



Compliance

Supplier Code of Conduct for the KHS Group



Filling and Packaging – Worldwide

Foreword

Dear Sir or Madam:

As a global company, it is very important to us at KHS that we always behave lawfully and so that we are in compliance. Based on our vision and our code of conduct, we have created a supplier code of conduct that also obligates our suppliers to preserve and respect human rights and the laws of their respective countries the way that we do.

Thanks to our global orientation with various international production sites, the code of conduct therefore applies consistently for all of our national and international suppliers.

This code of conduct is binding for all suppliers of KHS (KHS GmbH and KHS Corpoplast GmbH as well as any companies associated with these) and their suppliers.

We as KHS make no demands of our suppliers that we ourselves are not also prepared to fulfill.

The following requirements represent the minimum conditions for our mutual cooperation. We encourage our suppliers, for themselves and their employees, to introduce behavior guidelines with higher requirements for ethical and sustainable action.

I. Our Demands and Expectations

1st demand: Legality and integrity

We as KHS have set wide-ranging legal and integrity standards for our suppliers. These include in particular consistent adherence to laws and standards as well as other contractual obligations.

[a.] Compliance with applicable law as minimum standard

We expect that our suppliers adhere to applicable laws and other relevant provisions of the country in question. This is the basic requirement for any common action. Insofar as international provisions require higher standards, these provide the guideline for the activity expected of us.

[b.] Corruption (public sector/private business)

We expect that our suppliers do not tolerate corruption. Corruption must be forbidden in any form. This prohibition also applies for the suppliers of our suppliers as well as all forms of circumvention.

We expect that our suppliers make transparent the mutual interests of KHS suppliers and participating employees and that they separate these from one another.

We expect that our suppliers always engage in activities and make (purchasing) decisions without regard to irrelevant considerations and personal interests.

We expect that our suppliers do not offer, promise or grant any contributions such as pecuniary or intangible personal advantages as purposeful consideration for preference for sovereign action or in the course of business. Excluded from this are by way of exception low-value normal business gifts (such as meal invitations, for example). In any case, these must be made legally and socially-adequately (i.e. appropriately) and in particular transparently and verifiably as well as in harmony with national and international criminal and tax law provisions. This applies both for benefits to officials/persons acting on sovereign authority as well as to people who are engaged in private business.

[c.] Cartel law

We expect that our suppliers heed fair competition and adhere to applicable laws.

We expect that our suppliers adhere to the applicable national and international cartel laws and other laws for regulating competition. This applies for impermissible agreements or joint trans-

actions with competitors or suppliers to the detriment of other market participants, especially with respect to the influencing of prices and conditions, and to the division of sales territories and customers, and any other impermissible obstacles to free and open competition.

- Furthermore, these regulations prohibit agreements between customers and suppliers with which the freedom of customers is to be limited to determine their prices and other conditions autonomously for resale (price and condition determination). In the event of doubt, professional advice must be obtained.

[d.] Export control

We expect that our suppliers adhere to national and international legal provisions for import and export.

We expect that our suppliers process and document their imports and exports such that they can be traced.

We expect that our suppliers pay no criminal expediting payments to officials.

[e.] Money laundering

We expect that our customers adhere to national and international money laundering laws for all transactions and other services arising from business relationships.

[f.] Secrecy and data privacy

We expect that our suppliers respect operating and company secrets of KHS as well as other property rights of third parties and that they handle documents exchanged, offers, and prices confidentially.

We expect that our suppliers save data requiring secrecy, i.e. both company and personal data/information that is not public, carefully and in harmony with the national/international provisions for data privacy.

2nd demand: Human rights and working conditions

We as KHS demand of our suppliers that human and basic rights are adhered to in particular in working life. KHS especially regards the principles of the ILO (International Labor Organization of the United Nations) as a global minimum standard.

[a.] Freedom of association

We expect that our suppliers adhere to their employees' right to freedom of expression and freedom of association within the framework of the nationally-applicable laws/regulations of the country in which employees work for them.

[b.] Working hours

We expect that our suppliers adhere to nationally-applicable laws with respect to working hours, in particular the maximum number of hours per day/week. This includes especially adherence to applicable collective agreements for the industry. It must be ensured that employees have enough free days available for recovery.

[c.] Wages

We expect our suppliers to adhere to applicable labor regulations, especially minimum wage as the minimum limit. This also includes that overtime hours are paid according to the applicable laws/collective agreements.

[d.] No child labor

We expect that our suppliers adhere to the regulations of the United Nations about human and children's rights. KHS GmbH does not tolerate any child labor. Any stricter national regulations with respect to child labor as well as the minimum age for working shall be adhered to as a matter of priority.

[e.] No forced labor

We expect that our suppliers do not have any work done by forced laborers.

[f.] No discrimination

We expect that our suppliers treat their employees respectfully, without prejudice, and especially without discrimination. This includes any form of discrimination or disadvantage especially due to sex, sexual orientation, religion or world view, ethics, race, cultural or other origin or due to mental or physical disabilities. Legal provisions on discrimination must be adhered to.

3rd demand: Occupational health and safety protection

We as KHS make the demand of our suppliers that people should be able to pursue their work safely and without permanent bodily harm.

[a.] Healthy and safe work

We expect that our suppliers offer their employees a healthy and safe environment at work.

We expect that our suppliers detect and minimize the risks of danger to the physical integrity especially of their employees. A system to protect employees should be installed. Laws on occupational health and safety protection must always be adhered to.

[b.] Accident prevention

We expect that our suppliers organize work and the design of products so that, as far as humanly possible, accidents can be prevented and largely minimized – both when it comes to occurrence as well as the effects of accidents.

4th demand: Sustainability (environmental and climate protection/energy/natural resources)

We as KHS make the demand of our suppliers that they endanger the environment as little as possible.

[a.] Environmental provisions

We expect that our suppliers behave responsibly with respect to the protection of the environment and our limited natural resources also for future generations. Environmental protection laws must always be adhered to.

[b.] Sustainability

We expect that our suppliers handle the existing natural resources so that future generations will not suffer from current consumption. We expect that environmentally-conscious behavior is encouraged and adhered to when performing services for KHS. The use in particular of non-renewable resources must always be reduced in favor of renewable resources.

[c.] Energy

We expect that our suppliers work continuously to reduce their energy consumption. Energy laws must always be adhered to.

[d.] Climate protection

We expect that our suppliers also orient themselves for production and development as well as for the performance of services for KHS according to the criterion of long-term climate protection.

II. Monitoring/Adherence/Control/Audits

We as KHS subject ourselves to internal and external audits in order to ensure the supply chain in the long run and improve it.

We expect of our suppliers that they cooperate on this in a suitable manner. We appreciate it if suppliers have their management systems certified like KHS and can prove this to KHS.

We expect of our suppliers that they ensure in suitable form that additional sub-suppliers and subcontractors are also bound to adhere to this KHS code of conduct and for their part, share this with their suppliers/sub-suppliers in the supply chain. Employees shall be informed of the contents of this code of conduct in a suitable fashion and they shall be encouraged to heed and implement it as well they can. The supplier's internal guidelines and processes are to take account of the principles set out in this code of conduct and reflect them.

Each violation of the principles listed in this guideline shall be regarded by KHS as a significant impairment of the contractual relationship on the part of the supplier. In the event of indications of non-adherence to the principles of this guideline (e.g. through media reports), KHS reserves the right without prejudice to demand information about the appropriate facts.

We as KHS reserve the right to take random samples at suppliers.

Important: In the event of severe or constant violations, the contractual relationship may be terminated. We grant our suppliers appropriate time to eliminate violations or complaints.

III. Contact

Basic contacts for our suppliers and their employees are the already-familiar business contacts.

In addition, suppliers and employees of suppliers, as well as downstream suppliers and their employees, have the opportunity to contact – if necessary also confidentially – the Compliance Officer of KHS GmbH:

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