

## Responsible Sourcing

Kobo Products, Inc. (Kobo) is committed to responsibly sourcing and manufacturing our products, acting as an ethical and reliable partner, and collaborating to identify resourceful and efficient solutions for market needs. We achieve this by working with organizations such as the Roundtable on Sustainable Palm Oil (RSPO) and Responsible Mica Initiative, as well as suppliers and customers to ensure traceability of critical raw materials.

Palm oil, palm kernel oil, and their derivatives are among our most widely used renewable raw materials. However, the harvesting and production of palm oil have led to deforestation which contributes to climate change, biodiversity and habitat loss, and pollution. It has also been linked to exploitation and serious human rights abuses. Kobo is deeply concerned with these issues and is committed to reducing the impact on the environment as well as the human aspects connected to our ingredients. We therefore strive to ensure that those organizations with whom we interact – our suppliers and their representatives – share our values and standards and are equally invested in our collective responsibility to fight against damage to the environment and to human life by supporting palm oil smallholders and working with those suppliers that are committed to respecting the rights of indigenous communities and workers.

One of our core values is sustainability, and we expect our partners to fully comply with our goals in achieving the following objectives:

- Climate – We strive to make a positive impact on climate change by reducing our greenhouse gas (GHG) emissions. We acknowledge that our impact on emissions includes that of our supply chains as well as our own reduction initiatives, and we operate accordingly.
- Environment – We strive to minimize the impact of our operations on the environment through mindful use and conservation of resources, and through our recycling program.
- Partnerships – Our commitment to operating our business and conducting our relationships with third parties in a responsible, transparent, and ethical way is embedded in our culture.
- People – We strive to create a safe and inclusive environment for all people. People are the foundation of our business and enable our success. Our many varied talents and backgrounds distinguish us from our peers and by investing in our employees, we ensure that they are able to fulfill their potential.
- Products – We are committed to sustainably making reliably high-performance and high-quality products.

As part of our commitment to responsible and ethical trading, we follow our Code of Conduct that includes the following key principles:

- Legal and Regulatory Compliance
- Human Rights
- Wages and Benefits
- Health and Safety
- Environmental Management

Additionally, we adhere to the UN Guiding Principles for Business & Human Rights, International Labor Organization (ILO) Principles, the ILO Declaration of Fundamental Principles and Rights at Work, ILO Violence and Harassment Convention 190. Furthermore, Kobo is RSPO certified and is in full compliance with the requirements stated in the RSPO Supply Chain Certification Systems, version November 2014 (revised June 2017).

Kobo also expects its suppliers to meet these critical requirements.

We believe that this information sets out the high standards and the values we expect from our supply chain.

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# **KOBO**

## **Code of Conduct**

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Kobo Products, Inc. values legal and ethical business standards and practices fair dealing in all its operations. While the Kobo Code of Conduct sets forth the principles under which Kobo operates, Kobo expects our worldwide vendors, trading partners, and customers (collectively referred to as "Partners") to meet the requirements set forth in the Kobo Code of Conduct and to strive for continuous improvement throughout the factories where material is manufactured or work of any kind is performed. If at any point, applicable law conflicts with the provisions of this policy, Partners are expected to fully comply with the law while seeking to meet the underlying principles of this policy.

*To the extent Partners' business practices deviate from Kobo's Code of Conduct, Partners are required to disclose such business practices to Kobo. Kobo may terminate its business relationship with any person or Company found to be in violation of this Code.*

**Legal and Regulation Compliance:** To the best of its knowledge and belief, Kobo and its Partners operate in compliance with the applicable laws and regulations of the countries in which they operate. Kobo's business practices are in compliance with the United States Foreign Corrupt Practices Act, as well as with laws, rules, and regulations governing bribery and corruption.

**Child Labor:** Kobo does not employ workers younger than 15 years of age. Partners are expected to comply with all legal requirements for authorized young workers.

**Forced Labor:** Kobo does not use forced labor, whether prison, bonded, indentured or otherwise. Forced overtime is also prohibited. Furthermore, employees must be allowed to leave employment for any reason after giving reasonable notice.

**Discipline:** No worker shall be subject to corporal punishment or to physical, sexual, psychological, or verbal harassment or abuse. Nor are monetary fines used as a disciplinary practice. Kobo treats all employees with dignity and respect, as must its Partners.

**Hours:** Kobo does not permit employees to work in excess of 60 hours a week on a regularly scheduled basis, including overtime, except under extraordinary business circumstances. Nor are they permitted to work in excess of 6 days a week on a regularly scheduled basis, except under extraordinary business circumstances. Additionally, workers are never required to take work home.

**Discrimination:** While Kobo recognizes and respects cultural differences, we ensure employment – including hiring, benefits, remuneration, advancement, termination, and retirement – is based on ability and not on belief or any other personal characteristics including, but not limited to: race, religion, age, gender, ethnic origin, caste, political opinion, disability, or sexual orientation.

**Freedom of Association/Collective Bargaining:** Kobo respects the law or parallel means with regard to employees' rights to or not to associate, join trade unions and bargain collectively.

**Wages/Benefits:** Kobo ensures that its employees are paid a living wage – at least the legal minimum wage as well as the legally mandated overtime premium for all hours worked. Compensation will be based on education, experience, and subsequent performance. In addition, Kobo ensures that all legally mandated benefits are being provided and that there will be no illegal deductions for benefits.

**Health and Safety:** Kobo provides employees with a clean, safe, and healthy work environment in compliance with all applicable, legally mandated standards for workplace health and safety in the countries/states in which it operates. Kobo continually strives to implement good industry practices as applicable and encourages its Partners to do so as well.

**Environmental Management:** Kobo complies with all local environmental laws applicable to its operations. Kobo also utilizes environmental policies and management systems containing goals with targets that are focused on the continuous improvement of overall environmental performance, and encourages its Partners to do the same.

**Ethical Practices:** All business activities must be conducted with honesty and integrity and demonstrate the highest standards of business ethics. No unauthorized business activities or arrangements are conducted independently between any other company and any Kobo associate. Failure to report questionable breaches of business ethics will be grounds for terminating business relations with any company involved.

**Communication:** Kobo communicates the provisions of the Code of Conduct to all employees and ensures that they are given the opportunity to ask questions and voice concerns under the Code.

**Information Security:** Kobo is committed to protecting the information that is critical to its business operations, and promotes generally accepted information security current best practices and standards. Kobo maintains appropriate confidentiality of proprietary or otherwise sensitive information.