**Statement to UK Modern Slavery Act of**

**Leopold Kostal GmbH & Co. KG**

**UK Modern Slavery Act**

This policy statement was issued by Leopold Kostal GmbH & Co. KG, and all its affiliated companies (KOSTAL) and is made in accordance with Section 54, Part 6 of the Modern Slavery Act 2015. It describes the measures KOSTAL has taken to ensure that slavery or human trafficking does not occur in any of KOSTAL's business areas.

**KOSTAL at a glance**

Now in its fifth generation, KOSTAL is a family owned company and a worldwide partner to the automotive industry. KOSTAL mechatronic solutions and contact systems can be found in almost every car in the world. In addition, with its different business divisions, KOSTAL offers its customers even more innovative solutions in other product fields, such as photovoltaics, measurement and control electronics, charging infrastrucure, and as a system supplier of test and automation systems for mechatronic and electronic products.

KOSTAL considers itself as a partner, supporting its customers locally around the world and has 46 branches in 22 countries.

The supply chain through which KOSTAL obtains its raw materials, production materials, services, hardware and software as well as consumer goods thus spans the globe, as does the company network itself.

Proximity to KOSTAL customers is just as important as proximity to suppliers.

**Corporate Compliance Guidelines**

For KOSTAL as a family owned company with a history of more than 100 years, the long-term and sustainable orientation of all activities and the strong and loyal relationship with customers and suppliers is a matter of course. This special connection is based on common values. By recognizing and acting on the basis of these values, KOSTAL is laying the foundation for a long-term, sustainable and successful future in cooperation with customers and suppliers.

In order to make these values visible to everyone, KOSTAL has established a corporate guideline, the "KOSTAL values". These apply to all employees, plants and affiliated KOSTAL subsidiaries worldwide. True to the maxim "Values create security, values create community, values create values in all our relationships, values are the connecting element”, those are particularly valuable to KOSTAL. The "KOSTAL values" reflect the essential principles which should be a matter of course not only in business but in every interpersonal interaction. Accordingly, all employees and companies belonging to KOSTAL have committed themselves to observing these values.

**Code of Conduct**

In order to concrete the values, a code of conduct sets out the value guidelines, particularly with regard to human rights, fair working conditions, environmental protection and the fight against corruption. This creates fair and appropriate working conditions for all KOSTAL employees at all locations around the world. Similarly, KOSTAL expects all its business units to comply with or exceed the principles prescribed by local law and industry practice.

KOSTAL also expects its business partners without exception to comply with these principles.

KOSTAL operates in Great Britain through its subsidiary KOSTAL UK Ltd. KOSTAL UK Ltd. has also committed itself to these guidelines and undertakes to fulfil its obligations under the UK Modern Slavery Act 2015, i.e. to eliminate all forms of modern slavery and human trafficking from the supply chain.

**Statement on human rights**

KOSTAL has issued a Statement on the KOSTAL Group's human rights strategy, which can be viewed on the company website and has been made available to all employees and partners. This Statement summarizes the risks defined by KOSTAL as particularly relevant and formulates the expectations that KOSTAL has of employees, suppliers, customers and partners with regard to preventing, minimizing and remedying the particularly relevant human and environmental risks.

**Training of employees**

All KOSTAL employees within the group receive face-to-face training and are informed about the sense of the "KOSTAL values".

These measures are components of KOSTAL compliance management system, which is being introduced and optimised step by step. KOSTAL expects its employees to comply with the Code of Conduct and to conduct all business efficiently and within the guidelines of the Code of Conduct.

The managing directors ensure that the employees are well aware of the Code of Conduct and set a good example themselves within their respective management structures.

All KOSTAL employees are kept informed of changes to the Code of Conduct.

KOSTAL employees receive mandatory yearly online trainings, particularly in the areas of competition law, antitrust law, compliance with human rights and data protection.

Detailed guidelines and information on the intranet give KOSTAL employees the opportunity to obtain comprehensive information on these topics at any time.

**Supplier Code of Conduct**

As stipulated in the Supplier Code of Conduct, KOSTAL expects all its suppliers to comply with the applicable national laws and the KOSTAL Code of Conduct in their activities and to observe the internationally acknowledged environmental, social and corporate governance standards (ESG standards). These include in particular the acknowledgement of the guiding principles for the observance of human rights and the strict fight against forced labour and modern slavery, in accordance with the UK Modern Slavery Act 2015.

Business partners are expected to agree to comply with the Supplier Code of Conduct. KOSTAL also expects suppliers to make every effort to implement these standards among their supply chain, subcontractors and affiliated companies.

KOSTAL does not willfully do business with business partners or support them if they are involved in slavery or human trafficking. The Supplier Code of Conduct is considered an integral part of every contractual agreement, compliance with the principles and requirements laid down is mandatory.

Accordingly, KOSTAL is entitled to terminate some or all of its contractual relationships with business partners if the business partner verifiable have not complied with the requirements of the Supplier Code of Conduct, or if it fails to introduce or implement improvement measures even after a reasonable period of grace has been set.

Regular audits at the Supplier's premises cover environmental management, occupational safety and quality management. In addition to weaknesses, risks and potential for improvement of the corresponding management systems, compliance with the Supplier Code of Conduct is also taken into account. The adequate follow-up measures of the audit are then determined by the audited organization and coordinated with the person responsible for the measures.

**Risk analysis**

In order to take preventive measures if there is a suspicion of a violation of human rights, KOSTAL carries out regular risk analyses both in its own business area and in the supply chain. For this purpose, KOSTAL uses a service provider who develops and manages sustainability ratings in a web-based tool.

As a first step, both industry-specific and country-specific human rights risks are assessed. The risk classification is based on the traffic light principle (red = high risk; yellow = medium risk; green = low risk).

In a second step, the analyzed companies are asked to provide self-disclosure by means of a questionnaire. Various sustainability topics are covered by that questionnaire, which is divided into four overarching topics: environment, human rights, ethics and sustainability. The topics are based on international sustainability standards such as the ten principles of the UN Global Compact, the conventions of the International Labor Organization (ILO), the ISO 14 standard, CERES, the UN Guiding Principles on Business and Human Rights and several others. In addition, the companies are assessed taking into account their size and the industry standards that apply to them. In addition to the questionnaire, official, current and credible documents (e.g. sustainability reports, guidelines, procedures, certificates, training materials) are also recorded in the WebTool by the registering company to verify the information in the questionnaire. In addition, other external sources (e.g. NGOs, trade unions, international organizations, local authorities, auditors and other organizations) are integrated into the web tool and used for comparison.

In a third step, all the information from the questionnaire and documents is compiled and evaluated. The diverse information (management indicators) is analyzed and evaluated by analysts according to strict evaluation guidelines. The evaluation allows a comparison to be made between companies in the same sector, but also allows the overall sustainability performance of companies to be classified. The sustainability performance scale is divided into 5 different risk groups (unsatisfactory, incomplete, good, advanced, excellent) and the rating for the four subject areas reviewed is shown separately.

In a fourth step, this enables corrective measures to be identified and defined for specific areas.

**Corporate social responsibility**

Lawful, ethically impeccable and responsible action is an important and indispensable part of the KOSTAL corporate culture.

In accordance with the principle "We do what is necessary and promote what we demand", KOSTAL works together with its employees, customers and suppliers to constantly develop sustainability performance and consistent adherence to ethical and moral values. Accordingly, in addition to process-related, economic and technical criteria, social and ecological aspects such as human rights, working conditions, prevention of corruption and environmental protection are at the centre of all activities. This applies to the entire company and its employees and is an integral part of this value-oriented corporate organization.

KOSTAL focuses not only on compliance with laws and prohibitions, but also on compliance with its own "KOSTAL values" and control concepts to which the company has committed itself.

**Complaints and reporting procedure**

A complaints procedure has been set up on the website (www.kostal.com). Contact is initiated via link to an external service provider.

It is possible to choose between a total of 22 countries in which KOSTAL has sites and to submit the report in the respective national language using an

- online tool or

- by telephone.

It is also possible to contact the Compliance Team at any time via a central e-mail address (compliance@kostal.com).

An information sheet on how to use the Compliance Hotline and the procedure can be found on the website.

Contact details can also be found in the publicly accessible guideline on human rights (policy statement) and the Code of Conduct.

The whistleblower can submit anonymous reports and complaints at any time via the online tool. The reports submitted here are encrypted and processed exclusively in the European Union. Data processing contracts have been concluded.

Access to the central mailbox is strictly limited as part of a role concept. The employees who are permitted access are in a separate position of trust and/or are subject to professional secrecy (compliance department/legal department (lawyers)). A confirmation of receipt will be sent immediately (within 24 hours on working days/ within 48 hours on Sundays and public holidays) after receipt of the complaint.

The reports are analyzed and prioritized as part of the risk assessment. The investigations are supervised by the Compliance Team. To ensure an independent investigation, the Compliance Team may commission independent third parties (external law firms) with the investigation.

If communication takes place via the online tool, the communication is documented here in a legally secure manner. A file management system with an effective role concept (provider and data storage in a secure environment in Europe; order processing contracts have been concluded) is used to document complaints received by other means.

The whistleblowers are regularly informed about the status of processing, insofar as this is possible for their own protection and the protection of the person concerned, if applicable.

Lüdenscheid, May 2024