

KMC Properties ASA – Supplier Code of Conduct

I/PRINCIPLES

Purpose

KMC Properties is a real estate company focusing on owning and developing industrial properties, primarily in the light industry and warehouse segment. In all relationships, both internally and externally, we must be open, helpful and committed helping to promote responsible business conduct.

KMC Properties is a real estate company creating value from investing in industrial and logistical properties, providing fit-for-purpose facilities for our tenants. We show integrity to become a trusted business partner for our stakeholders and we expect the same level of ethical behaviour from all our suppliers and other partners in our value chain. Accordingly, our supplier code of conduct lays out these expectations covering topics such as human rights, workers' rights, the environment, corruption and sanctions.

Supplier and business partner guidelines

All suppliers and business partners shall:

- Conduct reasonable due diligence for responsible business conduct and have systems in place to manage complaints related to human and labour rights. This includes conducting risk assessments, where appropriate, to identify potential negative impact on people, society and the environment and to stop, prevent and reduce such impact. The measures put in place must be monitored and their effect evaluated. The measures taken must be communicated to those affected by your actions.
- Assure compliance in their individual value chains, in so far as possible, that connect back to KMC Properties. And be able to document compliance with the code of conduct at the request of KMC Properties. Such documentation may take the form of self-declaration or follow-up meetings with representatives of KMC Properties.
- Show willingness and ability to continuous improvement for people, society, and the environment through collaboration.

Remediation plan

In the event of a breach of the code of conduct, KMC Properties and the relevant suppliers or business partners will jointly prepare a plan for remedying the breach. If the supplier or business partner is responsible for the negative impact or damage, then they are responsible for providing remedy. Remediation must take place within a reasonable period of time.

Contract cancellation

If the suppliers or business partners, after repeated requests by KMC Properties, does not show the willingness or ability to comply with the supplier and business partner guidelines, the contract may be cancelled.

Compliance with laws and regulations

KMC Properties is committed to actively work with due diligence for responsible business conduct. Trade with other parties is carried out in accordance with the principles within the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights and International Labour Organisation conventions.

Where national laws and regulations conflict with the above-mentioned conventions and frameworks, then the suppliers and business partners should comply with the relevant national law, while upholding the spirit of the relevant convention.

II/ Our requirements to suppliers and business partners

Human Rights

KMC Properties is committed to respecting human rights as defined in the [International Bill of Rights](#), the [ILO Fundamental Conventions on Labour Standards](#) and the [UN Guiding Principles on Business and Human Rights](#). The company therefore respects human rights, employee rights and international labour law, distancing itself from all forms of child and forced labour and safeguards employees' freedom of expression and the right to association activities in line with the KMC Properties Human Rights Policy. KMC Properties expects its suppliers and business partners to do the same, including but not limited to the following:

- Suppliers and business partners must support and respect human rights. They have a responsibility to respect and promote the human rights, both within their own operations and in the supply chain.
- Suppliers and business partners must ensure that they do not participate, directly or indirectly, in violations of human rights, including all forms of child and forced labour. This also includes situations when the company fails to pose questions of human rights or benefits from violations that are carried out by a third party.
- For guidance on our suggested approach for tackling human rights, suppliers and business partners should refer to the KMC Properties' Human Rights Policy.

Diversity, equality and inclusion

- Suppliers and business partners must work to promote diversity and equal opportunities in their operations.
- Suppliers and business partners shall strive to create a good and healthy work environment based on equality and diversity, where the integrity of their own employees is safeguarded. This should include putting in place measures to ensure no discrimination may take place on the grounds of age, sex, religion, sexual orientation, ethnic background, or other protected characteristic. All forms of harassment should be prohibited, as well as abusive discrimination, contributing to a working environment without hostile, violent, threatening or harassing conduct.
- Measures shall also be established to protect workers from discrimination or termination of employment on unjustifiable grounds.

Freedom of association and the right to collective bargaining

- Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively. The employer shall not interfere with or obstruct the formation of unions or collective bargaining.
- Where the right to freedom of association and/or collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of alternative forms of independent and free workers representation and negotiations.

Wages

- Wages should always be enough to meet basic needs, including some discretionary income. Salary must be paid directly to the employee of the supplier or business partner at the agreed time and in full.
- All workers shall be provided with a written and comprehensible contract outlining their wage conditions and method of payments before entering employment.
- Deductions from wages as a disciplinary measure shall not be permitted.

Working hours

- The suppliers or business partners shall ensure that employees have reasonable working hours and are compensated for any overtime they work. Overtime work must be voluntary.

Safeguarding health and safety

- Suppliers and business partners must work systematically to safeguard the employees' health, working environment and safety in compliance with applicable statutes and regulations. Necessary measures must be implemented to prevent and minimise accidents and health injuries as a consequence of, or in relation to, conditions at the workplace.
- Workers shall receive regular and documented health and safety training.
- Hazardous chemicals and other substances shall be carefully managed, handled safely and safety data sheets must be available. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in, the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- Suppliers and business partners should have a written policy, signed by the management, regarding health and safety at the workplace. They should have documented routines to ensure observance and achieve continuous improvement within the work environment (e.g. goals, inspections and plans of action) together with a register of accidents and incidents.
- All workers shall have access to clean sanitary facilities and clean drinking water. If applicable, the employer must also ensure access to facilities for safe storage of food. If the employer offers accommodation, this must be clean, safe, adequately ventilated and with access to clean sanitary facilities and clean drinking water.
- Fire drills should be held regularly. Fire equipment, evacuation plans and emergency exits must be available and well visible in all spaces.

Protecting the environment

- Measures to minimise adverse impacts on human health and the environment shall be taken throughout the value chain. This includes minimising harmful chemicals, minimising pollution, promoting an efficient and sustainable choice and use of materials and resources, including energy and water, minimising greenhouse gas emissions in production and transport, protecting biodiversity land and trees. The local environment at the production site shall not be exploited or degraded.
- The suppliers and business partners must comply with local, national and international environmental protection legislation and regulations. They must obtain the required emission permits. In addition, the suppliers should promote a responsible environmental policy and contribute to developing and using environmentally friendly technology, including minimising their emissions and developing their environmental and climate efforts.
- Suppliers and business partners that are not certified according to ISO 14001, should satisfy below requirements in general respects:
 - The company shall identify its environmental impact, including where its impact is greatest.
 - A documented and communicated environment policy, which has been approved by the management, shall be available.
 - In order to ensure constant improvement, the company should have long-term and short-term environmental goals, along with an established action plan.
 - All employees should be provided with environmental training.
 - There should be documented routines for monitoring and follow up the company's environmental performance.
- Where suppliers do not satisfy these requirements, KMC will make a determination on a case-by-case basis as to whether it believes the supplier has sufficient safeguards in place.

Confidentiality

- We respect confidential information that concerns KMC Properties and our stakeholders, and take all necessary measures to prevent confidential information from being disclosed to persons who don't need or are not entitled to the information in connection with their work.
- Our suppliers must protect confidential information they are given access to by KMC Properties, our customers and others. This also entails that our suppliers do not act on the basis of confidential information they have received erroneously. Such cases must be reported to KMC Properties.

Anti-bribery, anti-corruption

- Corruption in any form shall not be accepted by the suppliers or business partner, including bribery, extortion, kickbacks and improper private or professional benefits to customers, agents, contractors, suppliers or employees of any such party or government officials. All forms of corruption must be countered.
- Suppliers and business partners must comply with KMC Properties' expectations on corruption and anti-bribery, as well as the bribery legislation that applies in the country where it operates and such other country's law that otherwise covers the company's activities.

Benefits and gifts

- At KMC Properties we do not accept or offer benefits or gifts that unduly may affect – or give the impression of affecting our business decisions or the business decisions of others with whom we cooperate.
- Our suppliers do not offer and must not accept benefits or gifts that unduly may affect – or give the impression of affecting – business decisions. If employees of KMC Properties request any form of benefit, gift or personal service free or at a lower cost than the market rate, this must be reported to KMC Properties.

Sanctions

- Financial sanctions are a significant part of the global fight against financial crime and are used by governments all over the world to restrict or prohibit trade with foreign targets which are involved, or suspected of being involved, in illegal activities.
- KMC Properties' suppliers and business partners must regularly check that they do not conduct business with any persons, groups, entities, or countries on the given sanction lists:
 - the UN consolidated sanction list published on:
<https://www.un.org/securitycouncil/content/un-sc-consolidated-list>

Management systems of suppliers and business partners

Management systems are key to the implementation of a code of conduct. KMC Properties emphasises the importance of suppliers and business partners having systems that support such implementation.

III/SIGNATURE

A handwritten signature in blue ink, appearing to read "Ali Mahab", written over a horizontal line.

CEO of KMC Properties ASA

Date: 22.02.2023

Board approval date: 22.02.2023