



**SUSTAINABLE DEVELOPMENT POLICY
FOR SUPPLIERS**

KH-KIPPER promotes sustainable development throughout the entire supply chain and expects the same behaviour from its suppliers. KH-KIPPER requires all suppliers to comply with the principles of sustainable development listed below. Our partners are requested to communicate these requirements to their employees and suppliers.

Minimum supplier requirements:

1. Working conditions and human rights

KH-KIPPER's approach to human rights is based on the United Nations Guiding Principles on Business and Human Rights. Suppliers are required to respect and support internationally recognized human rights. They must ensure their employees with adequate work facilities that provide, at a minimum, easy access to drinking water and sanitation, fire safety, emergency medical assistance, and adequate lighting and ventilation.

2. Child and youth work

Suppliers may not, under any circumstances, use child labor as defined by the ILO and United Nations Conventions and/or under national law, whichever is more stringent.

3. Wages and employee benefits

Suppliers must comply with all applicable wages and fringe benefits laws, regulations and industry standards.

4. Working time

Suppliers must comply with all applicable labor laws, regulations and industry standards regarding working hours.

5. Contemporary slavery

Suppliers must not allow modern slavery (slavery, forced, compulsory or slave labor, servitude or human trafficking).

6. Freedom of association and collective bargaining

Suppliers must respect the rights of workers to form and join Trade Unions and Collective Bargaining Agreements and Associations.

7. Anti-harassment and non-discrimination

Suppliers must strictly comply with all applicable laws and regulations prohibiting any discrimination in the recruitment and employment process on the basis of religion, age, nationality, color, gender, sexual orientation, physical condition, health condition, political opinion, faith or based on other criteria the use of which is prohibited by law.

8. Health and Safety

Suppliers are responsible for keeping their employees safe in the workplace in accordance with all applicable laws, regulations and industry standards.

9. Business ethics

KH-KIPPER expects the suppliers to conduct business in an ethical, honest and transparent manner. The issues that we identify as priority are:

- Honesty and transparency in running a business
- Safety, health and environmental protection
- Human rights
- Responsible management

10. Counteracting corruption, extortion and bribery

Suppliers are prohibited from bribery and corruption of any kind. Suppliers found to be involved in bribery or corruption will have to face appropriate measures, including termination of the cooperation agreement and even criminal liability in accordance with applicable law.

11. Privacy and data protection

Suppliers must respect and protect the confidentiality of information belonging to KH-KIPPER, their customers, business partners and suppliers in accordance with applicable laws, regulations and ordinances.

12. Counteracting unfair competition and cartel collusion

Suppliers must adhere to the principles of fair competition and adhere to the non-collusion with competitors and other measures that hinder the functioning of the free market.

13. Avoiding Conflicts of Interest

The KH-KIPPER company expects from its suppliers that there will be no conflicts of interest with their participation.

14. Reporting irregularities and protection against retaliation

Suppliers must provide their employees, stakeholders and external entities with the possibility of reporting complaints, grievances, irregularities and violations of the law. Information provided as part of a complaint, grievance, or notification of irregularities or violations of the law must be confidential and be protected against disclosure to unauthorized persons. The fact of their transfer may in no way adversely affect the situation of the persons transferring them.

15. Environmental protection

Suppliers must fulfill all legal obligations in the field of environmental protection and strive to improve their performance in this respect, in particular aiming at:

- optimization of the consumption of raw materials, consumables intended for production
- safe use and elimination of hazardous chemicals in production
- responsible use of water resources, purification of rainwater and limiting the displacement of pollutants
- minimizing the amount of pollutants emitted into the air
- implementation of an appropriate, selective waste management
- promotion of energy efficiency and energy saving as well as the development of new and renewable forms of Energy.

16. Ethical recruitment

Suppliers, when deciding whether to hire an employee, must be guided by the employee's experience, knowledge and skill. It is absolutely unacceptable to be influenced by such factors as age, race, gender, sexual orientation, religion or political beliefs.

17. Women's rights

Suppliers must respect women's rights. All employees including women have an equal right to education, employment and promotion, to equal pay for work. They have the right to function in an environment and under conditions that promote respect for their rights and dignity.

18. Diversity, equality and inclusion

Suppliers must commit to attracting, developing and retaining their employees while respecting diversity and providing equal opportunities to all employees based on their behavior, skills and abilities.

19. Respect for minorities and indigenous peoples

Suppliers must respect human rights including the rights of minority and indigenous peoples as defined by existing national and emerging international standards.

20 Land, forest and water rights and forced evictions

Suppliers must comply with land, forest and water rights and forced evictions as defined by current national and emerging international standards

21. Counterfeit parts

Suppliers must comply with all applicable laws on unfair competition including, but not limited to: counterfeiting of products, parts, misappropriation of ideas, underpricing.

22. Intellectual property

Suppliers must respect the intellectual property rights of their own customers, competitors, business partners.

23. Export controls and economic sanctions

Suppliers are required to apply export control and economic sanctions rules in accordance with EU, UN and Polish government guidelines.

24. Decarbonisation

Decarbonization is a key factor in mitigating climate change. KH-KIPPER expects its suppliers to reduce CO2 emission, increasing the prominence of low-carbon power generation, and a corresponding reduction in the use of fossil fuels

25. GHG emission reporting

Suppliers are required to monitor and report on GHG emissions in accordance with applicable laws and regulations.

26. Water quality, consumption & management

Suppliers must conserve and use water in a sustainable way, both in terms of quality and quantity.

27. Reuse and recycling

KH-KIPPER expects its suppliers to reduce the consumption of raw materials, consumables, use recycled or recyclable materials.

28. Animal welfare

Suppliers must apply animal welfare regulations.

29. Biodiversity, land use and deforestation

Suppliers must comply with laws related to biodiversity, land use and deforestation.

30. Soil quality

Suppliers must comply with the law on soil quality standards.

31. Noise emissions

Suppliers must comply with environmental noise limits required by law.

32. Financial Integrity

Suppliers must create and report true and fair financial information:

a. in the case of private law obligations:

- I. The Act of 8 March 2013 on counteracting excessive delays in commercial transactions (Journal of Laws of 2020, item 935, as amended);
- II. The Act of 1 March 2018 on counteracting money laundering and financing of terrorism (Journal of Laws of 2020, item 971, as amended);
- III. The Act of 29 September 1994 on accounting (Journal of Laws of 2021, item 217, as amended);
- IV. The Act of 23 April 1964 Civil Code (Journal of Laws of 2020, item 1740, as amended);

b. in the case of public law obligations:

- I. The Act of 29 August 1997 Tax Ordinance (Journal of Laws of 2020, item 1325, as amended);
- II. The Act of 13 October 1998 on the social insurance system (Journal of Laws of 2020, item 266, as amended);
- III. The Act of 26 June 1974 Civil Code (Journal of Laws of 2020, item 1320, as amended);
- IV. The Act of 29 September 1994 on accounting (Journal of Laws of 2021, item 217, as amended);
- V. The Act of 26 July 1991 on personal income tax from natural persons (Journal of Laws of 2020, item 1426, as amended);
- VI. The Act of 15 February 1992 on personal income tax from legal persons (Journal of Laws of 2020, item 1406, as amended);
- VII. The Act of 11 March 2004 on tax on goods and services (Journal of Laws of 2020, item 106, as amended).

33. Suppliers must comply with export control and economic sanctions rules developed based on data published by the EU, the UN and the Polish government in accordance with:

- I. Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council and repealing Directive of the European Parliament and of the Council 2005/60/EC and Commission Directive 2006/70/EC (Text with EEA relevance).
- II. Regulation (EU) 2019/515 of the European Parliament and of the Council of 19 March 2019 on the mutual recognition of goods lawfully marketed in another Member State and repealing Regulation (EC) No 764/2008.
- III. The Act of 1 March 2018 on counteracting money laundering and financing of terrorism (Journal of Laws of 2020, item 971, as amended).

34. Suppliers must apply whistleblower and retaliation protection rules:

- a. in compliance with the provisions of Polish law,
- b. taking into account the objectives and principles specified in Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law.

35. Use of private or public security forces

The role of public or private security forces at suppliers should be solely to uphold the rule of law, including the protection of human rights, to ensure the safety of company employees, equipment and facilities.