

KONE Supplier Code of Conduct

KONE wants to be an attractive business partner and seeks reliable, fair relations for the mutual benefit of KONE and its suppliers. KONE expects from its suppliers competence and continuous improvement in quality, cost control, innovation and reliability.

This KONE Supplier Code of Conduct (“Code”) illustrates the values according to which KONE operates globally. KONE expects all of its suppliers to conform to the policies defined below in their dealings with KONE, their own employees and suppliers, as well as third parties including government officials and others.

KONE requires its suppliers to read and conform to the principles defined below.



1 ETHICS

1.1 General Requirements

KONE requires its suppliers to be committed to ethical conduct, full compliance with all applicable national laws and international treaties, and respect for human rights in the spirit of internationally recognized standards.

1.2 Compliance with Laws and Rules of Society

KONE requires its suppliers to be committed to full compliance with all applicable laws and regulations. These guidelines are not a substitute for, nor should they be considered to override, applicable laws and regulations. They represent supplementary principles and standards of behavior of a non-legal character.

1.3 Intellectual Property and Publicity

KONE expects its suppliers to conform to all applicable laws and international treaties on intellectual property and to refrain from infringing on either KONE's or third party's intellectual property rights.

KONE expects its suppliers to comply with all applicable agreements on confidentiality or non-disclosure. Furthermore, suppliers are entitled to publicize their cooperation with KONE or utilize KONE trademarks only to the extent KONE has expressly given prior written authorization. In the event that such explicit authorization exists, suppliers are expected to comply with all instructions and guidelines that KONE may from time to time issue.

1.4 Improper payments or benefits

No direct or indirect bribes or other payments of any amount; or hospitalities (direct or indirect), such as entertainment or gifts, of an excessive nature shall be made by KONE's suppliers for the benefit of KONE's employees, any governmental representative or employee, labor union, or current or prospective customers or suppliers for the purpose of improperly obtaining benefits of any kind. No supplier shall accept any improper benefit from any source.

1.5 Conflict of Interest

Suppliers shall avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest while engaged with KONE. A conflict of interest occurs when a representative of a supplier seeks to further his/her personal interest, or that of a friend or relative, due to his/her position as a representative of a supplier. Suppliers are required to report any situations of potential or apparent conflicts between their personal interests and the interests of KONE. KONE requests suppliers to confirm to KONE that they are not directly or indirectly owned by KONE employees or their immediate family or that such persons have not otherwise any vested interest in the supplier. Suppliers must immediately disclose in writing any such changes in their ownership should they later occur.

2 ENVIRONMENT

KONE provides safe, environmentally efficient and responsible high performance services, modernizations and solutions. KONE strives for continuous improvement in all of its business activities by following applicable rules and regulations, and working with its suppliers and customers to prevent or reduce emissions and waste related to business operations. KONE expects its suppliers to conform to the same values and more specifically to the principles outlined below:

- (i) Suppliers shall obtain and maintain all required environmental permits and registrations and shall follow the operational and reporting requirements associated with such permits;
- (ii) Suppliers shall strive to reduce or eliminate waste of all types;
- (iii) Suppliers shall monitor, control and appropriately treat wastewater and solid waste generated from operations;
- (iv) Suppliers shall monitor, control and appropriately treat air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations; and
- (v) Suppliers shall adhere to all applicable laws and regulations regarding prohibition or restriction of specific substances, as well as those laws and regulations regarding the reporting of an intentional or inadvertent wrongful discharge of waste and emissions.

3 LABOR

3.1 Non-discrimination

KONE expects its suppliers to treat their employees in a fair and equal manner. KONE is committed to a policy of equal opportunity that prohibits discrimination of any type. Diversity is accepted and valued by KONE and the same is expected from KONE suppliers. KONE strongly believes non-discrimination is both an ethical standard and a fundamental human right. KONE will not tolerate discrimination, whether due to race, color, sex, age, religion, political opinion, national, ethnic origin or any other characteristic protected by law.

3.2 Child or Forced Labor

KONE will not accept child or forced labor under any circumstances or contract with suppliers or subcontractors using such labor.

3.3 Working Environment

KONE strongly believes all employees are entitled to a safe and healthy working environment and have the right to be free from violations of personal integrity. Any type of harassment, regardless of the intent, whether direct or indirect, physical or verbal, is prohibited. KONE expects its suppliers to ensure all of its employees are allowed to work in a harassment-free environment.

3.4 Wages and Benefits

KONE suppliers shall ensure that compensation paid to their employees shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and mandatory benefits.

4 HEALTH AND SAFETY

KONE expects its suppliers to maintain an adequate administrative policy on health and safety ensuring, at minimum, compliance with the following principles:

- (i) Worker exposure to potential safety hazards is to be controlled through proper design, engineering, administrative controls, preventive maintenance and safe work procedures;
- (ii) Emergency situations and events are to be identified and assessed, and their impact minimized, by implementing emergency plans and response procedures;
- (iii) Procedures and systems are to be in place to manage, track and report occupational injury and illness;
- (iv) Worker exposure to chemical, biological and physical agents is to be identified, evaluated and controlled; and
- (v) Worker exposure to physically demanding tasks is to be identified, evaluated and controlled.

5 MANAGEMENT SYSTEM

KONE expects its suppliers to have a management system in place to ensure compliance with applicable laws, regulations and KONE's requirements relating to the suppliers operations, products and mitigation of operational risks. The management system shall facilitate continuous improvement and as a minimum include the following elements:

- (i) Corporate social and environmental responsibility statements affirming supplier's commitment to compliance and continuous improvement;
- (ii) Clearly identified company representative(s) responsible for ensuring implementation and periodic review of the status of the management systems;
- (iii) Identification, monitoring and understanding of applicable laws, regulations and customer requirements;
- (iv) Process to identify and control the environmental, health and safety and labor practice risks associated with supplier's operations; and
- (v) Periodic self-evaluations to ensure conformity to legal and regulatory requirements, to the content of this Code and to customer contractual requirements related to social and environmental responsibility.

COMPLIANCE WITH THIS SUPPLIER CODE OF CONDUCT

KONE requires that all Suppliers read and comply with this KONE Supplier Code of Conduct.

Each KONE Supplier is responsible for:

- a) identifying any areas in their operations (including the operations of their affiliates and suppliers) that do not conform to this KONE Supplier Code of Conduct;
- b) implementing improvements to achieve conformity with this KONE Supplier Code of Conduct;
- c) monitoring their conformance with this KONE Supplier Code of Conduct;
- d) upon KONE's request, submitting a report specifying actions taken and progress made in achieving conformance with this KONE Supplier Code of Conduct; and
- e) upon KONE's reasonable request, granting KONE access to records relevant for verifying information regarding the Supplier's conformance to this KONE Supplier Code of Conduct.

Supplier's signature

Name:

Title:

Date:

Name of the Supplier: