

Statement on the Prevention of Slavery and Human Trafficking

The information in this Statement have been approved by the Management Board of KONČAR-DISTRIBUTION AND SPECIAL TRANSFORMERS Inc. (KONČAR- D&ST) and relate to the financial year ended on 31 December 2020. The scope of markets included in this Statement covers KONČAR- D&ST's business operations worldwide.

Introduction

This Statement is made following the adoption of the Modern Slavery Act 2015 (Act) of the Parliament of the United Kingdom, and it is made pursuant to section 54 of the Act, with respect to the financial year ended on 31 December 2020.

KONČAR- D&ST fully supports the aims of the Act and is committed to operate free from slavery, forced labour and human trafficking and has a zero tolerance to slavery, forced or compulsory labour and human trafficking in any form and in any part of its business or supply chain.

Company approach and principles

KONČAR- D&ST acknowledges responsibility and obligation to respect human rights as set out in the International Bill of Human Rights.

All employees of KONČAR- D&ST are required to comply with KONČAR- D&ST's Business Code of Conduct, which commits each of them to respect human rights and personal dignity of every individual, as well as to act with integrity in accordance with all applicable laws and conventions in force.

KONČAR- D&ST's Business Code of Conduct is based on the principles of UN Global Compact relating to human rights, labour standards, environmental protection and anticorruption initiatives. These principles are derived from the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation, in particular with respect to the abolition of forced or compulsory labour and

prohibition of any kind of discrimination.

All employees of KONČAR- D&ST are required to sign a statement that they have read and understood the Business Code of Conduct as part of KONČAR- D&ST's recruitment process.

Supply Chain

Code of Conduct for Suppliers of KONČAR- D&ST sets out the standards of ethical, lawful and sustainable conduct that KONČAR- D&ST expect from its business partners.

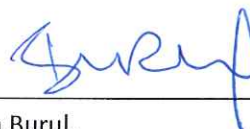
KONČAR- D&ST expects from its suppliers commitment to the Code of Conduct as well as to take measures to avoid any form of forced or compulsory labour (or any kind of modern slavery or human trafficking).

KONČAR- D&ST regularly evaluates performance of its suppliers on broad sustainability parameters such as health&safety, environment and working conditions. This process includes a review of suppliers' performance on issues of modern slavery and human trafficking.

KONČAR- D&ST verifies that its suppliers comply with the Code of Conduct for Suppliers of KONČAR- D&ST through corporate responsibility, self-assessment, suppliers' quality audits and incident-driven inspections.

Our commitment

KONČAR- D&ST will continue to apply zero tolerance to slavery, forced or compulsory labour and human trafficking in any form in its business, as well as in its supply chain.



Vanja Burul,
President of the Management Board



Zagreb, 11 May 2021