



KURZ Supplier Code of Conduct

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1. Preamble

LEONHARD KURZ Stiftung & Co. KG and its affiliated companies (hereinafter referred to as 'KURZ') are a global leader in thin-film technology and develop and produce decorative and functional layers applied to carrier films for a wide variety of products. KURZ supports the sustainability initiative of the German chemical industry (Chemie³) actively committed to the progress of a sustainable chemical industry.

KURZ recognizes its responsibility within its own company, towards customers and suppliers, as well as towards the environment and society. In particular, its actions are guided by the values of integrity and fairness, regardless of whether its activities are carried out inside or outside Germany. For this reason, KURZ supports initiatives and principles such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises and is committed to anchoring them in its business principles and procedures.

This Code of Conduct for Suppliers (hereinafter referred to as 'Code of Conduct') defines our requirements with regard to general business principles and fair competition, labor and social standards, environmental protection and product safety. KURZ requires suppliers and service providers to comply with these requirements.

The Code of Conduct applies to all suppliers and service providers with whom a direct business relationship exists (hereinafter referred to as 'Business Partners').

2. Responsible Business Practices

2.1 Compliance with Laws, Recognized Standards and Guidelines

The Business Partner agrees to comply with the applicable national laws in all business actions and decisions and observes the relevant internationally recognized standards, guidelines and principles, in particular the principles of the United Nations Global Compact, the Universal Declaration of Human Rights, the conventions of the United Nations Organization and the core labor standards of the International Labor Organization (ILO) as well as the OECD Guidelines for Multinational Enterprises. In addition, the Business Partner is expected to comply with its internal company guidelines and voluntary commitments.

Compliance with this Code of Conduct and the above standards may not be circumvented by collateral agreements, such as contractual agreements or comparable measures.

2.2 Corruption Prevention

The Business Partner undertakes to comply with international and local anti-corruption laws and standards. The Business Partner shall not attempt, either domestically or abroad, to influence business partners in a punishable manner by exchanging gifts or offering or accepting other (monetary) benefits and/or remuneration.

2.3 Antitrust and Competition Law

The Business Partner shall observe the relevant national and international antitrust laws as well as the laws against unfair competition. Agreements on prices or conditions with competitors are therefore to be refrained from, as are other agreements restricting competition, which include in particular agreements with competitors for the purpose of market or customer allocation.

2.4 Privacy

The Business Partner shall comply with the applicable regulatory framework under data protection law. Personal data may only be collected, processed or used to the extent that this is necessary for specified and legitimate purposes. The use of the data must be transparent for the data subjects; the rights to information and correction and, if applicable, to objection, blocking and deletion must be safeguarded.

2.5 Confidentiality and Information Security

KURZ's intellectual property rights and other sensitive information are important corporate assets that may exist in both logical and physical form and must be carefully protected by our employees. In addition to our self-imposed requirement and interest in adequately protecting company-specific information, it is a matter of course for KURZ to also handle our customers' and partners' sensitive information appropriately, thus ensuring its confidentiality, integrity and availability at all times.

We therefore expect our business partners to handle sensitive information with equal care. The Business Partner commits to safeguard sensitive information with state of the art and appropriate protective measures. Furthermore the Business Partner has to inform KURZ without delay of all actual and potential information security incidents which may have an impact on KURZ, the sensitive information or the business relationship. This applies in particular if information obligations have to be fulfilled which result from applicable laws on notification of data breaches affecting either KURZ or the Business Partner or both. The notification shall be sent to ism@kurz.de. The Business Partner shall provide reasonable assistance to KURZ in the event of information security incidents and/or data breaches.

In addition, the Business Partner commits to remedy in a timely and appropriate manner any vulnerabilities that may affect KURZ, the sensitive information or the business relationship. Business Partner passes on the information security obligations to their suppliers who use their services for KURZ in an appropriate form and to an appropriate extent.

2.6 Export und Import

The Business Partner undertakes to comply with the relevant import and export control laws, in particular sanctions, embargoes and other laws, regulations, government orders and policies controlling the transfer or supply of goods and technology.

3. Working Standards

3.1 Occupational Safety and Health Protection

KURZ is committed to preventing accidents in the workplace and work-related illnesses. This serves the well-being and satisfaction of the employees and at the same time makes a decisive contribution to the success of the company.

We expect our Business Partner to provide a safe, healthy and hygienic working environment and to take necessary measures to prevent accidents and damage to health that may arise in connection with the activity. In doing so, internationally recognized occupational safety standards shall be complied with. In addition, the Business Partner supports continuous improvement of the working environment and attaches importance to safety-promoting employee training.

3.2 Working Hours

Working hours shall comply with applicable national law, industry standards or relevant ILO conventions, whichever is more stringent.

3.3 Wages and Benefits

The Business Partner shall ensure that the wage paid to the employees at least corresponds to the statutory minimum wage or the minimum wage prescribed in the industry. In addition, social benefits must be provided that meet the respective national or local standards.

3.4 Training and Qualification

Wherever possible, the skills of employees are to be promoted at all levels through appropriate training and development measures.

3.5 Complaint Mechanism

The Business Partner is expected to establish communication channels for employees to report possible unlawful conduct.

4. Human Rights & Fundamental Rights

4.1 Human Rights

The Business Partner respects and supports the observance of human rights (see the United Nations Universal Declaration of Human Rights).

4.2 Approach to Child Labor

The exploitation of children and adolescents is not tolerated. The Business Partner shall observe the regulations of the United Nations on human rights and children's rights and undertakes in particular to comply with the Convention concerning Minimum Age for Admission to Employment (Convention 138 of the International Labor Organization) and the Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor (Convention 182 of the International Labor Organization). If a national regulation concerning child labor provides for stricter standards, the Business Partner shall observe these as a matter of priority.

4.3 Approach to Forced Labor

Any form of forced or compulsory labor will not be tolerated. This means that the Business Partner will not use any work performance that is involuntary under threat of punishment, including forced overtime, debt bondage, forced prison labor, slavery or servitude. The Business Partner also undertakes to take action against forced and compulsory labor.

4.4 Freedom of Association and Right to Collective Bargaining

The Business Partner respects the fundamental right to freedom of association and the right to collective bargaining within the framework of national laws and ensures that this is not impaired. In the event that domestic standards restrict the right to organize and bargain collectively, the Business Partner should work to enable and permit the free and independent association of workers for the purpose of bargaining.

4.5 Disciplinary Measures and Dealing with Employees

KURZ expects the Business Partner to treat its employees with dignity and respect. Sanctions, fines, other penalties or disciplinary measures may only be taken in accordance with applicable national and international standards and human rights.

The Business Partner shall ensure that no employee is subjected to verbal, psychological, sexual and/or physical violence, coercion or harassment.

4.6 Approach to Discrimination

It is expected that equal treatment of all employees is an essential principle of the Business Partner's corporate policy. The Business Partner refrains from any form of discrimination, for example on the basis of ethnic, national and social origin, skin color, gender, age, religion and ideology, political activity, membership in an employee organization, disability, sexual orientation or other personal characteristics. The Business Partner undertakes to maintain equal opportunities in employment. The respective statutory provisions shall apply.

5. Environmental Protection

5.1 Environmental and Climate Protection

The protection of people and the environment is an integral part of the corporate policy. KURZ expects its Business Partners to minimize environmental impact, to observe and continuously improve environmental and climate protection with regard to applicable international standards and statutory requirements. This includes the avoidance of emissions and waste as well as steps to increase resource efficiency. To this end, suitable and traceable measures shall be taken and management systems (e.g. in accordance with ISO 14001 or equivalent system) shall be operated in order to ensure the protection of the environment and the climate. KURZ expects from its Business Partner the safe and environmentally compatible development and manufacture of products as well as their packaging and transport.

Business partners are selected and evaluated with due regard to environmental and safety aspects. The success of the cooperation between KURZ and the Business Partner is based on trust, transparency, reliability and fairness.

5.2 Waste and Emissions

The Business Partner is expected to maintain procedures and systems that ensure the safe handling, transportation, storage, recycling, reuse and management of raw materials, materials and waste. Any generation or disposal of waste and any release of substances into the air or water that could have adverse effects on human health or the environment shall be reduced to the maximum extent practicable and the substances shall be adequately handled, controlled and/or treated before release into the environment. The Business Partner is required to use appropriate procedures and systems to prevent or minimize accidental or diffuse leakage or release of contaminants into the environment. The Business Partner is expected to maintain procedures and systems that sustainably optimize the use of all relevant resources such as energy, water and raw materials.

5.3 Process Safety and Security

It is expected that the Business Partner uses a management system to control work processes taking into account recognized safety standards. If necessary, specific risk analysis are to be carried out for machines. For all facilities, the Business Partner shall take measures to prevent incidents, such as chemical spills and/or explosions.

5.4 Land Rights, Forest and Water Rights and Eviction

The Business Partner is required to avoid forced evictions as well as the seizure of land, forests and waters when acquiring, developing or otherwise using land, forests and waters. KURZ expects the Business Partner to comply with and implement all relevant national and international legal and regulatory requirements in this respect.

6. Product Responsibility

6.1 Product Safety

The Business Partner shall comply with the relevant country-specific laws and legal requirements. The Business Partner undertakes to provide KURZ with all relevant product information, in particular on the composition, use (processing instructions or assembly instructions as well as occupational safety measures) and, if applicable, disposal of its products in good time prior to delivery/service. Furthermore, complete documentation is required for compliance with laws such as safety data sheets, labeling regulations, etc. Information provided by KURZ shall be included in the relevant documents.

6.2 Clinical Studies and Animal Welfare

The Business Partner is expected to conduct clinical studies and/or animal testing in accordance with international guidelines and applicable national and local regulations. In general, the 3R principle (Replace, Reduce, Refine) must be applied to animal testing. The aim is to replace animal testing with scientifically valid, regulatory approved in vitro methods.

6.3 Conflict Minerals

The Business Partner shall ensure that no products are supplied to KURZ that contain metals whose source minerals or derivatives originate from conflict and high-risk areas where they contribute directly or indirectly to the financing or support of armed groups. EU Regulation 2017/821 establishing supply chain due diligence obligations applies.

7. Implementation and Requirements

7.1 Implementation

The Business Partner shall make the requirements of this Code of Conduct known to its own employees as well as to direct suppliers and service providers to ensure compliance.

If the Business Partner has established its own code of conduct or company policy with the requirements listed in this Code of Conduct, evidence of compliance with the same must be provided. If the Business Partner does not have its own code of conduct, etc., it should commit itself to this Code of Conduct and comply with the specified requirements.

KURZ recommends striving for continuous improvement with the help of a suitable management systems (definition and documentation of responsibilities, procedures, objectives and measures). Violations identified by the Business Partner must be remedied without delay and any improvement approaches that can be derived from them must be examined comprehensively.

KURZ expects its Business Partner to work towards consistent further dissemination of the requirements of this Code in its supply chains.

7.2 Information and Communication

This Code of Conduct can be viewed on the Internet at www.leonhard-kurz.com/sustainability/sustainable-supply-chains/ at any time and printed out from there and shall be made available by the Business Partner to the relevant employees.

7.3 Monitoring and Reporting

KURZ reserves the right to verify compliance with the aforementioned requirements either by KURZ itself, by independent third parties, by certificates and statements or subject-specific on-site audits.

The Business Partner must report to KURZ any serious concerns about non-compliance with this Code of Conduct. To do so, the Business Partner may contact the management of the KURZ company known to him or compliance@kurz.de.

7.4 Sanctions and Remedies

Any material breach of the aforementioned obligations shall be considered by KURZ as a breach of contract by the Business Partner and shall be legally assessed in each individual case. If possible, KURZ will give the Business Partner the opportunity to implement appropriate remedial measures.

Follow us on:



LEONHARD KURZ Stiftung & Co. KG
Schwabacher Str. 482
90763 Fuerth/Germany
Phone: +49 911 71 41-0

www.kurz-world.com

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