazardous substances as far as possible. Greenhouse gas emissions are to be reduced and decarbonization promoted in accordance with documented corporate goals. The goal of 0 CO₂ emissions by 2035 is to be pursued as far as possible. The measures taken and successes achieved are to be documented. Noise emissions are also to be reduced. The applicable laws on noise and environmental protection are to be complied with.

Responsible procurement of raw materials

12.

The supplier shall take environmental protection into account at all operating sites and shall use natural resources responsibly. The supplier undertakes to reuse and recycle resources used wherever possible.

He further commits to promote energy efficiency as well as the use of renewable energies where possible and economically reasonable. By 2035, the switch to renewable energies should be as complete as possible.

Rights of indigenous peoples

13.

The Supplier undertakes not to carry out any unlawful evictions. He will never unlawfully deprive land, forests and waters through acquisition, construction or other use. He shall respect the rights of indigenous peoples in all his projects.

The supplier shall respect and protect biodiversity. Land use shall always be in accordance with applicable laws on environmental protection and with the aim of preserving and, where possible, improving soil quality. We do not tolerate deforestation.

Water quality, consumption and management

14.

The supplier undertakes to contribute to a high air and water quality. Water pollution from wastewater or other contaminants shall be contained or, at best, avoided by using the best possible techno-

logy and improving production concepts. Its entire water management is committed to the goals of resource conservation, sustainability and environmental protection.

Women's rights

15.

The empowerment of women in terms of full participation in economic life, in all areas and at all levels of economic activity, is essential for, among other things, building a strong economy, establishing a more stable and just society, and driving business activities and goals. The Supplier is therefore committed to promoting, in particular through management decisions, equal opportunities, non-discrimination and the inclusion of women in

economic processes. It further commits to the principle of „equal pay for equal work“. In designing working conditions, it takes into account different impacts on men and women. It recognizes and promotes the contributions as well as the leadership roles of women in our company. In collaborative consultation processes, it ensures that women are appropriately represented.

Financial responsibility

16.

The Supplier shall maintain its business books and financial accounting with the highest degree of accuracy, completeness and transparency. He shall comply with national and international accounting regulations as well as disclosure requirements and ensure that his records provide a reliable basis for the preparation of the economic statements.

Export controls and economic sanctions

17.

The supplier operates in compliance with the criteria for export controls and in compliance with existing economic sanctions to ensure safe trade. He rejects trade outside these regulations.

Intellectual property

18.

The supplier protects the intellectual property, proprietary know-how and developments of its customers as well as its own. Access to this information is strictly protected from unauthorized access and only granted for defined and legitimate purposes. This practice is the basis of our economic

success as well as that of our business partners and customers. Therefore, the use of plagiarized or counterfeit materials is also prohibited for our suppliers. Intellectual property will never be used or published without authorization. He respects patents, copyrights and protected trademarks.

Working conditions and ethical recruitment

19.

The supplier undertakes to comply with local and international standards for wages and social benefits. He also complies with local and international standards for working hours. The supplier strives to accommodate its em-

ployees in terms of flexible working hours. The supplier commits to recruiting new employees in a fair and transparent manner and in accordance with international labor standards.

Use of private or public security forces

20.

The supplier undertakes to refrain from commissioning or using private and public security forces if, due to a lack of instruction or control on the part of the supplier, there

is a risk of torture and or cruel, inhuman or degrading treatment, injury to life or limb or impairment of the freedom of association and labor.

Whistleblowing and protection against retaliation

21.

The supplier undertakes to establish a system for reporting violations of these guidelines of conduct. The system must be anonymous and committed to the protection of

whistleblowers and those affected. We will not tolerate pressure on whistleblowers or discrimination against them. In turn, the presumption of innocence applies to the person concerned as long as he or she has not been convicted of a violation.

Obligation along the supply chain

22.

The supplier undertakes to demand the definition and implementation of similar standards by its own suppliers and to demand and verify compliance with these standards. The supplier further undertakes to formulate binding requirements for suppliers to pass on standards along the supply chain. KRAH shall require the supplier and its subcontractors to comply with this Code of Conduct and related policies or equivalent standards that may require higher standards

than required by applicable law. Upon request, a supplier shall verify to KRAH's satisfaction, by providing information, that the supplier and its subcontractors are in compliance with the Code of Conduct. KRAH Group's Supplier Relationship Management ensures high standards in the supply chain in the areas of labor, human rights, business ethics and anti-corruption, and environmental protection, which apply to all suppliers.

The KRAH Group expects that the KRAH suppliers communicate all principles and requirements described here to their suppliers and also take them into account when selecting suppliers.

The supplier obligates his suppliers to comply with the principles of conduct, not only in his own organization, but also the passing on of the international standards summarized by us, to their sub-suppliers.

Drolshagen, 05.05.2023

Declaration of the supplier on compliance with the supplier guidelines of the KRAH Group

We hereby confirm:

1. we have received the Code of Conduct and hereby undertake to comply with the principles and requirements of this Code of Conduct in addition to our obligations under the Supply Contracts and QSVP Agreement (Quality Assurance Preplanning Agreement) with KRAH Group.

2. we agree that this statement shall be governed by the substantive law under which the supply contracts and agreements with KRAH Group are concluded.

3. any breach of the obligations set out in this supplier guidelines shall be considered by KRAH Group as a material breach of contract on the part of the Supplier.

place, date

signature



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