

# Code of Conduct of the WAFIOS Group

As a multinational engineering company operating responsibly, we are mindful of employees<sup>1)</sup>, customers, innovations, and quality at all times. Satisfied customers, motivated employees, human rights, prevention of corporate corruption and a sustainable approach to the environment and the resources that are available to us play a key role in this context.

Clearly defined values, social responsibility, and ethical conduct determine how we deal with our employees, customers, suppliers, competitors, other partners, and the public at large.

The Code of Conduct provides a binding orientation framework for the WAFIOS Group for the implementation of our shared values. It is based on applicable laws and regulations, internal and corporate guidelines. The Code of Conduct illustrates the values and principles that the worldwide operating WAFIOS Group vows to respect and on which our day-to-day work is based.

## 1. We believe that only a company that operates within the law can be a good company:

- **We are law-abiding in our business dealings:**  
We are compliant with current legislation wherever we operate – nationally and internationally – adhere to applicable laws as well as external and internal guidelines in the respective working environment.
- **We avoid conflicts of interest:**  
Business life can give rise to situations in which the company's interests conflict with the personal or financial interests of an employee. We avoid such conflicts of interest and do not engage in any private transactions with business partners, especially customers, commercial agents, suppliers and consultants.
- **We have an internal reporting procedure in place for reporting breaches:**  
If our business partners suspect that a law, this Code of Conduct or other rules and regulations have been violated, they can send an email to [hinweisgeber@wafios.de](mailto:hinweisgeber@wafios.de) to report their suspicion. WAFIOS will immediately investigate any reported suspicion and will take appropriate measures, if required.

## 2. Corruption and criminal behavior have no place in our company:

- **A careful approach when receiving and giving advantages:**  
We do not intend to allow gifts or invitations to sway our business decisions and our behavior, especially when services are expected in return. At the same time, we are governed by standards of common courtesy. For example, we only accept business partners' invitations to events that are within the scope of official duties, allow us to represent our company, and so long as these are considered to be socially acceptable.
- **For us, donation and sponsoring is a social, cultural, and collective obligation:**  
The granting of donations for purposes that are social, cultural, and collective is only permissible subject to approval. Decisions relating to donation are taken by the Executive Board. Cash donations are not permitted. Donations to political parties, their affiliated organizations, public and elected officials, or candidates for a public post are not allowed. Even giving the impression that the granting of donations could in any way influence business relationships between the WAFIOS Group and third parties is also to be avoided.

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1) Without intending to discriminate, this text only uses the masculine form.  
This means that all genders are included.

The WAFIOS Group considers sponsoring to be a way of accepting social responsibility, as well as promoting the company image and profile. Sponsoring is a form of exchange transaction, which is based on an appropriate relationship of performance and reward.

### **3. We consider the safety of our products and our work procedures to be a matter of course:**

- **We pay close attention to the observance of our standards:**

The technological leadership of the WAFIOS Group requires our products to be of top quality. It is for this reason that statutory and other binding regulations must be strictly observed. We ask ourselves every day whether we could further improve our products, technologies, and procedures, and pass on suggestions to those tasked with continuous improvement processes or superiors.

- **We pay close attention to the safety of our products:**

We develop our machines in line with state-of-the-art technology and submit them to thorough testing. In doing so, we also keep the safety of our customers and their machine operators firmly in mind. We consider compliance with the current Machinery Directive and other regulations to be a matter of course.

- **We pay close attention to the safety of our work procedures:**

The WAFIOS Group protects its employees, customers, and suppliers, as well as the general public from health risks in connection with its business activity. It is for this reason that statutory and other safety regulations must be strictly observed. We see it as our obligation to provide suggestions that will further improve safety measures.

### **4. We nurture a fair working relationship with our partners and employees:**

- **We nurture a fair working relationship:**

We consider a fair working relationship with customers, suppliers, partners, competitors, and employees to be a matter of course. We do not procure unfair advantage for ourselves over others. We conduct business in a law-abiding manner and also expect the same from our business partners.

Unfair advantages can relate not only to the business as such, but also to fringe benefits such as documentation for fiscal purposes or business financing, for instance. We therefore only depart from our internal guidelines, such as work instructions and templates, following consultation with superiors.

- **We expect the same from our partners:**

We ask that our global network of partners abide by our Code of Conduct.

### **5. We respect the dignity and the individuality of every person and do not tolerate discrimination of any kind:**

- **We pay close attention to equal treatment, equal rights, diversity, inclusion and equal opportunities:**

We respect the fundamental rights of every person, especially their personal dignity, privacy or personal rights. We do not tolerate discrimination based on national or ethnic origin, gender, skin color, sexual orientation, religion or worldview, age, or disability. We base our actions on the United Nations Guiding Principles, on social market economy and human rights.

- **We do not accept any kind of child labor or forced labor**

We oppose any form of exploitation, especially forced or child labor in our company as well as at our partner companies and suppliers.

- **We pay close attention to fair working conditions and compliance with occupational safety and health acts:**

We provide fair working conditions that satisfy all statutory requirements. Regulations for the health and safety of our employees as well as compliance with the maximum working hours set by law are particularly important to us.

Therefore, we take measures to reduce risks that jeopardize the health and safety of our employees and we make sure that measures for preventing accidents and work-related diseases are put in place.

- **We respect the freedom of association and the right to collective bargaining.**  
Our employees are free to join a trade union in order to strengthen employment rights. As a company bound by collective bargaining agreements, we of course respect the right to collective bargaining between the collective bargaining parties.
- **We offer fair pay:**  
We are committed to fair pay within the framework of the legal and collectively agreed requirements and agreements, and ensure the respective national minimum wage.
- **We pay close attention to our employees' development:**  
The development of our employees is a matter of top priority. The knowledge, experience, and high skill level of our employees is at the heart of our economic success. That is why we promote and require independent working, creativity, and an entrepreneurial approach from all employees. We attach great importance to training and continuing professional development as a means of ensuring that our company's technological leadership continues into the future.

## **6. Sustainability - We are committed to ensuring a responsible and sustainable approach to the environment and to natural resources:**

The WAFIOS Group acts in an environmentally responsible manner across all areas of business in order to prevent negative effects on the environment and other adverse changes to the environment. We are committed to ensuring the responsible and sustainable use of natural resources, to reducing greenhouse gases and to using chemicals responsibly.

The WAFIOS Group aims to minimize environmental impacts, like emissions, contaminations of the air and water, waste etc. Production and transport of our products, as well as their disposal, are based on principles of environmental compatibility. The WAFIOS Group works on continuously reducing harmful environmental impacts, in particular CO<sup>2</sup> emissions, aiming to reach carbon neutrality by 2030: Climate-damaging greenhouse gas emissions are recorded in our sustainability concept. In a product-specific climate-strategy we define measures that will result in a reduction of greenhouse gas emissions.

As part of their work, the WAFIOS Group and their employees are committed to upholding the laws and regulations regarding environmental protection. Violations against environmental regulations are reported without delay to the environmental protection officer or superior.

## **7. We protect and strengthen the assets and trade secrets of our company and our shareholders:**

- **We protect our company's assets:**  
All employees protect assets against theft, negligence, deliberate damage, and wastage. All assets and resources are used exclusively for operational purposes.
- **We treat business documentation and intellectual property as confidential:**  
Every employee has a duty to ensure that company information of any kind is stored securely and is protected from being disclosed to or accessed by authorized third parties. We keep the commercially sensitive data committed to us by our business partners confidential and use it only for the agreed purpose. Non-disclosure agreements are observed at all times.

We also expect the same from our business partners in return. We ensure that suitable measures are in place to protect commercially sensitive data and intellectual property. We observe the relevant existing regulations regarding the provision and usage of communication devices and software, access to a document management system, as well as the introduction and use of e-mail, intranet and Internet services by employees.

- **We are cautious when publicly stating views:**

Information relating to the WAFIOS Group is released into the public domain solely by the respective Executive Boards or the employees responsible for such matters. We avoid giving the impression of speaking on behalf of WAFIOS if this does not form part of our official duties. Company-internal or confidential information, that is to say information that has not been made publicly available, is not disclosed.

- **We observe IT security and data protection standards:**

IT devices are suitably stored at all times and password protection requirements are met. Individual user passwords must not be disclosed to other employees or to third parties. We are governed by statutory and internal data protection regulations and, in particular, protect all personal data against loss, destruction, and unauthorized access.

## 8. We promote fair competition and stand opposed to anticompetitive practices:

- **We promote fair competition:**

The WAFIOS Group and its employees promote fair competition as a cornerstone of the company philosophy. Market decisions are made independently without consulting competitors. This applies to express, implied, formal or informal, and written or verbal agreements or arrangements regarding matters relating to competition and pricing. As a market competitor, our reputation as a reliable business partner is based entirely on the high standard of our machines and the way we focus on customers by offering individually tailored solutions and services.

- **We do not grant any improper advantages:**

We do not promise customers and their employees any direct or indirect advantages and also do not grant these at the business partner's request.

- **We pay close attention to the integrity of our business partners:**

Before we initiate a business relationship with a business partner, we review the information currently available to us and, if applicable, obtain objective references in case there are any grounds that would prevent us doing business with them. We will not enter into the prospective business relationship if there is substantial evidence of regulations regarding money laundering, embargos, etc. having been violated.

- **We adhere to compliance regulations across all business areas and processes:**

Our business transactions in all functional areas and business processes are in accordance with the respective applicable laws as well as external and internal guidelines, such as work instructions and templates. We commit to providing truthful statements on all reporting matters. No subledger accounting records and secondary records which are not permitted by law are maintained. All employees execute their professional duties with diligence, transparency, and attention to detail. As a central principle of all compliance regulations, dual control is implemented in all functional areas and business processes, and is strictly observed by all employees.

- **We pay close attention to export control regulations:**

As a global company, the cross-border exchange of goods and services is an integral part of our business activity. It is for this reason that all regulations and embargos that limit or forbid import and export must be strictly observed.

- **We keep records in a transparent manner:**

Business documentation is required by our partners for reasons that extend beyond the actual business transaction, such as in order to obtain financing or for fiscal purposes. We therefore make use of our templates and sample contracts and only deviate from these following internal consultation.

Travel costs and other company expenses are documented in a transparent manner and in accordance with tax regulations and our guidelines for business trips.

## **9. We pay close attention to proper and fair procurement processes:**

- **We procure goods and services from suppliers in a transparent and lawful manner:**

All procurement processes are handled taking the principle of non-discrimination into account according to the basic principles of fair competition. We require our suppliers to comply with the UN Guiding Principles for Business and Human Rights and to observe international standards for the protection of the environment.

Contracts are only awarded in the event that there is a traceable, appropriate relationship between the value of the service to be rendered, the quality, and the price. Every employee also takes the principles of profitability, economy, and practicality into account.

- **We have high expectations of our suppliers:**

As well as adhering to technical specifications and requirements relating to quality and scheduling, we require our suppliers to conduct themselves in conformity with the law. We expect lawful conduct from our global network of business partners and require them to abide by our Code of Conduct for Suppliers.

- **We ensure responsible sourcing of raw materials:**

Our suppliers agree to exercise the necessary care in the procurement and extraction of raw materials (in particular with regard to the procurement or extraction of the minerals tin, tungsten, tantalum and gold, insofar as these are part of their products). The procurement and use of raw materials that have been obtained illegally or through ethically objectionable or unreasonable measures must be avoided. This also applies to the procurement and extraction of raw materials as well as to the protection of the environment, including chemicals management, and respect for human rights.

In accordance with the requirements of the European Chemicals Agency ECHA, our suppliers avoid to use substances of very high concern. If the use of such substances cannot be avoided, WAFIOS will be informed of all substances of very high concern used.

## **10. We encourage open and honest communication based on partnership and engage in dialog:**

The way we communicate is based on dialog. By engaging in open, honest, reliable, and respectful collaboration, we maintain a trusting work environment and constructive teamwork. Faults and problems encountered are discussed with all those involved in a constructive and solution-oriented manner. Our managers contribute toward an active information policy and are duty-bound to exemplify and convey the content of this Code of Conduct.

## **11. Reporting procedure:**

Questions and notes regarding compliance topics and this Code of Conduct can be sent to [compliance@wafios.de](mailto:compliance@wafios.de).