

CODE OF CONDUCT FOR ETHICAL BUSINESS ACTIVITIES IN THE Felss Group

Preamble

“Our company vision is the creation of increasingly resource-efficient solutions for a more livable world.”

We feel connected to our value system and want to use our power, our knowledge, and our engineering skills to implement our vision.

We have compiled our values for the purpose of establishing and following this Code of Conduct. It in turn determines the guidelines for all further policies related to actions and conduct.

This Code of Conduct applies to all employees (including all personnel, as well as temporary staff and contract workers and our trainees) and also members of the board and of the advisory board of the Felss Group GmbH and its subsidiaries (together “Felss Group”). This Code lays out the values, principles, and procedures that determine the Group’s business procedures. The goal of Group management is to comply with ethical norms and to create a work environment that promotes integrity, respect, and fair conduct. A stringently principled and value-compliant business policy serves long-term Group interests and is thus our obligation.

We want, and will only enter into and maintain, business relations with those (customers, suppliers, financing partners, advisors) that feel bound to a comparable code of conduct.

This Code of Conduct was decided upon and approved by Felss Group GmbH management on June 20, 2022.

Compliance with Laws and Other Provisions at Home and Abroad

In all business decisions and actions, the Felss Group strives to observe the applicable laws and other relevant provisions at home and abroad. Integrity and sincerity promote fair competition. We also observe these factors in relation to our customers, suppliers, and business partners.

Obligation of Company Management

As a Group, we strive for continuous economic, social, and environmentally conscious courses of action. This applies in particular to business activities that we wish to operate continuously in a competent and ethical way in all markets, while protecting the principle of fair competition, in which applicable laws concerning bans on cartels, competition, and competitive restraint are fulfilled. Unfair advantages – whether towards customers, suppliers, or competitors – are to be avoided.

Conflicts of Interest

The Felss Group expects its employees to remain loyal towards the Group.

All employees must, when pursuing their personal or financial interests, avoid situations that come into conflict with the Felss Group. In this context, it is expressly forbidden to participate with competitors, suppliers, or customers or to enter into business relations with them or people in close private relation to employees of such. This applies insofar as such action can lead to a conflict of interests or is not previously and expressly approved by the management board or the Group advisory board – to the extent that the business management of the Group requires such action. In situations of conflict, the interests of the Felss Group must not be affected.

Such conflicts of interest can give rise to several situations: No employee may accept benefits – in any form – which from any plausible standpoint could influence the business decisions or transactions of the Felss Group. Invitations must occur within the framework of customary professional hospitality. Employees must not personally, as a result of their position in the Felss Group, directly and/or indirectly acquire advantages due to access to confidential information. All employees are obligated to promote the legitimate interests of the Felss Group wherever possible. Any situations that create competition with the Group are to be avoided.

Every actual or possible conflict of interests must be notified in accordance with the Code of Conduct. In this regard, we refer to the compliance guidelines.

Prohibition of Corruption

The Felss Group condemns all types of corruption and bribery. Courses of action that pursue business through unethical means are not tolerated. Employees of the Felss Group may never offer incentives to business partners or receive or accept such from business partners, where such leads to an impairment of objective and fair business decision-making. This also applies to incentives that merely give rise to the appearance of such impairment. We do not conduct business at any price and do not tolerate any immoral or corrupt proceedings among our employees or business partners.

Combating Money Laundering

Money laundering means that the origin of illegally obtained money (e.g., through terrorism, drug trade, bribery, and other criminal offenses) is masked by means of circulation into legal business operations, thereby providing the semblance of legitimacy. It is an expressed goal of the Felss Group to not be abused for the purposes of, or contribute to, money laundering or other illegal purposes.

Fair Working Conditions

All employees of the Felss Group are to ensure a safe and healthy work environment. Thus, safety provisions of any kind are to be strictly maintained. As a company, we are especially concerned about the safety and health of our employees. Managing occupational safety and health is of the highest priority in the Felss Group. Occupational safety is no side issue, but rather an obligation incumbent upon every individual. But there is more that is important to us and close at heart: With programs such as “Felss Fit” or vaccinations, the Felss Group assists and encourages its employees to address health concerns and compensation matters and actively supports them in these ways.

As a socially responsible employer, the Felss Group views its employees as of being of high value. It promotes extensive commitment to its employees and bears in return the opportunity to offer each employee professional and personal development. Open constructive feedback culture and idea management are promoted.

The Felss Group condemns illegal discrimination or harassment, regardless which type (see Discrimination).

We respect, protect and promote the valid regulations for the protection of human and children's rights worldwide as fundamental and universally applicable specifications. We reject any use of child, forced and compulsory labor as well as any form of modern slavery and human trafficking. This applies not only to cooperation within our company, but also, of course, to conduct by and toward business partners.

Handling Internal Information

Transparency is of great importance to the Felss Group. Decisions and results are to be communicated on the basis of transparency and traceability, which are important aspects for our employees as well as our business partners in dealing with these issues.

All employees of the Felss Group are thus obligated to ensure a quick and smooth information exchange within the Group. Information is to be passed on accurately and completely to the relevant business areas, insofar as there are no applicable cases of exception – in particular due to obligations to confidentiality or overriding concerns. To that effect, the provisions concerning confidentiality and data protection as laid out in the follow paragraph are especially to be observed. Relevant knowledge may not be wrongfully withheld, forged, or selectively passed on.

Dishonest reporting with the company or non-affiliated organizations or persons is prohibited. All annual reports, annual financial statements, business papers, and accounting records of the Felss Group must present business events and transactions accurately and fulfill legal requirements as well as accounting principles and the internal accounting procedures of the Felss Group.

Non-Disclosure and Data Protection

A large portion of business information in the Felss Group is confidential or legally protected, so there is an obligation to non-disclosure in effect. This does not apply, when public disclosure of information from the Felss Group has been approved or where laws and provisions mandate otherwise.

The obligation to non-disclosure particularly pertains to intellectual property. This includes business secrets, patents, trademarks, and copyrights, but also business and marketing plans, drafts, business papers, salary details, and all other non-public financial data and reports.

All sensitive, personal data and information concerning employees, customers, business partners, and suppliers as well as other third-parties must be treated carefully and handled confidentially by each employee of the Felss Group. Maintaining the data protection laws is very important to us.

Handling Asset Values

All employees of the Felss Group are responsible for the proper and cautious handling of Group property. Each employee is obligated to protect the property of the Felss Group against loss, damage, abuse, theft, misappropriation, or destruction. Each employee should immediately inform their supervisor in case of violations of the improper use of asset values.

Discrimination

Diverse ideas, viewpoints, and skills improve the quality of our work and ensure our long-term success. We would like to profit from the diversity of society, languages, cultures, and lifestyles. A respectful and fair treatment of cultural differences and in daily life is very important for us and presents essential factors in cooperation with employees and business partners. Thus, in 2015, a Cultural Committee was established. It brings together employees from different countries and cultures and offers a platform for regular exchange and discovery. We promote and respect this diversity. That is why we do not tolerate any kind of discrimination or harassment of anyone in the workplace and treat all people equally – regardless as to:

- Descent, origin, and nationality
- Religion, ethnic origin, or world view
- Political or union activities
- Sex, race, skin color, and sexual orientation
- Age
- Disability and disease

These principles can only be implemented when they are exemplified by the management towards the employees and the employees fulfill them in relation to one another.

Environmental Protection

Sustainable environmental and climate protection as well as resource efficiency are important company objects for us and essential components of our vision. Both when developing new products and services as well as in operating production facilities, we make sure that all the effects on the environment and climate are on this basis as minimal as possible and our products offer a positive contribution to the environment and climate protection of our customers. Each employee has the responsibility to treat natural resources carefully and to contribute through their individual relationship to the protection of the environment and the climate.

Communication

We respect the right of the free expression of opinions as well as the protection of individual rights and of privacy. Each employee should be aware that even in private they may be perceived as a part of as well as a representative of the Felss Group. They are thereby encouraged, through their conduct and behavior in public, above all in relation to media, to maintain the prestige and reputation of the company. In private expression of views, we take consideration to not put the function or activity in the Felss Group in the same context as a private expression.

The Felss Company carries out a transparent dialog with the political sphere and society.

In cases of donations and sponsoring, we observe transparency and donate voluntarily without expectation of receiving anything in return and we also observe applicable laws or local provisions.

Implementation and Monitoring

The rules outlined in this Code of Conduct form a common core of the business culture of the Felss Group. Uniform compliance with these principles is essential. For this end, each employee is responsible.

When an employee has concerns or complaints about the points mentioned in this Code of Conduct or when an employee has knowledge of a possible breach of the guidelines of conduct contained herein, the employee should immediately report this (according to the guidelines for clarification) to the supervisor or personnel department (local or Group) or to the dedicated local or the Group compliance officer. This may occur anonymously or in a confidential manner. If an employee is not satisfied with the clarification, it is envisaged for them to be able to subsequently report the concern or complaint to an ombudsman. The Felss Group allows for no reprisals due to complaints, which can be brought forth in good faith in the frame of this Code of Conduct.

Responsibility

All employees as well as members of the management and advisory board of the Felss Group are bound to this Code of Conduct. Culpable infringements may result in legal consequences. In severe cases, this may lead to a termination of business relations. Furthermore, infringements or disregard for the Code of Conduct of reports and authorities are punishable by penalties and fines.

Königsbach-Stein, June 20, 2022

Annex: Compliance Guidelines [Compliance Melde Richtlinie]

Compliance guidelines (Annex 1 to Code of Conduct Decision of June 20, 2022/SCO)

Notifications and Irregularities

Each employee has the right to point out circumstances that infer a conflict with the Provisions of the Code of Conflict

- to their supervisor, the personnel department at their location, or also anonymously
- to the compliance officer of the Group (local/Group)
- to notify the applicable ombudsman.