

Supplier Sustainability Policy

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KOHLER®

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INTRODUCTION

Kohler Co. believes in making the world a better place through community stewardship, environmental sustainability, inspiring workplaces, and support of the arts. Our mission guides us to work in harmony with our natural environment, reduce waste, and ensure a welcoming, safe, and healthy workplace because extending gracious living to our associates globally is equally as important as providing it to our customers.

“Kohler’s mission is to help people live gracious, healthy and sustainable lives. It takes all of us working together to drive positive change, and we look to our supplier partners to prioritize sustainable business practices as well. We all must continue to innovate and find ways to reduce emissions and protect natural resources. Together, we can make an impact and preserve our planet.”

– *Laura Kohler, Chief Sustainable Living Officer*

“As we look towards 2035, the urgency of sustainability not only for Kohler but our suppliers lie in the rising demands of the consumer for eco-friendly products that reduce environmental impact and ensure business viability. All companies must prioritize sustainability to maintain competitiveness, comply with regulatory requirements and maintain business longevity. Kohler company is committed to supporting our suppliers on this sustainability journey and ensuring accountability for both ourselves and our vendors as we work towards a more sustainable future.”

– *Laura Ying, Vice President of Strategic Sourcing*

We recognize that Kohler’s Suppliers play an integral role in helping us achieve our sustainability goals.

Kohler’s Supplier Sustainability Policy was created to outline the expectations of suppliers as we all work to reduce the impacts of climate change. Kohler’s goal is to reduce global warming in line with the Paris Agreement’s main objective of limiting global temperature increase to 1.5 degrees Celsius by 2030 as well as to improve water usage in water constrained regions of the world and reduce waste to landfill.

This Policy outlines environmental standards that serve as a framework for any Supplier conducting business with Kohler.



SCOPE AND USE

SCOPE

This Policy applies to the Suppliers of all raw materials, parts, semi-finished materials, finished components and services provided to Kohler. Compliance with all Applicable Laws along with the minimum standards outlined in this Policy is a prerequisite for conducting business with Kohler. Non-compliance with any Minimum or Basic Standards in this Policy may result in the Supplier being excluded from Kohler's sourcing process and hinder their ability to do business with or to attain further business.

DEFINITIONS:

- "Supplier" includes suppliers, contractors, vendors, and other providers, their subcontractors and any other person acting on behalf of the supplier such as sales personnel, distributors, resellers, and brokers.
- "Applicable Law" refers to all provisions of laws, statutes, ordinances, rules, regulations, permits, certificates, judgements, decrees, or orders from any governmental authority within the jurisdiction where the Supplier is based and conducts business.
- "Kohler" means Kohler Co. and its Affiliates.
- "Affiliate" is any entity, controlled either directly or indirectly, by Kohler.
- "Parties" means Supplier and Kohler.

The Kohler Standards and Requirements outlined in this Policy are based on internationally recognized standards:

Kohler is also committed to improving our operational environmental footprint while paying uncompromised attention to designing environmentally friendly products that help our customers and consumers reduce their own environmental footprint. These standards reflect Kohler's commitment to all UN Sustainable Development goals. Each section or subsection of this Policy will be labeled to help you clearly understand the expectations of Kohler.



KOHLER'S REQUIREMENTS:

Minimum Standard: Must be met at all times when doing business with Kohler.

Basic Standard: Must be met within the first 5 years of supplying a product or service to Kohler or 5 years after the policy is launched unless a specific alternative timeline is stated.

Exceeds Expectations: Goes beyond the compliance standards outlined by Kohler in Minimum and Basic Standards categories and shows execution of sustainable business practices.

KOHLER STANDARDS AND SUPPLIER REQUIREMENTS

GENERAL ENVIRONMENTAL STANDARDS

Minimum Standard:

- **Kohler Initiatives and Targets:** Suppliers will work in good faith with Kohler to help us achieve our environmental sustainability targets.
- **Data Monitoring:** Suppliers will monitor and provide requested data from their own operations and products supplied to Kohler. They should also participate in any third-party sustainability assessment and data collection activities initiated by Kohler.
- **Emission Reporting:** Suppliers will provide Kohler with information related to CO2 emissions such as the carbon footprint of the materials they supply to Kohler, the product weight, any pre-determined LCA calculations for materials supplied to Kohler and any emissions factors used to ascertain those LCA calculations or they provide Kohler with necessary process and material data to estimate and emissions factor. Such information will be kept confidential by Kohler. Kohler will not share specific supplier information in which the Supplier's name, brand or other identifying factors are made public. Suppliers are encouraged to report their data through platforms such as the CDP climate change questionnaire or EcoVadis and to share this information with Kohler upon request.

CARBON EMISSION

Basic Standard:

- **Carbon Reduction Targets:** Suppliers will develop feasible and effective reduction targets for their carbon emissions and ensure that these targets align with the Paris Agreements efforts to limit average global temperature increases to no more than 1.5 degrees Celsius by 2030.

Exceeds Expectation:

- **Decarbonization Plan:** Suppliers will develop a feasible and effective CO2 reduction plan for Kohler related products and services starting from 2026. This plan should include at least 25% reduction in GHG by the end of 2035 and align with the Paris Agreement of Net Zero by 2050.
- **Scope 3 Monitoring:** Suppliers will work to model and understand their scope 3 emissions footprint.
- **LCA Data:** Suppliers will complete LCA data analysis for all products supplied to Kohler.

ENERGY USAGE

Minimum Standard:

- **Energy Usage:** Suppliers will strive for energy efficiency across operations and the entire value chain through the use of renewable energy

Basic Standard:

- **Renewable Energy:** Suppliers will increase the use of renewable energy to 70% no later than 2030

WATER

Minimum Standard:

- **Water Discharge:** Suppliers will treat wastewater discharges responsibly and prevent potential impacts to the environment from extreme weather events such as flooding and drought, as required and in accordance with Applicable Law.
- **Chemical Usage:** Suppliers will prohibit the use of chemicals and materials that can be harmful to water quality if improperly disposed of. Suppliers will refer to the Restricted Materials list which can be found on [Kohler's Conducting Business website](#).

Basic Standard:

- **Evaluation of Water Resources:** Suppliers will evaluate whether they are located in a water scarce region by using the World Resources Institute – Water Risk Filter Tool. In addition, Suppliers must understand where their water supply originates from.
- **Water Usage and Security:** Suppliers will improve their water conservation efforts by tracking, monitoring, and reducing their water usage where feasible.

Exceeds Expectation:

- **Water Reporting:** Suppliers are encouraged to report their data through platforms such as the CDP water security questionnaire.

AIR

Minimum Standard:

- **Material Efficiency:** Suppliers will promote internal and external closed loop systems by reducing waste, promoting reuse of resources, using recycled or more sustainable materials.
- **Recycled Materials:** Suppliers will increase the use of recycled materials, wherever possible, to achieve an increased use of recycled content where applicable by the end of 2035.

WASTE

Minimum Standard:

- **Reusable Packaging:** Suppliers will offer reusable packaging designs where it makes sense within the supply chain to eliminate waste.

Basic Standard:

- **Waste Goals:** Supplier will reduce waste and repurpose unavoidable waste to the fullest degree possible.
- **Single-Use Plastics:** Supplier will aim to reduce and eliminate the use of single use plastics in facilities and particularly in any products or packaging purchased by Kohler. Single-use plastics can be defined as plastic products that are designed for or intended to be used once and then discarded such as beverage containers or disposable plastic bags.

REPORTING – DATA REQUESTS

Minimum Standard:

Unless another timeline is stated, Suppliers will promptly within 30 business days provide Kohler with information to demonstrate its compliance with the standards outlined in this Policy or to satisfy the reporting requirements of Kohler. Suppliers are not authorized to provide any information on behalf of Kohler.

SUPPLIER RESPONSIBILITY

SUPPLIER COMMITMENT

All suppliers must accept this Supplier Sustainability Policy as a prerequisite to conducting business with Kohler. Upon accepting Purchase Orders from Kohler, the Supplier agrees to conduct all business within compliance of the standards laid out in this document.

MANAGEMENT SYSTEMS

Policies & Procedures

Suppliers should have policies and procedures around the key sustainability topics within this Policy, such as Water, Waste and GHG emissions. These policies should clearly explain the Suppliers' position and the specific actions they will take to ensure compliance.

Risk Identification & Action Plans

Suppliers should map their supply chain to identify, review and prioritize present risks. Suppliers will implement effective action plans to address any material risks to sustainability or human rights.

Due Diligence

All Kohler Suppliers are expected to work with contractors, suppliers and vendors to uphold the principles of this Policy. Suppliers should implement a due diligence process if one does not already exist to ensure that all their contractors, suppliers and vendors comply with Applicable Laws and the standards contained within this Policy.

RESOURCES:

- UN SDGS - [Sustainable Development Goals | United Nations Development Programme \(undp.org\)](#)
- KOHLER BIB WEBPAGE - [Believing in Better | Social Impact Report | Kohler | Kohler \(kohlercompany.com\)](#)
- [Kohler Supplier Sustainability Guidance](#)
- CDP Reporting Page - [Home - CDP](#)
- WWF resources for carbon measurement - [Emission Possible Toolkit - Carbon Reporting Tools.pdf \(wwf.org.uk\)](#)
- EPA Emissions Calculator - [Simplified GHG Emissions Calculator EPA](#)
- The Sustainability Consortium, Resources for Learning How to Measure Scope 3 Emissions - [Resource Guide for Scope 3](#)

CONTACT INFORMATION

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