



KLIMAOPREMA

Supplier Code of Conduct

Samobor, July 2023

Introduction

For more than four decades, Klimaoprema is supplying products for many projects in Europe and around the globe – thus enriching society, enhancing the quality of life, and having a positive impact on the environment and the technological standards of the industry.

In doing so, we strive to comply with applicable human rights standards and environmental protection in order to promote a fairer and more sustainable economy as well as responsible corporate governance. We are aware of our responsibility for the better future and thus our obligations to support the same vision, within our supply and value chain, as well as within our own operations.

[This Supplier Code of Conduct highlights what we stand for and sets clear expectations for our supply chain partners on how to fulfil our vision.](#) The Supplier Code of Conduct has been formally adopted by the Board and is of utmost importance to our corporate governance strategy.

Purpose

In today's closely connected global environment, companies often wield more power and influence than any other social, political, or economic entity. Raising awareness on long-term sustainability, globalization and accelerated change, protection of human health and the environment, ethics and business practices, represent new trends and challenges in the life and business of every human being.

We are committed to conducting our business in a lawful and responsible manner, including engaging with suppliers that respect human rights, ensure safe and inclusive workplaces, and promote a sustainable future. This includes combating climate change and protecting the biodiversity and ecosystems.

This Supplier Code of Conduct lays out guiding principles and standards that we expect from our external partners and suppliers to confirm with. [This Code includes the key principles for the operating activities of suppliers and for their approach to human rights, working conditions, health and safety regulations, environmental provisions, and ethical business conduct.](#)

Scope

Klimaoprema Supplier Code of Conduct applies to all suppliers, contractors and sub-contractors of works, goods and services (hereinafter referred to collectively as "Suppliers"). Suppliers are responsible for ensuring compliance throughout their own value chain.

Klimaoprema may at any time demand that Suppliers complete self-assessments and reserves the right to conduct audits on Suppliers and their value chain regarding compliance to the Supplier Code of Conduct and any agreed upon corrective action plan. In case of non-compliance, including withholding audit rights or failing to meet any agreed upon commitment, Klimaoprema reserves the right to terminate the contract immediately.

The Supplier Code of Conduct is based on the principles of UN Global Compact, ILO Declaration on Fundamental Principles and Rights at Work, ILO Basic Terms and Conditions of Employment, UN Guiding Principles for Business and Human Rights.

Human Rights



Suppliers must respect human rights in dealing with their stakeholders at large (i.e. employees, clients, suppliers, shareholders, and communities).

Klimaoprema acknowledges and respects the principles contained in the Universal Declaration of Human Rights, as a common standard of achievement for all people and all nations. Thus, we expect from our Suppliers to adhere to and support fundamental human rights as set in Universal Declaration.

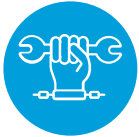
Compliance with applicable international, national, state and local laws



We recognize that local customs, traditions, and practices may differ, but expect as a minimum from our Suppliers to comply with local, national and international applicable laws, including (but not limited to) all anti-corruption, competition, export control, environmental, health and safety, data protection and labor laws and to monitor compliance with applicable laws.

We expect Suppliers to support International Labor Organization core conventions on labor standards.

Forced or Compulsory Labor, Human Trafficking, and Modern Slavery



Supplier must not use forced, bonded, or compulsory labor, and employees must be free to leave their employment after reasonable notice. Suppliers shall not withhold employee's original identification or travel documents and their employees must not be required to lodge deposits, money, or other papers with their employer unless required by applicable law.

Modern slavery is a heinous crime and a morally reprehensible act that deprives a person's liberty and dignity for another person's gain. At Klimaoprema, we have a zero-tolerance approach to modern slavery and are fully committed to preventing slavery and human trafficking in our operation and supply chain.

Human trafficking involves recruitment, harboring or transporting people into a situation of exploitation through the use of violence, deception or coercion and forcing them to work against their will. All work must be voluntary. There shall be no unreasonable restrictions on workers' freedom of movement in any supplier-controlled facility.

The prevention, detection and reporting of human rights violations in any part of our business or supply chain is the responsibility of all those working for Klimaoprema, and we expect our people to maintain the utmost standards in conformity with these principles.

Child labor



We do not tolerate the use of child labour.

The term "child" refers to any person under the age of 15, or under the age of completion of compulsory education, or under the minimum age for employment in the country where work is performed, whichever is greater. Workers under the age of 18 ("young workers") must not perform hazardous work, including that which is likely to jeopardize their health or safety, or work that compromise es their education (e.g., night shifts, overtime). Suppliers employing young workers must follow all local laws related to hours of work.

Supplier may participate in workplace apprenticeship programs, which comply with all laws and regulations. Workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers.

Equity, diversity, and inclusion



We value equity, diversity and inclusion and we expect the same from our Suppliers. Suppliers will not discriminate in employment practices, compensation, access to training, promotion, and termination of employment or retirement on grounds of social, cultural, ethnic or national origins, religious or other beliefs, political or other opinion, caste, gender,

marital status, pregnancy status, sexual orientation, disability, age, or other status.

All employees have the right to be treated with consideration, dignity and respect. Suppliers will not use physical or verbal abuse or other harassment and any threats or other forms of intimidation are prohibited. Suppliers should consider promoting work/life balance, training, and personal development of employees.

Our Suppliers should promote those values.

Wages and Working Hours



One of the fundamental human rights is the right to a just remuneration that ensures an existence worthy of human dignity¹. Suppliers shall pay wages and benefits according to applicable laws, industry standards and relevant collective agreements. The level of wages should reflect the level of skills and qualifications of regular working time regardless of gender. Overtime should be paid according to local regulation. Compensation and benefits should be fair and competitive, equal for all and should aim at providing an adequate standard of living for employees and their families.

Freedom of association



Supplier must respect the right of their employees to join, or refrain from joining, labour union, workers organizations, or other lawful organization of their selection. They must respect employees right to freedom of association and collective bargaining. Employees must not be penalized or subjected to reprisal, harassment, or intimidation for the non-violent exercise of these rights.

Health and Safety



Suppliers are required to provide and maintain a healthy and safe working environment for all employees, in accordance with international standards and laws. This includes workers' physical and mental health and making sure that adequate facilities, training and access to safety information are provided. All applicable health and safety policies, procedures and guidelines must be adhered to.

Suppliers must maintain safe working conditions, including by providing safe supplier-controlled facilities, facility infrastructure, and machines, including provision of appropriate, well-maintained, personal protective equipment free of charge, together with training on when and how to use the equipment. Facilities and onsite accommodation for employees must safeguard individuals' dignity, hygiene and safety.

Workers shall have the right to refuse unsafe work and to report unhealthy working conditions. Suppliers shall identify, evaluate, and manage occupational health and safety hazards through a prioritized process of hazard elimination, substitution, engineering controls, administrative controls, and/or personal protective equipment.

Confidentiality and Intellectual Property



Suppliers (including their contractors and employees) will maintain confidentiality with regard to all confidential and business sensitive information they have access to, in accordance with applicable laws or applicable contractual engagement. This includes collecting, storing, processing, transmitting and sharing personal information of everyone they do business with.

Suppliers will respect intellectual property rights whereas transfer of technology and know-how is to be done in a manner that protects intellectual property rights.

¹ Universal Declaration of Human Rights

Anti-Corruption and gifts



Klimaoprema has a zero-tolerance policy towards any and all forms of bribery, corruption, extortion, money laundering, and embezzlement. Suppliers shall adhere and reject all corrupt practices, including but not limited to facilitation of payments and receipt of improper gifts.

Suppliers shall not offer or accept bribes or other unlawful incentives (e.g., 'facilitation payments') to or from their business partners or government officials as stated in the United Nations Convention against Corruption.

Supplier shall not offer to Klimaoprema employees any kind of gifts or personal benefit which could be perceived as a bribe. In all cases, gifts or entertainment shall not be offered to improperly influence a business relationship and must not violate applicable laws or ethical standards.

Conflicts of Interest



Supplier shall do business in an open and transparent way in order to demonstrate that they are an honest and reliable partner. Further, Suppliers shall conduct business in a manner that avoids situations where private, financial or other external interests conflict with the job responsibilities of the employee. Any situation where a Klimaoprema employee or professional under contract with the Klimaoprema may have a personal interest of any kind in the Supplier's business or any kind of economic ties with the Supplier, must immediately be reported to the Klimaoprema.

Environmental protection standards



Klimaoprema expects its Suppliers to minimise and reduce their negative environmental impacts by protecting the environment, conserving natural resources and continuously striving towards reducing the environmental footprint of their production, products and services. Suppliers are expected to handle environmental violations and complaints methodically and communicate them to affected employees and to external stakeholders, including the Klimaoprema.

Management System



Suppliers shall implement appropriate management systems to maintain business continuity, enable continuous improvement, and support the fulfilment of the above requirements. System must enable provision of the necessary documentation to demonstrate compliance with the principles set out herein.

Klimaoprema reserves the right to conduct audits to verify compliance with the above points upon prior notice.

Concern line



Klimaoprema operates in an ethical manner. As our Supplier, if you are concerned that we are not supporting our standards in this area, we encourage you to notify us of any known or suspected improper behavior in your dealings with our company or our company employees or agents by reporting your concern using Concern line through www.klimaoprema.com/Concernline.

Concern line is a web ethics concerns reporting system, and made available by Klimaoprema to its employees, external consultants, contractors, agency staff, customers, suppliers, and business partners and those of its affiliates.

Concern line is voluntary, confidential, and allows anonymity if required. Concern line empowers whistleblowers to report concerns and ask for advice and guidance about actions or behaviors that are: (i) not aligned with our Values and Code of Conduct, (ii) not in compliance with applicable laws, or (iii) that may significantly affect the vital interests of Klimaoprema.

Supplier Acknowledgement Process



All suppliers are required to formally acknowledge their compliance with the requirements set out in this document. This supplier acknowledgment is a contractual commitment that is in addition to any other contracts or terms and conditions between Klimaoprema and the supplier. Supplier acknowledgment shall be provided through the signature of the acknowledgment document attached as **Appendix A** to this document by an authorized representative of the company. This signed acknowledgment must be scanned and emailed to procurement@klimaoprema.com



APPENDIX A

Acceptance and Acknowledgment of Klimaoprema Supplier Code of Conduct

I, the undersigned (first name and last name)

Acting as (position / function in the company)

Representing the Company (registered company name, address), in further text "Supplier":

.....

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confirm I have read, understood, and acknowledged this Supplier Code of Conduct.

I, herewith confirm that:

- the Supplier has received and read a copy of the Klimaoprema Supplier Code of Conduct ;
- the Supplier undertakes to comply with this Supplier Code of Conduct and agrees that it shall form the basis of present and future business with Klimaoprema;
- this Supplier Code of Code shall form part of any agreement entered into between the Supplier and Klimaoprema, regardless of whether it is expressly incorporated into the contract by reference or not;
- the Supplier shall be held responsible for ensuring compliance with the Supplier Code of Conduct by his employees, company representatives, as well as subcontractors and any business partners that the Supplier is using to supply products and/or services and/or works when doing business with Klimaoprema, including our own value chain;
- I am giving my consent to supplier audits conducted by the Klimaoprema and/or requirement for self-assessments with the intent of this Supplier Code of Conduct.

I acknowledge that in case of non-compliance, including withholding audit rights or failing to meet any agreed upon commitment, Klimaoprema reserves the right to terminate the contract immediately.

Signature of authorized representative of the company:

Date: