



# Kandelium Group Code of Conduct

<b>Code of Conduct</b> English		<b>Validity for:</b> All candelium companies
<b>Created by:</b> Risk & Compliance	<b>Approved by:</b> CEO / D. Meyer	<b>Version no.</b> 1.2
<b>Next revision:</b> In 1 year	<b>Rev. respons:</b> Risk & Compliance	<b>Version Date:</b> July 15, 2023



## Foreword by the Management

*Sustainability, innovativeness and growth are at the heart of Kandelium's goals.*

As an international company, Kandelium is in constant relationship with a large number of different people and organizations and thus with the representatives of a wide variety of interests. As a consequence, the development and success of our company depends on how our employees conduct themselves in everyday business.

For this reason, we as a company have addressed what is important to us, how we act and how we want to be perceived.

As a company, we bear responsibility for present and future generations. Out of this responsibility, Kandelium actively pursues environmental protection, i.e. we offer a product portfolio worldwide that is geared towards sustainability and can be manufactured, transported, used and disposed of safely for people and the environment.

As an international company, respect for national customs and traditions as well as acceptance of the most diverse ways of thinking and behaving by all employees are part of our daily life.

We use this cultural diversity constructively and thus create a productive overall atmosphere in the company. As a company, we are part of society. In this interaction, we also want to make our contribution to positively influencing our environment. That is why it is also important to us to refer to our social responsibility in this guide.

This guideline is a code of conduct for us in all areas of cooperation: with our customers, with our suppliers and with all people, inside and outside our organization. This is our benchmark against which we also want to be measured.

Bad Hönningen, July 15, 2023

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## 1 OUR ETHICAL COMMITMENT AND CORPORATE VALUES

The success of our company is 100% ensured by our employees and managers. Only if we all pull together will Kandelium continue to develop successfully. But this also requires the right attitude. We are therefore convinced that the following four values should guide our actions in the future:

- a) Openness
- b) Respect
- c) Integrity
- d) Empowerment/transfer of responsibility

## 2 OUR SOCIAL RESPONSIBILITY

### 2.1 Observance of laws and social norms

As an international company, Kandelium is represented in many markets and regions of the world and is therefore also subject to different legal systems. As we are a responsible company, compliance with all applicable laws and regulations is a matter of course for us - regardless of whether they apply locally or internationally. **We:**

- ✓ are required to know the fundamental laws, regulations and internal company rules relevant to our area of responsibility. Comprehensive knowledge is particularly necessary for those managers who are responsible for compliance with applicable law and internal regulations.
- ✓ ensure compliance with applicable laws or rules. This is because violations can have serious consequences - such as criminal penalties, damages or damage to reputation.
- ✓ ensure compliance with and fulfillment of relevant tax and customs obligations in order to fulfill our social responsibility to pay taxes and duties in a timely and proper manner.
- ✓ apply, as a matter of principle, the stricter regulations should there be conflicting requirements due to different legal systems or national customs in everyday business.

### 2.2 Respect and protection of human rights

Kandelium is part of society, promotes its overall development as well as that of each of its members as much as possible, and respects the personal dignity of each individual. **We:**

- ✓ respect the personal dignity, privacy and personal rights of our employees, customers, suppliers and other persons with whom we are in contact.
- ✓ strictly reject any form of forced labor and child labor.



- ✓ comply with all laws and rules on human rights, fair working conditions, statutory minimum wages and other labor regulations.
- ✓ do not tolerate any form of exploitation, disregard for people based on age, gender or health, or disregard for occupational safety regulations or workers' rights.
- ✓ welcome employees of all races, ethnicities and nationalities without reservation. All employees are required to create an atmosphere of respectful interaction. We firmly oppose any discrimination on the grounds of race, ethnic origin, gender, religion or ideology, political opinion, disability, age or sexual identity.
- ✓ do not tolerate harassment and belittling in the workplace (bullying).
- ✓ observe the right to establish employee representation and cooperate with works councils and trade unions on a basis of trust
- ✓ consider the highest ethical standards essential as a company and as individuals.

## 2.3 Environmental protection, health, occupational and product safety

Kandelium has the following elementary corporate goals: Protection of people and the environment and conservation of resources. As a company of the German chemical industry, we actively participate in the worldwide initiative "Responsible Care". It stands for the will to constantly improve conditions for the protection of health and the environment as well as for the safety of employees and the neighborhood, regardless of legal requirements. This initiative, which has been binding for all member companies of the German Chemical Industry Association since 1995, continues the environmental guidelines from 1986 and develops them further in line with the chemical industry's global Responsible Care initiative. **We:**

- ✓ regard environmental protection, health and occupational safety as an essential part of our social responsibility. We define the standards of the European Union as a minimum requirement in these areas. Stricter local regulations apply. In Germany, environmental management systems as defined by DIN EN ISO 14001, which include effective programs to reduce emissions and waste and to conserve resources, stand for the consistent further development of environmental protection. In this context, an environmental policy has been formulated which takes account of the environmental impact of our company and provides a framework for concrete environmental protection measures and targets.
- ✓ strive to use and procure natural resources responsibly in the manufacture and distribution of our products and services. We also use the constant new and further development of our products and production processes to efficiently improve environmental protection. We pay attention to the responsible use of energy, water, materials and surfaces.
- ✓ follow the legal regulations for the protection of the environment by complying with the limits of emitted pollutants for air, soil and water.



- ✓ ensure the collection, sorting and proper disposal of our waste with the aim of constantly increasing the proportion of waste that can be returned to the material cycle through recycling. Special attention is paid to hazardous waste.
- ✓ naturally ensure a healthy and hazard-free working environment for our employees. That is why we comply with laws and regulations on health and safety in the workplace and actively review and improve safety standards. We therefore attach great importance to compliance with our health and safety guidelines.
- ✓ see it as an essential task of managers to ensure that adequate procedures and protective measures are in place to guarantee health and safety in the workplace.
- ✓ are committed to providing our customers with safe and flawless products and services of high quality. This is of crucial importance. They must not have any defects or hazardous properties that could affect the health of our customers or other persons or cause damage to their property.

## 3 OUR RESPONSIBILITY TO OUR CUSTOMERS

### 3.1 Customer satisfaction

The customer is always at the center of Kandelium's business processes, projects and activities. Globally and locally, we adapt to the wishes of our customers and the requirements of the markets. We know that we are measured by our ethical, social and environmental behavior as well as by the quality of our products. To be the first choice for our customers as a company, we strive for excellence in all these areas.

### 3.2 Quality

Kandelium sees a commitment to quality as central to its business. To achieve the highest quality standards, we are constantly working to improve our structures and processes for the benefit of our customers. This applies to our products as well as to our services and management, and of course to our behavior. **We:**

- ✓ design all processes of product creation, distribution, manufacturing and delivery at least in accordance with the provisions of ISO 9001.
- ✓ see continuous improvement in all processes as a condition for the fulfillment of the desired services with agreed, consistently good and error-free quality.
- ✓ monitor our production and service delivery processes independently of the production sites using the same standards worldwide.
- ✓ all ensure that standards are met and that any deviations are identified and corrected at the earliest possible stage.



- ✓ ensure that all employees have the necessary knowledge in all areas and functions through documented, traceable training and instruction.
- ✓ expect comparable management standards from our suppliers and demand reliable cooperation.
- ✓ monitor the overall performance of our systems through aggregated metrics and strive for process excellence.
- ✓ see innovation as one of our key success drivers for securing our future global growth and giving us an edge over our international competitors.

## 4 OUR BEHAVIOR IN THE BUSINESS ENVIRONMENT

### 4.1 Fair dialogue with business partners

Kandelium treats all business partners in a sincere and fair manner. We are committed to dialogue and partnership with our business partners around the world. **We:**

- ✓ share the basic principles of ethical behavior, social commitment and environmentally responsible conduct with our suppliers, subcontractors, representatives and consultants.
- ✓ are committed to the principles of a free market economy and fair competition. We conduct our business exclusively according to the principle of performance and on the basis of free, unhindered competition.
- ✓ select suppliers and service providers through orderly procedures based on objective and comprehensible criteria. As far as possible and reasonable, we award our contracts on the basis of competitive bids.
- ✓ communicate our values to our business partners and motivate them to base their actions on comparable standards.

### 4.2 Dealing with conflicts of interest

Kandelium expects its managers and employees to act ethically when dealing with conflicts of interest. Private interests and interests of Kandelium are to be kept strictly apart. **We:**

- ✓ expect our employees to inform the Human Resources Department or their supervisors, in the event of conflicts of interest arising from relationships with individuals or companies with whom Kandelium does business,
- ✓ welcome the social commitment of our employees in youth work, adult education, sports, charitable and cultural activities. The sideline activity must not affect the duties under the employment contract.



- ✓ We report sideline activities to our supervisors because the performance of a sideline activity that is not merely minor may require approval.

## 4.3 Offering and granting benefits

When competing for orders, we rely on the quality and benefits of our products and services for our customers as well as on reasonable prices. We support national and international efforts not to influence or distort competition through bribery. **We:**

- ✓ refrain from any illegal business such as corruption or bribery. We do not grant benefits to public officials or employees of other companies with the aim of obtaining orders or unfair advantages for the company or third parties.
- ✓ handle courtesy gifts, which to a certain extent are consistent with generally accepted business practices, in accordance with the law that binds us.
- ✓ make sure that these are designed in such a way that recipients do not have to conceal their acceptance and that they are not forced into an obligatory dependency.
- ✓ reimburse business- and project-related travel expenses of officials or non-officials who enter into business contact with Kandelium only to an objectively reasonable extent. Reimbursements will only be made to the extent that is customary in business or regulated by law.
- ✓ require that the request for "charitable donations" or their offer be handled with extreme care. Careful scrutiny must ensure that this is not a covert attempt at bribery

## 4.4 Requesting and accepting benefits

Kandelium recognizes that gifts from business partners are, to some extent, consistent with generally accepted business practices. However, their acceptance may lead to conflicts of interest and jeopardize the good reputation of our company. **We:**

- ✓ expect that no employee may use his or her position or function in the company to demand, accept or obtain personal benefits.
- ✓ permit the acceptance of occasional gifts within a generally customary framework. Gifts above and beyond this and other benefits, in particular the handing over of cash, for oneself and related persons are to be rejected as a matter of principle.
- ✓ we require our employees to inform their supervisor of any gifts or amenities offered to them In such cases.



## 4.5 Suppliers

Kandelium also expects its suppliers to comply with this code of conduct. **We:**

- ✓ have regulated this in a derived "Supplier Code of Conduct".
- ✓ further recommend that our suppliers, in turn, ask their suppliers to comply with this Code of Conduct.

## 4.6 Legal proceedings

Kandelium pays strict attention to compliance with the law and is always careful in resolving any legal conflicts. **We:**

- ✓ refrain from all actions that could involve Kandelium or its employees in unlawful practices are to be refrained from. This applies to the use of personnel as well as to the use of company assets.
- ✓ respond expeditiously and appropriately to lawsuits, legal proceedings and investigations involving Kandelium to protect and defend the Company.
- ✓ require our employees to contact the responsible department immediately, as soon as there is a threat of a lawsuit, other legal proceedings or an investigation in a business matter,
- ✓ are aware of our social responsibility and fulfill our obligation to deal with tax and customs matters in a legally compliant manner,
- ✓ comply with all regulations for the import and export of goods, services and information. In particular, we check whether products or services are affected by export restrictions (e.g. "dual use").

## 4.7 Compliance with competition law

Compliance with antitrust law is a priority for Kandelium. **We:**

- ✓ adhere to the fact that in almost all countries, relationships and agreements with competitors, suppliers, distributors and dealers that unfairly influence competition are prohibited by law.
- ✓ are committed to compliance with applicable antitrust and competition law and seek expert advice on antitrust and competition issues. These include, for example, price-fixing agreements, the sharing of customers or sales territories with competitors, anti-competitive boycotts, and other unfair methods of competition.



- ✓ are committed to fair competition and comply with these laws and rules. Due to the complexity of the matter, all employees, in particular managers and sales and marketing staff, are obliged to seek appropriate legal advice in the event of antitrust problems.
- ✓ are aware of the value of corporate know-how and are committed to protecting it. We respect the intellectual property of employees, competitors and other companies.

## 4.8 Protection of operational resources, data protection & IT

Kandelium considers the conscientious handling of company and personal data as the basis of all its actions. We handle the personal data of our employees and suppliers with the utmost confidentiality and care. **We:**

- ✓ require all employees within their area of activity to use both tangible and intangible assets of the company appropriately, sparingly and responsibly. Tangible assets include buildings, land, vehicles, office equipment and products. Intangible assets include patents, industrial property rights, technologies and other information to be protected.
- ✓ do not disclose any company and business secrets, as these are subject to strict confidentiality; they may not be disclosed to unauthorized third parties either during or after termination of the employment relationship,
- ✓ comply with all applicable laws and regulations when we collect, store, process or transfer personal data and information,
- ✓ prohibit the direct or indirect use of confidential business information during the employment relationship for personal gain, for the benefit of third parties or to the detriment of Kandelium. After termination of the employment relationship, the confidential business information may generally no longer be used by the departing employee.
- ✓ use our IT systems to perform our tasks and help protect these systems and devices from internal and external misuse. This also applies in particular to the use of the Internet and social media.
- ✓ are aware that digital information spreads quickly and can be easily duplicated and is virtually irrevocable. Therefore, we pay great attention to the content of e-mails, attachments, downloaded files and stored voice messages.
- ✓ point out that any storage or transmission of sensitive data, whether in electronic or printed form, requires special protection. The creators and users of the data must ensure data security within the scope of their possibilities and the means made available to them by Kandelium. In case of doubt, a consultation with the supervisor or data security officer has to take place.



## 4.9 Standards for accounting and reporting

Kandelium bases its decision-making processes on the accuracy and correctness of accounting records. **We:**

- ✓ take care to ensure that all expense vouchers, accounting records, financial, research and sales reports, environmental and safety reports, and other records of the Company accurately, clearly, and timely reflect the relevant facts or character of a business transaction.
- ✓ point out that the confidential treatment of security and personnel data as well as of accounting and financial data is of particular importance in this context. All business transactions must be accounted for in our books in accordance with established procedures and auditing standards and generally accepted accounting principles.
- ✓ require all employees to cooperate with the auditors in a spirit of trust and to provide all information required by the auditors.
- ✓ carefully verify the identity of our business partners. Our goal is to work only with reputable customers and suppliers to prevent participation in money laundering and terrorist financing.

## 4.10 External communication

External communication plays an important role for Kandelium. **We:**

- ✓ authorize only certain individuals to make official oral or written statements to authorities, business partners and the media.
- ✓ emphasize that every employee is a representative of Kandelium and has a responsibility towards Kandelium. This applies to both the private sphere and the use of social networks.

## 5 IMPLEMENTATION

This Code of Conduct is a behavioral guideline for Kandelium in all areas of cooperation and describes the basic components of the corporate culture. However, it is not a basis for external partners to demand a certain behavior from Kandelium or to establish contractual claims against Kandelium. An important part of fulfilling these behavioral guidelines is that any violations of the Code of Conduct can be reported.

In addition to the options of reporting violations of the Code of Conduct to direct or higher superiors or to the management, it is also possible to report violations anonymously to the management and the shareholder via the link on our website.