

Code of Conduct of

KAP AG

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Code of Conduct

1 Objective

KAP AG and its subsidiaries (hereinafter collectively referred to as the "KAP Group" or "Company") are committed to ecologically, socially and ethically responsible corporate governance. The following Code of Conduct specifies the basic requirements for the conduct of every employee with regard to responsible, ethical and sustainable business activities and forms the basis for successful future cooperation within the entire KAP Group.

Its regulations represent the minimum standards for ethically, socially and ecologically conscious behavior within the KAP Group across countries, companies and legal systems. There is no substitute for personal integrity and sound judgment on the part of all those involved. An important prerequisite for this is that we all know the rules relevant to our work and are aware of the consequences of every action or decision.

As an international group, we are responsible for complying with the legal regulations of all regions and countries in which we operate in order to protect our society from potential harm and to act with integrity.

By way of example, this includes:

- ethically impeccable conduct within the company and in dealings with external business partners and authorities,
- compliance with all relevant legal regulations domestically and abroad,
- compliance with export and import bans as well as sanctions and embargo regulations,
- the protection of the health and safety of all employees,
- compliance with human rights, environmental and social standards.

For our Management Board and the Management teams of our Subsidiaries, this means that they have a duty to set an example and credibly demonstrate this standard to our employees (hereinafter also referred to as "employees"). Managers ensure that employees are aware of and comply with all relevant legal provisions and internal guidelines.

Our customers, shareholders, employees, suppliers and business partners place their trust in us. This obliges us to be open and transparent in our internal and external communications. We are aware of the responsibility this entails.

When acquiring new customers, we always comply with applicable law. Information is made available to the public in accordance with internationally recognized corporate governance standards.

Working in the KAP Group means respecting the rights of others and avoiding anything that could harm the company and its employees, both professionally and privately. We do not tolerate any form of discrimination or harassment, either internally or in cooperation with business partners.

2 Expectations in the KAP Group

We expect the KAP Group to comply with all applicable laws and regulations as well as the following expectations and to address them appropriately.

2.1 Social responsibility

- **Exclusion of forced labor and slavery**

The company must take appropriate and reasonable measures to prevent any form of forced labor, slavery, slavery-like practices, servitude or other forms of domination or oppression in its own business. All work must be voluntary and without threat of punishment.

Employees must be able to terminate their work or employment relationship at any time by giving reasonable notice. Furthermore, there must be no unacceptable treatment of workers, such as psychological hardship, sexual and personal harassment and humiliation.

The hiring or use of security guards must be prohibited if, due to a lack of instruction or supervision, persons are treated in an inhumane or degrading manner or are injured, or if freedom of association is impaired.

- **Ban on child labor**

The KAP Group complies with the requirements of the United Nations International Labor Organization Convention on the minimum age for the admission of children to employment. Accordingly, the age should not be less than the age at which compulsory education ends according to the law of the place of employment and in no case less than 15 years.

If children under this age are found to be working, the KAP Group must document the measures to be taken immediately to remedy the situation and enable the children to attend school.

Similarly, young people under the age of 18 must not be employed for work that is likely to be dangerous to their life, health, safety or morals. Special local safety regulations must be observed.

- **Reasonable wage**

The company pays its employees an appropriate wage for regular working hours and overtime. This must at least correspond to the national statutory minimum wage or the minimum standards customary in the industry, whichever is higher. The local cost of living of employees and their family members as well as local social security benefits should be taken into account.

The remuneration for overtime must always exceed the remuneration for regular working hours. Employees must be granted all legally prescribed benefits.

The KAP Group undertakes to pay employees directly, in full and on time; wage deductions as a punitive measure are not permitted. The company must ensure that employees receive clear, detailed and regular written information about the composition of their wages.

- **Working hours**

Working hours must comply with the applicable laws or industry standards.

Overtime is only permitted if it is voluntary and does not exceed 12 hours per week. Employees must be granted at least one day off after six consecutive working days. The weekly working time may not regularly exceed 48 hours, subject to stricter applicable laws.

- **Freedom of association**

The KAP Group respects the right of its employees to form and join trade unions of their choice, to engage in collective bargaining and to strike.

In cases where freedom of association and the right to collective bargaining are restricted by law, employees must be given alternative opportunities for independent and free association for the purpose of collective bargaining.

Employee representatives must be protected from discrimination. Employees must not be discriminated against on the basis of their founding, joining or membership of a trade union. Their representatives must be granted free access to the workplaces of their colleagues to ensure that they can exercise their rights in a lawful and peaceful manner.

- **Prohibition of discrimination and unequal treatment**

The KAP Group ensures that any form of discrimination, intimidation or harassment in the working environment is refrained from. Furthermore, unequal treatment of employees in any form is not permitted unless it is justified by the requirements of employment. This applies, for example, to unequal treatment on the basis of national and ethnic origin, social background, health status, disability, sexual orientation, age, gender, political opinion, religion or ideology.

The personal dignity, privacy and personal rights of each individual are respected.

The company is committed to diversity, equality and inclusion.

- **Health and safety in the workplace**

The KAP Group is responsible for a safe and healthy working environment. By establishing and applying appropriate occupational safety systems, necessary precautionary measures are taken against accidents and damage to health that may arise in connection with the work.

The company takes suitable protective measures to avoid exposure to chemical, physical or biological substances.

Suitable measures must be taken to prevent excessive physical or mental fatigue. In addition, employees are regularly trained and instructed on applicable health and safety standards and corresponding measures.

Employees are given access to sufficient quantities of drinking water and access to clean sanitary facilities.

- **Preserving the natural foundations of life**

The KAP Group will not deprive people of their legitimate rights to land, forests or water, the use of which secures the livelihood of people, especially minorities and indigenous peoples.

The KAP Group will avoid harmful soil changes, water and air pollution, harmful noise emissions and excessive water consumption if this harms people's health, significantly impairs the natural basis for food production or prevents people's access to safe drinking water or sanitary facilities.

- **Dealing with conflict minerals**

The KAP Group only uses smelters or refineries for tin, tungsten, tantalum, their ores and gold that meet the requirements of the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" and have been audited by the Responsible Mineral Initiative (RMI) (www.responsiblemineralsinitiative.org) or comparable organizations.

- **Complaints procedure**

The KAP Group is setting up a complaints procedure suitable for its business activities. This should enable all employees to report breaches of social or environmental responsibility and ethical business conduct anonymously, confidentially and without fear of retaliation.

The company is committed to ensuring that such procedures are also established in its supply chain.

The KAP Group informs its employees that they can use the whistleblower system for compliance violations and the complaints office for violations of human rights-related or environmental obligations of KAP AG (<https://www.kap.de/en/whistleblowing-system>) in the event of violations and that they have the option of contacting the KAP AG ombudsman by telephone, email or electronically.

2.2. Ecological responsibility

- **Treatment and discharge of industrial wastewater**

The company typifies, monitors, checks and, if necessary, treats wastewater from operating procedures, production processes and sanitary facilities before it is discharged or disposed of. In addition, measures are introduced to reduce the volume of wastewater.

- **Dealing with air and noise emissions**

The KAP Group characterizes, monitors, checks and, if necessary, treats the general air and especially greenhouse gas emissions from its operations before they are released and reduces their harmful noise emissions.

The company also has the task of monitoring its exhaust gas purification systems and is required to find economical solutions to minimize any emissions, especially greenhouse gas emissions, and to promote the decarbonization of its business processes.

- **Handling waste and hazardous substances**

The KAP Group follows a systematic approach to identify, handle, reduce and responsibly dispose of or recycle solid waste.

Chemicals or other materials that pose a risk when released into the environment must be identified and handled in such a way that the protection of people and the environment is ensured when handling, transporting, storing, using, recycling or reusing and disposing of these substances.

The bans on the export and import of hazardous waste and the import of other waste in accordance with the Basel Convention of March 22, 1989, as amended, must be observed.

The KAP Group must also comply with the bans on the manufacture of products containing mercury, the use of mercury and mercury compounds in manufacturing processes and the treatment of mercury waste in accordance with the requirements of the Minamata Convention of October 10, 2013, as amended.

Furthermore, the company must also comply with the requirements of the Stockholm Convention of May 23, 2001, as amended, on the prohibition of the production, use, non-environmentally sound handling, collection, storage and disposal of persistent organic pollutants.

- **Reduction in the consumption of raw materials and natural resources**

The KAP Group will reduce or avoid the use and consumption of resources during production, including water and energy and the generation of waste of any kind. This is done either directly at the point of origin or through procedures and measures, for example by changing production and maintenance processes or operational procedures, by using alternative materials, by saving, by recycling or by reusing materials. The company will expand the use of renewable energy in its business processes.

- **Dealing with energy consumption/efficiency**

The KAP Group monitors and documents its energy consumption in order to improve its energy efficiency and minimize energy consumption.

- **Biodiversity and animal welfare**

The company promotes biodiversity and animal welfare.

2.3 Ethical responsibility

The KAP Group acts ethically and with integrity at all times, complies with all applicable laws and regulations and takes suitable and appropriate measures to remedy any violations identified.

- **Conflicts of interest**

Conflicts of interest can arise in the relationship between the KAP Group, customers and suppliers or other business partners, the KAP Group and employees or as a conflict of interest between employees and various customers, suppliers or other business partners of the KAP Group. The KAP Group must do everything in its power to avoid conflicts of interest; unavoidable conflicts must be resolved as quickly as possible in an ethically sound manner. In the KAP Group, we expect our employees to inform their superiors about relationships with persons or companies that could lead to potential conflicts of interest.

In order to maintain independence, our employees will not demand or accept monetary benefits, gifts or other advantages or favors from persons with whom they interact in the course of their work, or allow themselves to be offered such benefits or favors without objection. Exceptions to this are only permitted after prior consultation with and approval from the management. The only exception to this principle is the generally permissible acceptance of low-value gifts.

- **Independence**

All our employees dedicate their work to the KAP Group. Without the prior consent of the management, they will not operate a business independently for themselves or for others or work as employees in another company. Accordingly, they will not engage in any secondary employment in their own name or for their own account or in the name or for the account of third parties without the prior knowledge and express written consent of the management. Exceptions to this principle can only be considered in cases where the interests of the KAP Group are not impaired.

- **Fair and free competition**

The KAP Group is fully committed to functioning and unhindered competition as one of the cornerstones of our social and economic system. It does not participate in the illegal exchange of competition-sensitive information or in agreements with competitors, customers or suppliers that restrict competition, e.g. price fixing, market sharing or customer allocation. Furthermore, it does not participate in the abuse of market power.

- **Integrity in business transactions**

The KAP Group rejects all forms of extortion, embezzlement, corruption and bribery, including facilitation payments for routine official acts.

It ensures that its employees, suppliers or representatives do not give, offer or accept bribes, kickbacks, improper donations or other improper payments, goods or services to or from public officials or other third parties.

- **Export controls and sanctions**

The company adheres to strict compliance with foreign trade regulations and the requirements of applicable sanctions regimes.

- **Prohibition of money laundering and terrorist financing**

The KAP Group respects all laws against money laundering and terrorist financing. It verifies the identity and economic background of its business partners and the origin of payments to ensure that they come from legitimate sources.

- **Protection of confidential information**

The KAP Group ensures that sensitive data (business secrets and personal data) is collected, processed, secured and deleted appropriately and in accordance with the law. It obligates its employees accordingly. Data worthy of protection may not be passed on to third parties without authorization or published in any other form and must be protected accordingly.

The KAP Group protects company data as well as personal customer and employee data against unauthorized access, unauthorized or improper use, loss and premature destruction using all suitable and appropriate technical and organizational means available to the Group. All employees are therefore obliged to take the necessary measures to ensure the security of IT systems with regard to internal and external misuse and threats. In addition, the company ensures the utmost care and strict confidentiality when collecting, storing, processing and transferring personal data of employees, customers or other third parties, as well as compliance with applicable laws and regulations.

- **Intellectual property and plagiarism**

Confidential information within the KAP Group must be used in an appropriate manner and protected accordingly. The company must ensure that sensitive data and the valid intellectual property rights of its own employees and business partners are protected. The KAP Group does not tolerate the use, further processing or marketing of counterfeit products.

- **Documentation**

The company is committed to disclosing its financial and non-financial information in accordance with applicable law.

All employees of the KAP Group must contribute to ensuring that our business transactions are fully and correctly recorded in the books. We observe the legal prohibitions on insider trading in order to maintain the trust of our investors and shareholders.

3 Measures in the event of violations

If employees violate agreements and regulations of any kind in the course of their employment, appropriate disciplinary measures will be taken. Priority is given to trying to persuade them to change their behavior by explaining the importance of our Code of Conduct. In the event of serious violations, however, this may also result in measures under labor or disciplinary law.

All employees can ask questions about the Code of Conduct or report breaches of the Code to their line manager, management, HR, legal or finance department or - where available - to their employee representative. At the same time, all employees are required to inform the Legal & Compliance Department or the Central Compliance Function of KAP AG (e-mail: compliance@kap.de) if they become aware of such violations.

Employees can also contact the KAP AG ombudsperson to report violations at <https://www.kap.de/en/whistleblowing-system>, which also acts as an internal whistleblower system for compliance violations and a complaints office for violations of human rights or environmental obligations. The whistleblower system and the complaints office are used to advise and support whistleblowers in the clarification of suspected material violations of the Code of Conduct, in particular suspected illegal business practices.

The ombudsperson of KAP AG is subject to the duty of professional secrecy and accepts information confidentially in German and English. Only with the express consent of the whistleblower will he or she report to the central compliance function of KAP AG. The identity of a whistleblower will not be disclosed to the company unless the whistleblower requests this or expressly agrees to it.

Employees who report actual or suspected misconduct in good faith must not suffer any disadvantages as a result, as described above. The KAP AG whistleblower system is available to both employees and third parties.

The reported cases are recorded, investigated and documented in accordance with the law.

4 Entry into force

This Code of Conduct applies to the entire KAP Group and its employees and comes into force upon its adoption by the Management Board of KAP AG.

KAP AG

Management Board