

Dear Colleagues,

Economic success and social responsibility are intimately connected. As a company, we know that our success is based on the trust placed in us by our stakeholders. We want to continuously strengthen the trust that we have built up over the course of many decades by conducting ourselves in accordance with the values and principles of our company and orienting our business activities accordingly. In this regard, responsible and ethical behaviour towards employees, business partners, society and the environment represent fundamental values for us. These values are based on integrity, respect and transparency.

For us, the basic requirement or foundation for responsible corporate action is compliance with law and justice. However, violations are not only irreconcilable with our values, but also damage the reputation of our company and may also have serious legal consequences. Those who behave unlawfully or even enrich themselves at heroal's expense do harm to everyone in the company: the shareholders, the Management Board, the managers and all employees. Such behaviour detracts from the company's economic success and its investment and growth capacity.

The success and reputation of our company depend on the day-to-day conduct of each and every individual. Our corporate culture is ultimately the sum of the behaviours of all our employees.

As a common guideline for our decisions and our actions, the Code of Conduct specifies binding minimum standards for responsible behaviour towards business partners and the public, and also for our conduct within the company. By raising awareness of legal risks, it helps to avoid legal violations.

In this area, managers in particular are responsible for acting as a role model and actively practising the norms and values of the company. If laws or the basic values of the company are violated, managers are obliged to take consistent action against such violations. In addition, the company and its managers have the task of creating a climate in which conspicuous behaviour and violations can be addressed without fear of negative consequences.

All of us – employees, managers and the Management Board – are obliged to comply with the principles laid down in the Code of Conduct. The same applies to all persons who work for us, with us, or on our premises – e.g. temporary workers, independent consultants and external service providers.

However, the Code can never cover all the situations that confront us in our daily work. There is no substitute for the personal integrity and sound judgement of each and every individual. Common sense and professional expertise are also necessary to prove our values, integrity, respect and transparency, as well as to maintain our excellent reputation and further build on our success.

For this purpose, what matters most is that we are all aware of the laws and regulations relevant to our work and take personal responsibility for complying with them within our own working environments.

As we go about our work each day, we face hurdles, difficult decisions and dilemmas. The Code of Conduct is intended to guide and direct us in such situations.

It is the responsibility of each individual to behave in accordance with the Code. This means that all those who for or with heroal or on the premises of heroal should familiarise themselves with the Code and act accordingly.

We encourage all employees to speak up and address any concerns about (suspected) violations of the Code. We understand that it takes courage to express such concerns. That is why we promote a corporate culture with no fear of unfair treatment or sanctions due to the reporting of violations. If you are concerned that something unethical, illegal or dangerous is happening in your working environment, do not keep it to yourself. No one who raises concerns in good faith will face any negative consequences.

The continuity and continuous further development of our company depend to a great extent on our commitment to our overall social responsibility and on our reputation as a trustworthy business partner. We thank you for making your contribution to this through the integrity of your personal conduct.

The Management Board

heroal – Code of Conduct

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Brief description

The Code of Conduct contains general guidelines for compliance and ethical behaviour. It explains the general principles of our actions and defines our conduct with regard to important individual aspects of our business activities.

The Code of Conduct also provides specific guidelines for conduct that are important for combating corruption (integrity rules), for cooperation with certain business partners (third-party rules) and for avoiding violations of competition law (competition rules).

The Code of Conduct applies to the Management Board, managers and all other employees of the heroal Group.

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1. General principles of our actions (“Code of Conduct”)

1.1. Compliance with laws and other binding regulations

Legally compliant behaviour is mandatory at heroal. The heroal Code of Conduct defines the basic rules of law that heroal has committed to uphold. The Code of Conduct applies to all employees worldwide, regardless of their task or hierarchical position. heroal expects all its employees to comply strictly with laws, other binding regulations and internal guidelines in their work.

Violations of the law may result in heavy fines, bans on public and private contracts, further official sanctions, as well as claims for damages and loss of reputation. In addition, violations of the law may result in criminal prosecution. Failure to comply with laws and other binding regulations may result in personal consequences and claims for damages against the employees involved.

For this reason, heroal actively follows up on indications of possible violations, calls in the relevant authorities where necessary and cooperates with them proactively.

1.2. Ethical conduct

heroal's standards go beyond mere compliance with laws and other binding regulations. The heroal Code of Conduct defines the basic ethical rules that heroal is committed to upholding. The Code of Conduct applies to all employees worldwide, regardless of their task or hierarchical position. We expect our employees to behave in an ethical manner in all their business dealings. This applies even if, in isolated cases, it places us in a supposedly weaker competitive situation. However, following our Code of Conduct has a greater positive long-term effect on our customers and colleagues than can be achieved by short-term profit-making at the cost of our integrity.

Compliance with our Code of Conduct is essential for all managers, especially when dealing with their employees. Managers must live up to their role model function in this regard. We expect them to give their employees clear orientation in terms of ethical behaviour and integrity, especially in difficult situations, as well as to demand and promote behaviour with integrity and set a consistently good example for their employees in order to encourage them to conduct themselves in the same manner.

Anyone who makes outside appearances on the part of heroal bears responsibility as a representative of society.

1.3. Responsibility towards society

As a company, heroal benefits from good general social conditions: A strong education system, stable political processes, a liveable environment and social stability. We are aware of the responsibility that our business activities entail and strive not only to achieve success in our business, but also make a valuable contribution to society. As a responsible company, we therefore consider the short-term and long-term effects of our business activities on our

employees, customers, suppliers, subcontractors, other social groups concerned and the environment in which we operate.

1.4. Combating corruption and money laundering

Corruption and money laundering have a devastating effect on society, markets and companies worldwide and may also cause considerable damage to heroal. Corruption is defined as demanding, allowing oneself to be promised or accepting (passive corruption) or offering, promising or granting (active corruption) an advantage for oneself or a third party in order to illegally influence a decision.

This is why we fight corruption, take consistent action against suspected cases of corruption among ourselves and our business partners, and prevent – above all through transparency – even giving an impression of corrupt behaviour.

You can find more information about this under “Integrity rules” further below.

1.5. Fair competition

heroal is committed to fair competition. We win over our customers through the quality of our services and offer these at competitive prices. We reject unlawful agreements that restrict competition. Furthermore, we do not take advantage of other unfair practices, such as the misuse of confidential information or the hiring of new employees from competitors in order to obtain confidential information.

You can find more information about this under “Competition rules” further below.

1.6. Social behaviour, equal opportunities and mutual respect

We are committed to the principles of respectful, fair and loyal mutual treatment, regardless of a person's job or hierarchical position. All employees are given the same opportunities. The personal success of each employee is based on his or her individual abilities. Discrimination of any kind is prohibited. In particular, discrimination against or harassment of others because of their origin or nationality, the colour of their skin, their gender, their sexual orientation, their religion or ideology, a disability or their age is prohibited. Any form of insult, sexist remark or harassment, whether through words, gestures or deeds, is also prohibited.

Instead, we expect all employees to contribute to a productive working environment by being tolerant, polite and considerate towards each other.

1.7. Fair employment

heroal combats all forms of illegal employment and exploitation of workers. Illegal employment undermines the labour market and the social security systems of our community.

Therefore, in accordance with the United Nations Global Compact initiative, we observe international employment standards (such as compliance with guidelines regarding minimum

wage and working hours) and uphold human rights, regardless of where we operate now or in the future. It is also part of our corporate responsibility not only to ensure compliance with this standard within heroal, but also to take measures to minimise risks arising from cooperation with third parties, especially subcontractors and suppliers.

1.8. Safe and healthy working environment

heroal takes numerous measures to provide its employees with a safe and healthy working environment. These include developing suitable guidelines, investing in workplace safety, conducting regular training, workplace inspections and our offers to participate in health programmes.

1.9. Avoiding conflicts of interest

The success of heroal benefits all of its employees. This success requires that each individual employee act in the interests of heroal. Private interests may not be pursued at the expense of heroal.

The persons concerned must disclose potential conflicts of interest to their managers and review them.

Further details about this are presented under “Integrity rules”.

1.10. Responsible handling of company assets and confidential information

heroal's company assets must be protected from misuse for our own purposes and those of third parties. We expect our employees to handle the assets entrusted to them in a responsible manner. This also includes due care in the handling of intangible assets, such as intellectual property, innovative ideas and confidential information that employees receive in the course of their work, regardless of whether this information concerns heroal, customers or other business partners. In particular, they must not be misused for personal benefit or passed on to third parties without permission, but must rather be carefully protected from unauthorised access and misuse – including within the company.

1.11. Environmental protection and sustainability

heroal attaches great importance to sustainable environmental and climate protection and resource efficiency. Both in the development of new products and in the operation of production facilities, heroal takes care to keep any resulting impacts on the environment and the climate as low as possible and to make a positive contribution to environmental and climate protection with heroal products for its customers.

We convey this with certificates such as the A|U|F e.V., an initiative that promotes an environmentally friendly and resource-saving material cycle for aluminium.

heroal invests sustainably in its employees and encourages them to use natural resources in a responsible manner, as well as to contribute to the protection of the environment and climate through their individual behaviour.

1.12. (Employee) data protection, data security and communication systems

heroal respects and protects the privacy of its employees and complies with data protection regulations. We therefore endeavour to collect and use only employee data that is necessary for the effective management of the company. Employee data is only disclosed (if need be and only) if we are legally entitled or even compelled to do so. We also attach great importance to ensuring the necessary data security. We expect all employees to comply with the principles of data protection and data security. Employees who handle personal data receive advice and support from the company Data Protection Officer.

2. Integrity rules

2.1. Admissibility of benefits

heroal attaches great importance to maintaining good relationships with customers, suppliers, subcontractors and other business partners. Good relations with business partners occasionally entail gifts, invitations and other benefits. However, in order to exclude even the appearance of corruption, the granting and acceptance of personal benefits, i.e. benefits of an immaterial or material nature to which the recipient is not entitled, e.g. gifts, invitations and special treatment, are only permissible under the following conditions:

The granting and acceptance of personal benefits must be transparent and reasonable in order to avoid any suspicion of the unlawful exertion of influence.

Consider the benefit conscientiously:

- » Taking the overall situation into account (in particular the value of the benefit as well as the position and financial circumstances of the recipient, as well as the reason for the benefit and acceptable local customs), could the impression be created for an uninvolved third party that the benefit is suitable for exerting or intended to exert influence the recipient? Could the benefit be seen as a consideration (“reward”) for a past or future decision?
- » Do you feel comfortable talking about the benefit with your manager or colleagues? Is the benefit permissible for your counterpart? In cases of doubt, talk to him or her about it.
- » How would the public and the managers of the recipient react if they knew about the benefit? How would you react if you learned that your colleague had received the benefit (instead of you)?

If there is any doubt as to the appropriateness of a decision, heroal Compliance must be consulted.

heroal employees must not accept discounts, special prices and similar benefits that they receive because of their company affiliation if these benefits could influence their business decisions.

Seminars and training events do not constitute benefits if the clear focus is on imparting specialist knowledge.

2.2. Cash and cash-like benefits

The granting and acceptance of cash and cash-like benefits, e.g. vouchers, are prohibited without exception. The value of the benefit is immaterial.

2.3. Invitations and other benefits

The following applies to the granting and acceptance of invitations (in particular to events, restaurants) and other benefits (including “delegation trips”)¹:

General information

In the case of invitations to events with / without overnight stays, the professional reason should outweigh anything else. This is not generally the case if the invitation extends not only to the partner but also to (other) family members or friends. The inviting party himself/herself should also take part in the event.

Invitations and other benefits should not be sent to the recipient's private address or presented to the recipient in private.

Invitations and other benefits must comply with ethical principles and, in particular, must not be of an offensive nature.

Reporting requirements

Invitations and other benefits whose value exceed the limits specified in Annex 1 “Approval of invitations / other benefits” must be reported to heroal Compliance early on.

“Early” means that the notification with the release form from Annex 1 must be received by heroal Compliance no later than 3 days before granting a benefit or 5 days after receipt of a benefit.

The notification enables heroal Compliance to verify the admissibility of invitations and other grants. However, this is not to be equated with an approval. Approval of benefits can be obtained from the Management Board at any time.

The recipients of notifications shall keep these notifications for later inspection for a period of 2 years.

Special rules for public officials

Particularly strict rules generally apply to public officials and persons treated as such. The group of persons concerned must be understood in a broad sense and includes not only judges and civil servants or other public employees, but also, as a general rule, all persons who (even only indirectly) perform tasks of public administration. Always contact the management if you are unsure whether you are dealing with a public official.

In the case of public officials, benefits under threat of punishment are prohibited without exception in some places, otherwise they are only allowed within very narrow limits. For this reason, written confirmation must always be obtained from public officials in advance that they will not violate the regulations applicable to them by accepting the benefit. In addition, invitations and other benefits for public officials are only permissible after approval by heroal Compliance or the Management Board and must be communicated with the information shown in Annex 2 “Information sheet - Approval of invitations / other benefits” as governed above under “Reporting requirements”.

¹ The following rules do not apply to purely internal processes.

Special rules for delegation trips

Travel expenses of (potential) business partners or their employees, especially (potential) customers, may only be borne if this is covered by a legitimate business purpose. In no case may the assumption of costs be made with the intention of influencing a decision of the (potential) business partner or to obtain an unjustified advantage for heroal. Furthermore, the type and scope of the costs must be agreed in writing in advance and may not exceed a reasonable scope. The recipient must also confirm in advance that the assumption of costs does not violate the internal guidelines of his or her employer. Payment of daily allowance is prohibited. Furthermore, it is prohibited to bring about the assumption of costs by means of payments to private accounts of the business partner employee. Instead, payments may only be made to predetermined accounts of the (potential) business partner unless the costs are already covered by direct payment of hotel invoices, etc..

The above conditions apply accordingly if heroal employees are invited on delegation trips, e.g. by subcontractors or suppliers.

Other rules

Each employee is required to comply with any tax obligations that may arise from benefits. Any necessary queries should be directed to the commercial management.

2.4. Conduct in the event of demands and extortion

heroal offers support to employees who are demanded or blackmailed by third parties to pay benefits.

Occasionally, third parties with decision-making authority – public officials or private business partners – demand special benefits. In rare cases, the demand may even be associated with a threat to the employee, parties related to him/her, the company or third parties.

Such a request must always be rejected immediately and firmly. Furthermore, such cases must immediately be reported to the employee's supervisor and in turn to Management Board. Only in cases of imminent danger, i.e. if there is an acute threat posed to the employee, his/her family members, heroal or third parties, should the employee immediately take the measures he/she considers necessary. However, the employee must also report such cases to the Management Board via his or her supervisor as soon as possible.

2.5. Donations and sponsoring

heroal fulfils its social obligations in the form of donations and sponsorship activities, among other means.

Donations and sponsorship activities must comply with ethical standards. There may be no doubts as to their legitimacy. We do not attempt to influence decisions in our favour by means of donations and sponsorship activities.

Donations and sponsorship activities must always be transparent. In particular, for each donation, the recipient must be known and traceable by means of a donation receipt and the specific use made of the donation by the recipient. Both donations and sponsorship activities must be suitable for the purpose of promoting heroal's reputation. Donations to politicians, political parties and political organisations are prohibited.

2.6. Conflicts of interest

At heroal, business decisions are always made in the interest of the company and in accordance with objectively verifiable, transparent criteria.

In certain situations, there is a risk that one's own private (primarily financial and social, but also political) interests may conflict with this duty, with decisions being improperly influenced as a result. A private conflict of interest also exists if a business decision affects the known interests of a related party. Under certain circumstances, a decision influenced by private interests may even constitute the criminal offence of embezzlement. At the very least, however, such a decision gives rise to doubts about the quality of the business decision taken and the objectivity and integrity of the person acting, thereby entailing the risk of financial damage and possible reputational damage for both the person acting and heroal. Therefore, even the mere appearance of a conflict of interest must be avoided.

Any possible conflict of interest and any situation in which third parties could perceive even the appearance of a conflict of interest must be proactively reported to the respective manager and disclosed in detail.

2.7. Money laundering

heroal takes measures to prevent money laundering. All employees must ensure that they always act in accordance with the relevant regulations against money laundering.

Money laundering is generally understood to mean the smuggling – for example by means of exchange or transfer – of funds or other assets directly or indirectly derived from criminal offences into the legal financial cycle while concealing their true origin.

The law considers participation in money laundering to constitute a criminal offence. It is already considered unlawful for a person or a company to be involved in transactions whose funds are known or even suspected to have originated from criminal activities. Under German law, a criminal offence is already committed if the origin of the funds is recklessly ignored.

According to national and international money laundering laws, companies are obliged to identify the business partner by means of an official identification document in certain business transactions, for example when accepting or handing over cash above certain threshold amounts, and to make a suitable inquiry in order to establish the actual beneficial owner of the respective business transaction. Beyond these legal rules, the cash management of a transaction is always critical from a compliance point of view and must be subject to special scrutiny.

In addition to cash transactions, cashless payment transactions also harbour risks with regard to money laundering offences. Therefore, special attention must be paid to the following suspicious circumstances and warning signs in the scope of operational payment transactions:

- » Ambiguities with regard to the identity of the payee (for example, if payment is processed via an account that is not in the name of the contracting party, or if the invoicing party for a service rendered is not the contracting party, but another person/company).
- » Transactions via typical offshore financial centres (e.g. Andorra, British Virgin Islands, Cyprus, etc.).
- » Short-term reversed transactions via deviating accounts (e.g. after a down payment is made via account A, a reversed transaction is requested via account B in another country).

- » Settlement is requested in a different currency than that specified in the invoice. Multiple payment transactions from different sources to settle a single invoice.
- » Attempts to conceal or falsify details of a financial transaction.

If there are concrete indications that payments from business partners originate from illegal activities or if there are other doubts as to the legitimacy of financial transactions, the Management Board must be involved. This must be done as quickly as possible in order to comply with any legal reporting obligations, if necessary.

2.8. Accounting and documentation

heroal attaches great importance to the correct accounting and documentation of business transactions, in compliance with the respective accounting regulations, which prescribe the truthful and accrual-based representation and recording of all business transactions and the filing and archiving of all business-relevant documents.

Bribes or other illegal payments, e.g. to create “slush funds”, are concealed on a regular basis. They are thus not truthfully and transparently reported in books and records. With every such action, we at heroal runs the risk of violating accounting regulations and tax laws. Therefore, this is strictly prohibited.

The tax deduction prohibition applies to payments without a recognisable legitimate countervalue (in particular bribe payments). If a tax authority comes across such payments in the books, it reports them regularly to law enforcement authorities.

3. Third-party rules

3.1. General standards for dealings with third parties

Legality

Third party involvement must be in accordance with the relevant laws based on the 10 principles of the United Nations Global Compact Initiative (<https://www.globalcompact.de/>) as well as with internal company guidelines.

Reputation

heroal's public reputation can be damaged as a result of third parties acting illegally. Therefore, when selecting business partners, their integrity and reputation must be taken into account.

Monitoring obligations

Employing a third party can result in monitoring obligations for heroal, the violation of which may have legal consequences. This concerns, for example, the monitoring of the deployment of employees by subcontractors. It must therefore not only be ensured that the company's own conduct is lawful, but also, as far as possible, that of the third party.

3.2. Sanctions list checks

Due to regulatory requirements, heroal is prohibited from doing business with certain natural or legal persons as well as organisations and institutions. The reason for this is that these (economic) actors are accused of supporting terrorism or of having committed serious criminal offences or violations of international law. Specifically, those included on "sanctions lists" (especially those of the European Union and the United States of America) may not be provided with economic resources, especially financial resources, payments in kind or other goods. In some cases, it is also prohibited to provide pure services to these (economic) actors, as a result of which no corresponding business relationships may be established or maintained with them.

In order to ensure that heroal complies with this obligation, the company has a separate function in the DCW accounting software that it uses to check (potential) debtors and creditors against entries on sanctions lists.

3.3. Special rules for sales intermediaries

As has been shown in various companies at home and abroad, employing sales intermediaries is a widespread way to pay bribes. Therefore, the following special rules apply to sales intermediaries.

All contracts with sales intermediaries as defined above must be approved by the Management Board and must meet the following essential requirements:

- » The sales intermediary has been subjected to an integrity check consisting of a self-disclosure, credit check, as well as internet searches and external database checks.
- » The contract with the sales intermediary is concluded in writing.
- » The contractual services are clearly described in the contract and proven on a regular basis by the sales intermediary (e.g. in the form of monthly activity reports).
- » The sales intermediary has demonstrable expertise in the area of the services to be provided.
- » The sales intermediary does not work directly or indirectly for the potential client and does not have any other conflict of interest.
- » The remuneration of the sales intermediary is commensurate with the service provided by him.
- » The payment of a performance-based fee to a sales intermediary is only made if the sales intermediary's activities have actually contributed to the placement of the order. Payment shall only be triggered after the order has been placed by the principal and the principal's payment has been received (pro rata in the case of partial payments).
- » Payments to sales intermediaries shall be made by transfer to an account in the country of the sales intermediary's place of business. This account must be specified in the contract. Cash payments and payments by cheque are not permitted.
- » The sales intermediary must contractually undertake to act in accordance with the law and not to pay any inadmissible benefits to third parties in the scope of his or her activity ("anti-corruption clause"). The violation of these duties is (as far as possible) subject to payment of a contractual penalty, entails compensation for damages and entitles heroal to terminate the contract without notice.

4. Competition rules

4.1. Competition

heroal is committed to fair competition. We win over our customers with the quality of our services and offer these services at competitive prices.

Cartel agreements have serious consequences for employees and companies worldwide. They can lead to imprisonment of the persons involved, high fines and further official sanctions, as well as claims for damages against the company and the employees involved. The resulting financial damage and loss of reputation may seriously jeopardise the success of the company in the long term. In addition, fines may be levied against the employees involved, which in practice may frequently reach the sum of an annual gross income.

4.2. Prohibited market and customer sharing agreements

Any agreement on the sharing of orders, territories, customers or markets among competitors is prohibited. This also includes agreements on mutually refraining from customer poaching.

4.3. Prohibited price agreements

heroal sets its prices independently of competitors on the basis of business calculations. Under no circumstances do we make agreements on prices with competitors. This general prohibition also applies to individual price-relevant components, such as rebates or discounts.

“Agreements” refer not only to explicit verbal or written agreements, but also to agreements made on the basis of “concerted practices”.

4.4. Exchange of competition-relevant information

General rules

Even the unilateral disclosure of information to competitors, for example on prices, can be regarded by the competition authorities as an unlawful restriction of competition and sanctioned accordingly. The authorities subsequently assume that, as a result of the disclosure of information, a concerted practice has occurred on the part of the competitors. It is very difficult to prove the opposite in such cases. The decisive question is whether the shared information was suitable for reducing the uncertainty about the specific market behaviour of a competitor or for exerting an influence on the specific market behaviour of a competitor. The disclosure of such competition-relevant information to competitors is therefore prohibited, as is receiving and making use of such information from competitors.

Competition-relevant information to be treated confidentially includes, for example, specific information on prices, quantities, margins, strategic business planning, orders, deliveries, sales, as well as on planned innovations and investments. The disclosure of publicly available or historical data is unobjectionable, provided that competitors cannot draw any conclusions about current or future market behaviour from it. Particular caution is required if competition is already limited due to the existing market structure (e.g. few suppliers, interchangeable products, regional limitation).

If a competitor company shares information on its own initiative that is suitable for influencing competition, heroal employees must make it unmistakably clear that they do not wish such an exchange. In addition, the incident must be reported to the Management Board via heroal Compliance.

Industry and association meetings

The disclosure and exchange of information that could influence competition is also not permitted in the context of industry or association meetings. Participants from heroal should review the agenda of an industry or association meeting in advance with regard to such “taboo subjects” and arrange for any necessary changes. If a forbidden exchange of information or a forbidden agreement becomes apparent during the meeting, the participating heroal employees must immediately protest against the handling of these subjects. If such protest has no influence on the course of the meeting, heroal participants must leave the meeting. In such cases, the incident must be reported immediately to the Management Board via heroal Compliance.

The responsible department or employees must each keep files regarding their association memberships and positions as well as any meetings, sessions and events they may have participated in, including their agendas, the participants and the minutes taken. If these records do not indicate the existence of such a gathering, the participants and the topics discussed, this must be recorded in a separate file note.

Participation in market studies and statistics

Market studies and statistics may, under certain circumstances, contain inadmissible competition-relevant information.

Before participating in association statistics and other market statistics, they must be reviewed with regard to information relevant to competition law and, if necessary, the Management Board must be consulted.

4.5. Cooperation agreements with competitors

In principle, cooperation with competitors is conceivable in various fields; for example, cooperation in purchasing or research may be agreed upon in order to encourage the optimal utilisation of existing competences and resources. The principle that applies here is that the admissibility of a cooperation increases with its increasing distance from customers. A research association is therefore much more likely to be permissible than a sales association. Special forms of cooperation also include partnerships.

From the perspective of competition law, cooperation agreements may lead to a bundling of market power and to restrictions of competition. In any case, agreements containing provisions restricting competition which are not directly related to the actual contents of the cooperation or which result in a substantial restriction of competition are not permissible under competition law.

Whether a cooperation with competitors and a related exchange of information are permissible must be examined in each individual case on the basis of the specific form that cooperation takes.

4.6. Special rules for partnerships

For the formation of a partnership, specific regulations relating to the tendering procedure in question as well as procurement law often have to be taken into account. From the perspective of competition law, the following applies:

Admissibility of the formation of partnerships

A project-related cooperation within the framework of a partnership with companies that are not in competition with heroal due to their business activities is permitted in any case.

The formation of a partnership with competitors, on the other hand, is only permissible under competition law if heroal could not carry out the contract alone in each case or would not compete for the contract alone due to grave economic considerations.

Impermissible reasons for the formation of a partnership include, for example:

- » improving the competitive environment
- » balancing the interests of bidders
- » ensuring equal capacity utilisation among market participants
- » gaining insight into the calculations of competitors

Verification and documentation of verification

Before participating in a partnership, its admissibility under competition law must be verified on the basis of the above criteria.

The performance and results of this verification must be documented by the responsible project staff before the Management Board makes a decision on this basis as to whether to enter into a partnership. The documentation must state in concrete and verifiable terms why heroal cannot carry out the contract alone or would not compete for the contract alone due to grave economic considerations.

If the partnership in question is permissible, the exchange of competition-relevant information is permitted within this partnership insofar as necessary for the joint execution of a contract. This exchange must be limited to only such information that is necessary.

4.7. Vertical restraints

Agreements that are inadmissible under competition law are not only conceivable at the (equal) level of companies competing on the market, but also in the relationship of a company to suppliers, subcontractors and customers (vertical agreements). For example, under certain conditions, these agreements may be exclusivity agreements with suppliers or other business partners.

Exclusivity clauses are permissible if they are directly related to and necessary for the main purpose of the contract, this purpose not being restrictive of competition. They must not go beyond what is necessary in terms of geography, subject matter and time.

4.8. Abuse of a dominant position

A dominant position within the meaning of competition law exists if a company is subject to little or no control in its conduct by actual or potential competitors. Even a market share of

about a third or the dependence of smaller companies on a large company may be relevant in terms of competition law.

A strong or even dominant position does not in itself constitute a violation of competition law, but its abuse does.

5. Implementation of compliance rules

5.1. Responsibility of managers

Compliance is a task shared by heroal's entire company organisation. However, it applies first and foremost to the company management and management circle. Therefore, in addition to fulfilling their function as role models, they have the task of ensuring, with the support of heroal Compliance, that the employees are aware of this Code of Conduct, remain conscious of it and follow it within their respective areas of responsibility. This requires personal discussions as well as organisational measures.

5.2. Responsibility of employees

Each employee is responsible for fully understanding the content and meaning of this Code of Conduct and for following the guidelines. If any part of this Code is unclear, it is the personal responsibility of all employees to ask for clarification until they fully understand the Code. Each employee must take responsibility for his or her actions at all times (in terms of what he or she does and does not do). The contact persons for explanations are managers, Compliance and the Management Board.

5.3. Task of the Compliance organisation

The Compliance organisation consists of the Compliance Officer, the Compliance Committee and the Management Board.

The Compliance Officer acts as the contact person for all heroal employees for general compliance issues, supports the management and clarifies legal and organisational issues. Further tasks include the implementation and coordination of compliance training, the monitoring of improvement measures in the event of identified violations and the introduction and further development of compliance controls.

The Compliance Committee, consisting of the Compliance Officer, Head of Human Resources and the Commercial Management, advises the Management Board on organisational measures, coordinates internal investigations, evaluates them and derives necessary measures by exercising its right to make recommendations.

The Management Board is responsible for the introduction and further development of the heroal compliance management system. Furthermore, the Management Board has the duty of supervising the compliance system through regular monitoring as well as the duty of investigation and decision-making in the scope of following up on substantiated evidence.

The Compliance organisation takes action upon receiving indications of a compliance case via a report or any other means. All employees are called upon to fully support the work of the Compliance organisation.

5.4. Reporting

Because of the importance of ensuring correct action on the part of all employees, compliance with the Code of Conduct is a joint task. If there are any indications of a violation within heroal, we expect all employees to report this to their manager, the Management Board or

Compliance. The Management Board ensures that Compliance becomes aware of all reports. Compliance in turn informs the Management Board about the reports it receives.

For this purpose, heroal provides an anonymous and whistleblower-protecting reporting system on the heroal website.

No employee who reports (suspected) violations of the Code of Conduct in good faith and has not done anything wrong himself/herself must fear disadvantages because of the report.² If an employee has been involved in violations of the Code of Conduct himself/herself and damage to the company may be averted by his/her voluntary reporting, this will be taken into account in his/her favour.

Deliberately false suspicions will result in action against the party who raises them.

In order to protect heroal, compliance violations on the part of business partners and unfair practices of competitors should be reported.

5.5. Cases of doubt, agreement

In the course of our business activities, employees are often confronted with obstacles, resistance, difficult decisions and dilemmas. In such moments, the Code of Conduct should serve as a guide to good business conduct. In cases of doubt, check whether an action (doing it or refraining from doing it) is acceptable – i.e. whether it complies with our Code of Conduct and its underlying principles and values.

Evaluate the situation on the basis of the following questions / statements:

- » Does it seem right to you?
- » Is it legal?
- » Does it comply with the Code?
- » Compare the different possible decisions with our corporate values.
- » Do you feel comfortable talking about the decision / action with your managers or colleagues? Is the decision / action permissible for your counterpart? In cases of doubt, talk to him or her about it.
- » How would you react if you learned that your colleague had done the action (instead of you)?

In cases of doubt regarding the Code of Conduct, managers, the Management Board, and Compliance are available as contact persons.

The honestly obtained approval of managers and the honestly obtained approval of the Management Board for a certain action exclude internal sanctions.

5.6. Clarification of suspicious cases

heroal clarifies suspicious cases without prejudice and protects employees as best as possible against unjustified prejudgements. A leave of absence or temporary transfer during the investigation of a suspicious case may be imposed in individual cases and does not imply any accusation of guilt. heroal will stand up for any employees subjected to false suspicions and take the necessary actions to protect them.

² On the contrary, a “retaliatory measure” is treated as a compliance violation and will be followed up on resolutely.

5.7. Training

Training measures and information events are held to impart the necessary knowledge of the content of the Code of Conduct and the correct procedure in critical situations.

5.8. Control

heroal controls compliance with the Code of Conduct by means of routine and special audits, if necessary with external support.

5.9. Business partners

heroal also expects integrity and law-abiding behaviour on the part of its business partners. We therefore work towards compliance with these standards in our business relationships with suppliers, service providers, subcontractors, sales agents and partners. It is important to us that our business partners within the supplier and value chain also feel committed to the principles of the United Nations Global Compact.

A. Definitions

Term	Definition of content
Delegation trip	Travel undertaken by (potential) business partners to visit sites or projects or to attend heroal business events, such as technical training events or trade fair appearances.
Third parties	These include, for example, customers, suppliers, service providers, subcontractors, sales agents and partners.
Ethical conduct	<p>Conduct is ethical when it conforms to the general principles of acting with integrity and decency and is perceived to be correct by fellow human beings.</p> <p>Ethical conduct is therefore based on trust, respect and integrity.</p> <p>Trust is the foundation of business ethics, as our business relationships are built on cooperation, reciprocity and predictability. Respect is demonstrated through open communication, attention to the points of view of others and treating all fellow human beings with dignity. Integrity means an uncompromising adherence to the Code of Conduct and actions that accord with this. Integrity is demonstrated by honesty, accountability and the use of sound methods to solve business-related problems.</p>
Employee	A person with an employment relationship or position with (at least) one heroal company.
Related party	Relatives, spouses, partners and close friends.
Personal data	This refers to any information related to an identified or identifiable natural person; an identifiable natural person is one who can be identified directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, psychological, economic, cultural or social identity of the natural person. Examples: Surname, first name, business contact details (telephone number, e-mail, business address), bank account details, personnel number, assessments, log files, hobbies, employer of an employee.

Term	Definition of content
Sanctions	Sanctions are regulatory requirements (mainly in the form of laws or regulations) that restrict trade, investment or other economic activities with certain companies or individuals. Sanctions prohibit direct or indirect business, ventures or activities with terrorist organisations, companies or individuals.
Sanctions lists	These refer to consolidated lists of names compiled by the European Union, the United States of America and the United Kingdom, among others. (Potential) debtors and creditors of heroal are checked against selected sanctions lists.
Slush funds	The term “slush funds” usually describes secretly held accounts or cash such as money, cheques or other means of payment that are not indicated in the company's books and are therefore hidden from proper use by the company.
United Nations Global Compact	The United Nations Global Compact is a global initiative for responsible corporate management. Based on ten universal principles, including respect for human rights and certain labour standards, the promotion of environmental protection and combating corruption, it pursues the vision of a sustainable global economy for the benefit of all people, communities and markets. More than 16,500 companies and organisations from civil society, politics and academia in 160 countries are involved in this initiative (as of 2021).
Confidential information	Confidential information refers to data that must be protected from unauthorised access in order to protect the privacy or security of an individual or organisation.
Sales intermediaries	This term encompasses all service providers whose activities are directed towards placing orders with heroal or selling heroal's products and services, or whose remuneration is significantly dependent on heroal's conclusion of a transaction, irrespective of their designation.
Competition-relevant information	All information that is not readily available to the public and bears material and local relevance to competition (e.g. information on prices, calculations, technical data or tender contents, guarantees, discounts of any kind, conditions of procurement and purchasing). It also includes any trade secrets of third parties, in particular those of customers.