

AKG Code of Conduct

- As of December 2021 -



Founded in 1919, AKG is a third-generation international family business with a worldwide reputation.

We are committed to fundamental ethical and behavioural guidelines due to the different conditions that exist within a global market and diverse societies. These guidelines are guided by the principles of the United Nations Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the core labour standards of the International Labour Organisation (ILO) and the United Nations Guiding Principles on Business and Human Rights. By adhering to the behaviours described in this Code of Conduct, we take into account our social responsibility to act in a fair, sustainable, responsible and ethical manner.

This Code of Conduct is intended to provide guidance in everyday life and critical situations and to help us act with integrity by considering the consequences of our business decisions and actions in economic, technological, social and ecological terms and achieving an appropriate balance of interests. It is designed to be a voluntary commitment and does not constitute any third party rights against AKG.

1. Compliance with the law:

We comply with the applicable laws and regulations of the countries in which AKG operates. If local laws and regulations do not contain more extensive provisions on the principles set out in this Code of Conduct, we will base our actions on the principles of this Code of Conduct. In cases where there is a conflict between local law and the principles contained in this Code of Conduct, local law shall prevail.

2. Respect for human rights and equal treatment:

We base our actions on the United Nations Guiding Principles on Business and Human Rights. We attach particular importance to the rights of the International Bill of Human Rights and the core labour standards of the International Labour Organisation (ILO). We strictly reject any use of child, forced and compulsory labour as understood by the ILO Convention 138, as well as any form of modern slavery and human trafficking. Furthermore, we recognise all employees as free and equal regarding dignity and rights, regardless of ethnic or national affiliation, skin colour, gender, age, language, religious conviction, political attitude, social origin or other legally protected characteristics. We practice diversity and respect the dignity, privacy and personality of our employees. The selection, recruitment and promotion of our employees is always based on their respective qualifications and skills.

3. Fighting corruption:

We actively oppose all forms of corruption, including extortion and bribery. Therefore, we do not tolerate any corrupt behaviour by our employees, suppliers, subcontractors and sales-supporting business partners. When initiating or awarding a contract, no benefits may be offered or accepted that are likely to influence business decisions. We avoid the very appearance of inappropriate influence. Within the legally permissible framework, internal guidelines and/or company agreements can be used by the respective AKG companies to specify how to deal with the acceptance and granting of benefits (gifts, hospitality and invitations).

4. Agreements which restrict competition:

We avoid any anti-competitive agreements with competitors, suppliers and customers - especially regarding prices, offers, terms and conditions, production schedules, sales quotas or market

shares. Agreements and concerted practices which aim to prevent or restrict free competition are particularly prohibited. It is also illegal to abuse a market-dominant position. Whether it is an agreement or informal discussions, including outside official occasions (e.g. in the context of trade fairs or conferences), is irrelevant.

5. Conflicts of interest:

We attach the greatest importance to ensuring that we do not come into conflicts of interest or loyalty in the course of our work-related activities. Therefore, we make our decisions solely on the basis of factual criteria and allow our professional obligations to be guided solely by business interests, while avoiding activities that conflict with business interests or the fulfilment of related obligations. Private interests and the interests of AKG are strictly kept separate on our part, and any abuse of position within the company, of company information or of company property for personal purposes or the granting of advantages to third parties is prevented.

6. Handling information:

We take great care to protect and safeguard AKG's property, tangible and intangible assets and business opportunities. For this reason, AKG's intellectual property, trade secrets and any information about AKG, its customers, suppliers and other business partners that is not publicly available will be kept strictly confidential. Such information (including technology and know-how) shall be protected from access by third parties and shall under no circumstances be used outside the respective activity. The applicable laws on the protection of business secrets shall be observed.

Furthermore, we only collect, gather, process, use and store personal data to the extent permitted by law and the respective data subjects. Reference is made accordingly to the work and handling instructions within the respective data protection guidelines as well as the IT security guideline.

7. Occupational health and safety:

We are fully aware of our responsibility for the health and safety of our employees and therefore consider it important to train our employees regularly on occupational safety and to take precautionary measures with regard to accidents at work and occupational diseases. We ensure occupational health and safety within the framework of the applicable national regulations and on the basis of the health and safety policy of the respective company.

8. Environmental protection:

We consider the protection of the environment and natural resources, through a sustainable and equitable economy that seeks to balance the needs of present and future generations, as one of the most important goals for preserving, protecting and restoring the integrity of the Earth's ecosystem.

We therefore see it as our responsibility to continuously improve environmental protection with our own available resources and to reduce our own environmental impact to ensure that AKG's operations are as compatible as possible with nature and a healthy and productive life. For this reason, we strive to achieve an environmental and energy footprint that is as balanced as possible.

To meet these goals, AKG applies the ISO 14001 environmental management system and ISO 50001 energy management system at selected production sites, where it is certified accordingly.

9. Handling conflict minerals

We take all the necessary measures to avoid the use of conflict minerals in our products in order to prevent human rights violations, corruption and the financing of armed groups or similar. We also expect our direct and indirect supply chain to undertake due diligence and auditing in line with the EU Conflict Minerals Regulation (EU 2017/821) and the US Dodd-Frank Act (DFA), and to comply with their legally applicable documentation and reporting obligations.

10. Ban on money laundering and terrorist financing

We verify the identity of our business partners. It is our explicit goal to only maintain business relationships with reputable partners whose business activities are in accordance with legal regulations. We allocate incoming payments to the corresponding services and book them accordingly. This way, we ensure transparent payment transactions.

We also take appropriate measures within the respective national companies to prevent any financing of terrorism. Within this framework, it is possible, for example, to check via software whether a supply or delivery ban has been imposed for the specified destination of a requested delivery or whether the respective company being supplied is listed in any sanctions lists.

11. Supply chains:

We will work towards compliance with the contents of this AKG Code of Conduct through our suppliers, subcontractors and sales-supporting business partners (e.g. intermediaries, sales representatives, etc.) in an appropriate manner. A corresponding reference to the AKG Code of Conduct that forms the contractual basis for every order has already been included within the General Terms and Conditions of Purchase. The Supplier can read the content of the AKG Code of Conduct at any time via a corresponding link to AKG's homepage. We also reserve the right to impose separate contractual obligations on direct suppliers and request that they also contractually commit their supply chain to compliance with the contents of this Code of Conduct as far as possible and within their area of activity by signing corresponding declarations.

12. Expectation of managers / verification / auditing:

We expect our managers to live up to their responsibility as role models by behaving with integrity, thereby providing the employees with the necessary guidance. Regular needs-based training is designed to ensure that the contents of the AKG Code of Conduct are understood and adhered to by employees. In addition, compliance with the principles and requirements of the AKG Code of Conduct may be ensured in the AKG Group at its own discretion by appropriate regular internal reviews or by auditing via external independent third parties

AKG reserves the right to verify the Supplier's compliance with the obligations arising from the AKG Code of Conduct - including on site - while taking into account the operational concerns as well as the Supplier's business secrets, by AKG or its representatives or by a third party commissioned by AKG and deemed acceptable by the Supplier.

13. Scope of the Code of Conduct:

The provisions contained in this Code of Conduct shall be bindingly observed by the employees, suppliers, subcontractors and sales-supporting business partners of all companies of the AKG Group of Companies.

14. Handling breaches of the regulations

Unlawful or inappropriate conduct that contradicts this Code of Conduct can lead to massive economic damage, risks of criminal prosecution and fines for AKG and its employees, damage to AKG's image and reputation, and exclusion from contracts. Violations must therefore be recognised in good time in order to prevent damage to AKG and its employees and to ensure fair cooperation. Anyone who deliberately behaves in a way that violates the rules must expect appropriate sanctions. Depending on the individual case, these can range from measures relating to labour law, claims for damages under civil law and sanctions under criminal law.

Should there be suspicion or concrete knowledge of regulatory breaches, we will therefore report them to the respective supervisor. Whistleblowers are assured of the highest level of confidentiality. In addition, we can of course also report information regarding breaches of the regulations to the respective local compliance officer (cf. section 15), by stating names but also anonymously. This can especially be the case if we do not wish to approach the supervisor.

15. Point of contact regarding queries:

This AKG Code of Conduct cannot provide concrete answers to every question and situation. If specific answers are needed during day-to-day work or if there are other questions regarding the content or interpretation of the Code of Conduct, employees can contact their supervisor or the respective local compliance officer. The same applies to AKG's business partners. Mr Johannes Koch (+49 5671 883 1148) is available as a central point of contact.

Hofgeismar, 6 December 2021


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