

EXPERTS FOR GROWTH



# COMPO EXPERT Group

## Compliance Guideline



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# INTRODUCTION

## COMPLIANCE

means

**acting and making decisions in accordance with all relevant laws, regulations, and internal guidelines.**

We want compliance as a duty and responsibility of each employee to be a key element of our corporate ethos. Our commitment to compliance is in line with our conviction that sustainable business can only be achieved within the framework of generally accepted and observed rules:

Compliance violations could also expose the company to incalculable risks. These risks could threaten parts of the company or even the entire company and the jobs it provides. These risks are not always apparent to the person involved at the moment the compliance violation occurs.

To prevent compliance violations and the resulting risks, COMPO EXPERT is launching a long-term, sustainable compliance initiative.

### For this purpose, we have

- » Published a **code of conduct**
- » Developed a **compliance program**, that is to say, a set of measures consisting of information and training
- » Created a **compliance organization**

The aim of the compliance initiative and the compliance organization is not to introduce new rules and guidelines, but to ensure that existing public laws, as well as internal rules and regulations, are observed. This is intended to reduce risk and prevent threats to the company and the jobs associated with it.

If new rules and guidelines become necessary, they will be developed by the relevant specialist departments and agreed upon by the appropriate bodies as previously. Today, we would like to clarify our position with regard to certain individual issues that we believe to be very significant. It is important to us that we explain the purpose and direction of the compliance initiative to you at this early stage.

We are confident that you will share our view and our understanding of the key points.

The Management Board



Dr. Ingo Müller (CEO)



Piotr Zarosiński (CSO)

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Handwritten signature of Piotr Zarosiński in blue ink.

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## NO CORRUPTION

Corruption is “the act of accepting or granting benefits or financial contributions in order to unfairly influence commercial or official decisions”.

Corruption is outlawed all over the world and incurs severe penalties. The person offering the bribe and the person accepting it could both face imprisonment. Corruption offenses are not only subject to local jurisdiction and legal proceedings, but are also pursued and prosecuted across national borders.

These punishments range from fines for the company and its managing directors to the organization being barred from future contracts in certain countries. Above all, however, these compliance violations could seriously harm the company’s reputation. Our status as a reliable partner could be irreparably damaged. The impact on sales, operating result, and jobs could be just as severe.

It is not always easy to decide which financial contributions or invitations are in line with conventional, fair business dealings and at what precise point they start to become dishonest and turn into corrupt activities. In the event that these concerns arise, line managers or, in future, Compliance Officers will define rules of conduct to help prevent corruption.



**“WE WOULD PREFER TO TURN DOWN  
BUSINESS THAN GAIN OR PURSUE IT  
BY IMPROPER MEANS!”**

**Dr. Ingo Müller, CEO**

The key point here is that financial contributions and invitations should only be used to express appreciation for the business partner and to create a pleasant atmosphere in which to hold discussions with customers or suppliers, for example. Under no circumstances should they ever appear to be intended to influence.

“HIGHER MARGINS OR HIGHER SALES NEVER JUSTIFY A VIOLATION OF ANTITRUST LAW OR THE ASSOCIATED RISK.”

Dr. Ingo Müller, CEO

## NO CARTELS

The antitrust, or anticartel, rules in international legislation are designed to maintain free and fair competition. They strictly prohibit any behaviour that restricts the freedom of competition. This primarily relates to anticompetitive arrangements, such as price fixing or market sharing, as well as the exchange of information that could affect competition.

It is increasingly common for violations of antitrust law to be investigated at national and international level. The penalties are harsh – as can be seen almost every day in the press. Furthermore, it is becoming increasingly common for the affected customers to be awarded claims for compensation that exceed the actual penalties. We cannot and do not want to bear such a risk. More than anything, however, a violation of these market rules would severely damage the confidence that our customers have in us.

We often meet and talk with our competitors at trade fairs and congresses. It is important to beware that topics such as customers, conditions, prices, and delivery quantities are never discussed at these events. It is extremely important that we react in a clear way if invited by a competitor to take part in anticompetitive activities. The immediate response must be as follows:

- » Decline the invitation clearly and unambiguously
- » End the conversation and, if necessary, leave the room
- » Inform the appropriate line manager and (in future) the Compliance Officer

If there is ever any doubt, line managers or (in future) Compliance Officers can offer advice and recommendations to ensure compliance with the relevant antitrust laws.



“FUTURE GENERATIONS SHOULD BE ABLE TO ENJOY OUR ENVIRONMENT AND LIVE HEALTHILY IN IT.”

**Dr. Ingo Müller, CEO**

## ENVIRONMENTAL PROTECTION

COMPO EXPERT is aware of its responsibility to society and the environment. It is convinced that a company can only remain successful in the long term by integrating factors such as safety and the environment into a comprehensive overall plan. This plan must incorporate every business unit from purchasing to development, production, and quality assurance through to marketing and sales.

With its locations in Krefeld and Vall d’Uixó, COMPO EXPERT is governed by the Seveso III Directive (EU Directive on the control of major-accident hazards involving dangerous substances). We therefore have a very specific responsibility to keep our environment clean. This is something we take very seriously. Our integrated management system and the safety and environmental management system that it includes play a key role in fulfilling this responsibility. Our products are manufactured exclusively within the framework of the authorizations granted to us. Our employees are given all the training they need in order to carry out their responsibilities.

Safety includes all those procedures designed to protect people, plants, and equipment. Specifically, this means plant safety and security, occupational safety, and fireprotection.

Our company may only make use of the environmental media – air, water, and soil – within the framework of the authorizations that have been granted. Our plants must comply with the relevant laws and regulations. As a rule, our plants require approval in accordance with the German Federal Immission Control Act (BImSchG) and the corresponding national laws in Spain and Belgium.

It is not acceptable to carry out any unauthorized activities or to intentionally or wilfully exceed the limits set out in the authorizations. The unauthorized introduction of substances into the sewage network or the environment is not tolerated within the



COMPO EXPERT Group and will result in internal investigations and corresponding punitive action. In such cases, we must and will alert the relevant authorities.

Accordingly, all necessary and prescribed technical and organizational safety precautions must be implemented in order to prevent unauthorized and dangerous environmental pollution.

However, should an unintentional violation occur, such as a release of substances, the relevant internal departments must be notified immediately. They will then alert external agencies, as required, in accordance with the emergency plan. The earlier an incident is notified, the greater the potential to limit its impact.

A cover-up of a notifiable incident is never in the interest of the company and will not be tolerated. For this reason, measurement results and records should be considered important documents. Any manipulation or subsequent alteration is also not in the interest of the company and will be met with appropriate penalties. COMPO EXPERT works proactively with the environmental authorities at all times.

Aside from any personal injury, equipment damage, or potential ecological harm, any incident involving safety or environmental protection also represents a financial risk to the company. High penalty charges, compensation claims, or the withdrawal of operating licenses could have a huge impact on our company and our jobs.

## OCCUPATIONAL SAFETY

Occupational safety is another major responsibility facing COMPO EXPERT as a manufacturing group. By this, we mean the following:

- » Ensuring the safety and health of all employees, including visitors to the company
- » Reducing the risk of accident, investigating all accidents and near misses, and responding appropriately
- » Carrying out all of the occupational health checks as required by law
- » Identifying and implementing measures designed to allow the continued improvement of occupational safety

Handling hazardous substances requires special industrial safety measures and appropriate training. We comply with the relevant standards and regulations in this area. Of significant importance here is the role played by the committee for occupational safety and cooperation with occupational safety experts. This is regulated accordingly in other countries. However, we do not only monitor those workplaces that are exposed to these kinds of risks. All workplaces are prone to certain hazards, and we have taken this into account in a risk analysis. In many cases, a company doctor is available to provide advice and can be contacted by any employee.

However, we will only be successful if all employees work together towards these occupational safety objectives. To achieve this, it is important to recognize and amend any misconduct, as well as identify any new hazards and mitigate them. It goes without saying that personal protective equipment must always be worn or used.

**“OCCUPATIONAL SAFETY IS THE RESPONSIBILITY OF THE COMPANY TOWARDS ITS EMPLOYEES AND THEIR FAMILIES. HOWEVER, EMPLOYEES ARE JOINTLY RESPONSIBLE.”**

**Dr. Ingo Müller, CEO**

# SAFETY



It is of utmost importance to COMPO EXPERT that safety is continuously improved at all its locations. We are systematically working on improving plant safety, occupational safety, and health protection. Our objective is to prevent potential risks and ensure effective hazard prevention. We therefore hold or offer regular training sessions on this matter. Nevertheless, each and every employee is jointly responsible for his or her safety in the workplace.

Over time, a decline in the level of care and attention could lead to a major problem. It is in the interests of the employee, as well as that of his or her colleagues and the company as a whole, to comply with the regulations adequately and at all times. Line managers must set an important example in this regard.

## IT SECURITY

IT security covers all of the measures taken to ensure data processing functions well and without errors.

Essentially, these steps comprise the following:

- » Data archiving with the appropriate backup and recovery procedures to restore data in the event of server/hard drive failure or similar incidents
- » Preventing unauthorized access to our networks in order to protect data and processes
- » Protection against viruses, Trojan horses, and any options that grant third parties access to our computers, which may threaten our data security and ability to function properly
- » Ensuring the physical security of our servers and other hardware

Alongside the careful working methods our IT department follows, IT security is highly dependent on employees using it responsibly.

This includes:

- » Keeping passwords confidential
- » Not sharing passwords with third parties
- » Locking the screen whenever you leave your workstation, even for a short time
- » Not opening e-mails or attachments originating from a dubious or suspicious source



### **In the event of any concerns, always contact the IT department.**

Another important security measure is to

- » check any important and/or dubious requests received via e-mail by speaking to the sender over the phone or in person.

This point refers in particular to a new, increasingly common variant of cybercrime known as “fake president”. This involves criminals spying on a company and using a stolen e-mail alias – usually that of the managing director – to issue instructions to make bank transfers or change account numbers in order to move large amounts of money to third-party accounts. Please be vigilant and use common sense. If in doubt, ask – especially if the e-mail expressly forbids you to do so!

**“IT SECURITY IS LARGELY DEFINED BY THE RESPONSIBLE HANDLING OF THE EMPLOYEES WITH SENSITIVE DATA AND PASSWORD PROTECTION.”**

**Dr. Ingo Müller, CO**



## RESPONSIBILITY, TRUST, AND OVERSIGHT

The Management Board has a particular responsibility to manage the company successfully and in accordance with the law, all relevant regulations, and any agreements with its financing partners. Consequently, the Management Board is responsible not only for making the right decisions, but also for ensuring that these decisions are implemented correctly.



To do this, company management uses the following tools:

### » Delegation of responsibility

The Management Board cannot and does not want to make all of the decisions in the company itself. By carefully selecting competent employees, decisions can be made at different levels within a specified framework. This is defined in our signature guidelines.

### » Communication

Decentralized decision-making can only achieve a common objective if all decision-makers are aware of the objective and have agreed on a common path. Objectives, paths, and framework conditions change or develop over time. This means that a one-off agreement is not sufficient, instead a continuous exchange of information is required. Framework conditions that change at short notice, in particular, are discussed at our regular meetings, such as the Management Board meeting, GMT meetings, or department meetings.

**“AS MUCH TRUST AS POSSIBLE – AS  
MUCH OVERSIGHT AS NECESSARY!”**

**Dr. Ingo Müller, CEO**

### » Trust and oversight

Our cooperation is based on trust. This trust is necessary in order to work efficiently and effectively. Nonetheless, occasional checks are required to ensure that communication has been properly received and that decisions are aligned and actions coordinated.

Oversight, especially in the form of spot checks, should therefore not be seen as a lack of trust, but as part of a feedback loop to ensure that decisions are implemented correctly. Oversight is also an expression of responsibility for the whole business. It ensures that individual errors do not threaten the entire company including its jobs and investments.

The Management Board assumes overall responsibility. Each employee also takes responsibility for his or her own area. This responsibility is met through competence, care, communication, and the appropriate oversight. Well-founded trust thus underpins cooperation at all levels.

## OUR COOPERATIVE SPIRIT AND OUR SOCIAL RESPONSIBILITY

As a medium-sized group, COMPO EXPERT is active in almost all international markets. We see our greatest potential for growth outside our domestic market Germany and want to continue to develop in this area. As a result, we increasingly operate in a multicultural environment. We feel that diversity enriches our spirit of cooperation.

Discrimination on the basis of sex, race or ethnic origin, belief or religion, disability or sexual orientation and age is not tolerated and will be met with punitive action within the company. We believe that every employee and business partner deserves respect. We therefore expect all interactions to be respectful.

Moreover, in every form sexual harassment is not tolerated and will be punished under employment law.

As part of our social responsibility, we take measures to prevent child and forced labour or any type of compulsory service within our company or at any business partner working for our company.



**“DIVERSITY IS AN ASSET.”**

**Dr. Ingo Müller, CEO**

## REPORT COMPLIANCE VIOLATIONS

As the COMPO EXPERT Group, our aim is to operate in accordance with laws and regulations. Furthermore, compliance violations represent a major risk to us, as they do to any company. Fines and compensation claims can pose a serious threat to companies and the jobs associated with them.

If you become aware of a violation, you may find yourself in a difficult situation. You want to protect your company from legal violations on the one hand, but you do not want to be accused of being an informer on the other. This is also where corporate culture comes into play. In the USA, the reporting of compliance violations (known as “whistleblowing”) is viewed positively in the corporate culture, whereas in Europe, people are often still reluctant to report violations.

### **Do not forget that this could impact the very survival of your company!**

The Management Board of the COMPO EXPERT Group thus wants to develop an internal culture of compliance. We hope that employees will report compliance violations in order to protect the company and its workforce. Consequently, the Management Board will give any employees who report violations in good faith the same long-term support and protection they would receive if they had been accused of misconduct. Any violations can be reported to your line manager or to an external compliance officer.

For this purpose, we have set up a whistleblower system at an external reporting office. You can reach this under the email **compliance@compo-expert.com** or anonymously via the webpage **compliance.compo-expert.com**.

We also ask you to take note of the Code of Conduct for business partners of our owner Grupa Azoty.

May 2023

**The Management Board**

