

# ALFING SPECIAL MACHINE GROUP

## CODE OF CONDUCT

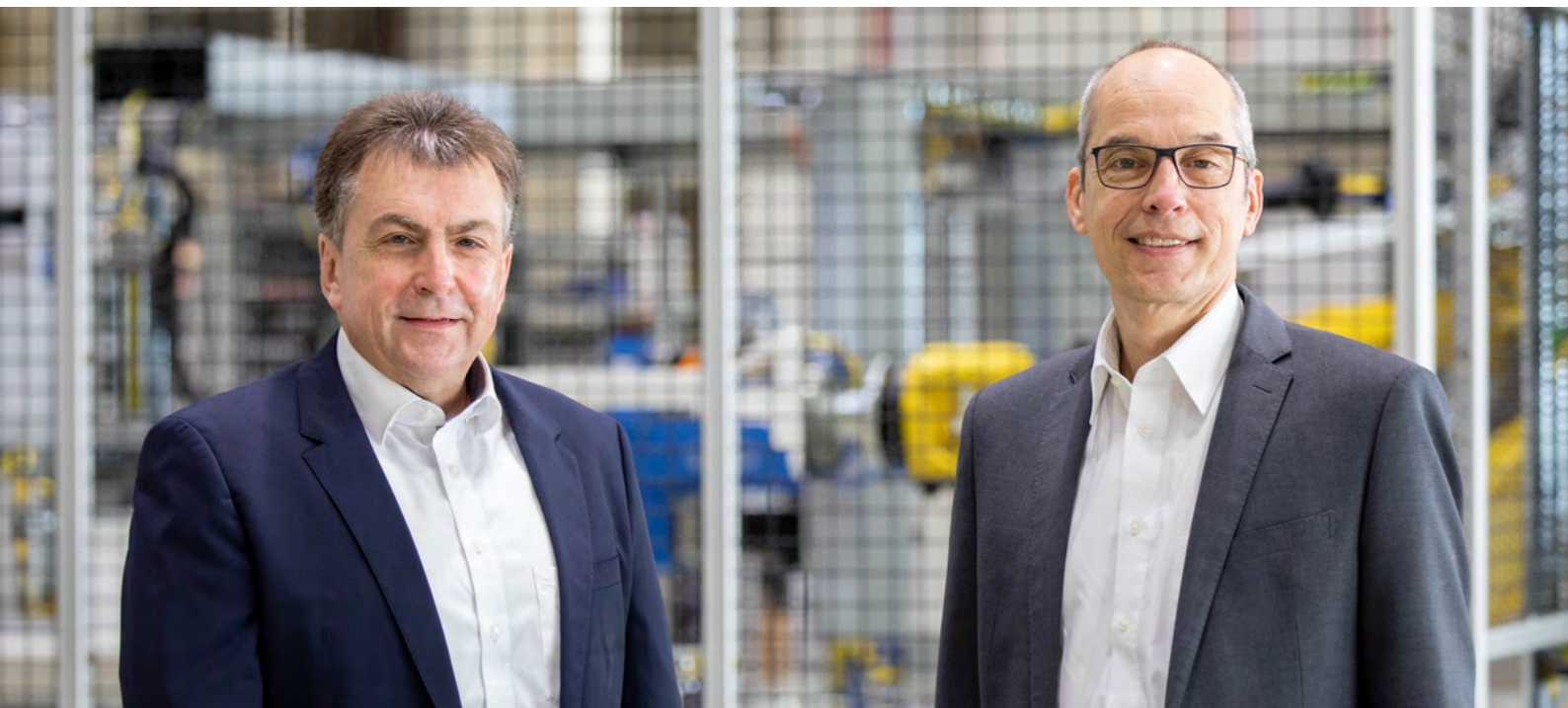
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Eberhard Funk | Dr. Thomas Koch

Dear employees,

The Code of Conduct of the ALFING Sondermaschinen Group (ALFING) describes which values determine our actions and how we would like to be perceived. Integrity, responsibility, respect and fairness towards colleagues, business partners, society and the environment are the prerequisites for ensuring our success in the long term. This is a goal that we can only achieve together in the future.

This Code of Conduct summarizes the fundamental principles and rules that are binding for our actions at all times. It is a framework of orientation that applies equally to everyone; to the management, to the executives and to each individual employee. It is also a promise to treat each other with respect within the company and a promise to act responsibly towards our business partners and the public.

Only in a climate of openness and transparency is it possible to address all issues openly and without fear of reprisals. It is our common duty to facilitate such a climate and to clearly and unequivocally name violations of the Code of Conduct.

Averting legal violations and thus damage and loss of image of ALFING is our collective responsibility. Therefore, we ask you, dear employees, to read this Code of Conduct carefully and to use it together with us as a guideline for our daily behavior.

The management

A blue ink signature of Eberhard Funk.

Eberhard Funk

A blue ink signature of Dr.-Ing. Thomas Koch.

Dr.-Ing. Thomas Koch

# Scope of application – Basic behavioral requirements

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## 1.1 Scope of application

This Code of Conduct applies worldwide to all employees of companies of the ALFING Sondermaschinen Group.

The following companies are part of the ALFING :

- ALFING Sondermaschinen- Beteiligungsverwaltungsgesellschaft mbH
- ALFING Montagetechnik GmbH, Deutschland
- ALFING Kessler Sondermaschinen GmbH, Deutschland
- ALFING Corporation, USA
- ALFING Machine Tools, China
- Sondermaschinen Oberndorf GmbH, Deutschland

## 2.1 Compliance with applicable law

Compliance with all applicable laws and regulations is a matter of course for us - at local, national and international level. Violations of the law are to be avoided at all costs.

Every employee must expect disciplinary consequences in the event of a violation – irrespective of the sanctions provided for by law – because of the violation of his or her duties under the employment contract.

All managers must inform themselves about the laws, regulations and internal company rules relevant to their area of responsibility and comply with them.

If stricter regulations than the rules and principles described in this Code of Conduct apply in individual countries or markets, the stricter regulations must be followed. If there is any doubt, the management must be consulted and, if necessary, obtain legal advice.

## 2.2 Respect of human rights

We value and respect internationally valid and recognized human rights and reject any behavior that involves disregarding them.

## 2.3 Mutual respect, honesty and integrity

We respect the personal dignity, privacy and personal rights of each individual and provide a working environment that is free from discrimination.

Every individual has the right to be treated fairly, with dignity and respect. We are committed to equal opportunity and promote a work environment characterized by respect and tolerance, where the value and dignity of each individual is recognized and all employees treat each other with courtesy and honesty. Harassment, insults, bullying and intimidation are prohibited.

We are committed to the principle of equality, regardless of nationality, race or ethnic origin, culture, age, disability, appearance, other physical constitution, skin color, sexual orientation, gender, religion and ideology. Any form of discrimination is prohibited.

Decisions regarding our personnel or in the selection of our business partners must always be free from any form of discrimination.

These principles apply not only within our companies, but also to the cooperation with our business partners.

## 2.4 Avoidance of conflicts of interest

At ALFING, business decisions are made exclusively in the best interests of the company. In the course of our business activities, situations may arise in which business interests conflict with personal interests. In such a case, decisions can no longer be made impartially in the best interests of the company. Such conflicts of interest should therefore be avoided from the outset.

It is therefore prohibited for any employee to manage a company or to work for a company that is in competition with ALFING companies. In addition, no employee may have private orders carried out by companies with which the employee or a close relative has a business relationship if this could result in advantages for the employee.



## 2.5 Protection of company assets, IT-usage and fraud prevention

All employees are obliged to handle company property of any kind, e.g. work equipment, products, knowledge and intellectual property, in a responsible manner.

Company property and in particular, company assets shall only be used for business purposes. Misuse for other, in particular inappropriate personal, illegal or other unauthorized purposes is prohibited.

Communication facilities of ALFING, such as internet, intranet and e-mail, as well as all work equipment serve the operational requirements. Separate regulations apply to any private use. In the context of IT use, the guidelines and security regulations must be complied with in order to limit the general risks.

IT devices (PC, notebook, etc.) must always be stored in a suitable manner and secured with access protection (e.g. password) within the scope of technical possibilities. Personal passwords may not be passed on to other employees or third parties. Clear and verifiable regulations must be made for substitutes. If company-related data is stolen or cannot be found, the relevant supervisor must be notified immediately. If this concerns electronic data, the blocking of access authorizations or other suitable steps must be initiated immediately in consultation with the responsible IT department.

We take consistent action against all forms of fraud, e.g. embezzlement, theft, misappropriation, tax evasion or money laundering. Through appropriate control measures, we aim to prevent asset-damaging offenses of all kinds.



# Relations with business partners and third parties

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## 3.1 Relations with business partners

Our business partners (e.g. customers, suppliers, representatives and consultants) expect that they can rely on ALFING as a legally compliant partner. We also make sure that our business partners comply with law and order.

## 3.2 Competition and anti-trust law

We are committed to the principles of the market economy and to compliance with the rules of fair competition. Agreements with competitors or third parties or other practices that inadmissibly counteract fair competition are prohibited.

Every ALFING employee is obliged to fully comply with the rules of fair, open competition.

In order to avoid violations of antitrust law, the following actions in particular are prohibited:

- Colluding with competitors on prices, margins, costs, bidding, distribution or other factors that affect the company's competitive behavior,
- Submission of sham bids or agreements with competitors not to compete,
- Agreements on the allocation of customers, markets or territories or territories.

## 3.3 Prohibition of corruption and bribery

At ALFING, any form of bribery and corruption is prohibited. This applies to persons, companies, authorities and other institutions.

## 3.3.1 Fight against corruption: Offering and granting benefits

In the spirit of fair competition, we gain orders based on technically outstanding products, innovation, quality and price.

It is expressly prohibited to offer, promise or grant material or immaterial benefits to employees of business partners, their agents, public officials or members of the aforementioned groups of persons if they can be understood as an attempt to influence a public official or bribe a business partner in order to gain business advantages.

Granting benefits of small value, e.g. in the context of invitations or in connection with advertising measures that serve the purpose of promoting business relationships or presenting products or services, is permissible - insofar as it is moderate. Country-specific laws and customs must be observed. Agreements on commission payments are only permissible if the amount of the commission is in reasonable proportion to the service and it is clear on which service the commission payment is made.

## 3.3.2 Fight against corruption: Requesting and accepting benefits

All ALFING employees are prohibited from using their position or function in the company to demand, accept or procure personal benefits of a material or immaterial nature for themselves or for persons close to them.

Occasional invitations to customer events or meals, especially during or following official meetings, or the acceptance of gifts of a symbolic nature or minor value are permitted.

### 3.4 Anti-money laundering

Anti-money laundering and anti-terrorist financing laws are binding for all ALFING employees. It is our declared goal to maintain business relationships exclusively with reputable customers, consultants and business partners whose business activities are in compliance with legal regulations and whose financial resources are of legitimate origin.

### 3.5 Financing armed groups

Our business partners work to prevent the direct or indirect financing of armed groups. In this context, they observe the applicable legal requirements relating to conflict commodities and comply with them accordingly.

### 3.6 Trade control

ALFING complies with all export control and customs laws applicable in the respective countries of its business activities. All employees involved in the import and export of goods, services, hardware, software or technologies as well as payment transactions are obliged to comply with the applicable economic sanctions, export control as well as import laws and regulations and all guidelines and processes related to their business activities.

### 3.7 Business relations with suppliers

ALFING expects its suppliers to comply with the law and to share and act in accordance with the principles and policies described in this Code of Conduct. This also includes refraining from corruption, observing human rights, complying with the laws against child labor, assuming responsibility for the health and safety of their employees, and complying with the relevant national laws and international standards on environmental protection.

As environmental and climate protection play an increasingly important role, care must be taken to ensure that chemicals are handled responsibly. Working hours, remuneration and other benefits for employees should at least comply with the respective national and local legal standards or the level of the national economic sectors/industries and regions. In addition, a grievance procedure and protection against retaliation should be provided for employees.





# Dealing with information

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## 4.1 Reporting and financial integrity

All ALFING employees must ensure that business transactions, protocols and reports are complete, timely, technically correct and truthful. All business transactions, in particular verbal and written agreements and contracts concluded, must be documented and retained in accordance with legal requirements.

## 4.2 Confidentiality

All information concerning the companies of ALFING and its business partners is treated as confidential and must not be made available to third parties unless it has previously been made publicly known or accessible in a permissible manner. Confidential information includes in particular financial data, personnel information, new business or product plans, sales prices and manufacturing costs. The obligation to maintain confidentiality applies to all ALFING employees for the duration of the employment relationship and continues to apply after termination of the employment relationship.

## 4.3 Data protection

The protection of personal data, in particular of employees, customers and suppliers, is of particular importance to ALFING. We only collect or process personal data if this is absolutely necessary for the fulfillment of the respective work task or if it is ordered by law. In doing so, we observe the applicable data protection regulations.

The responsible data protection officer supports the respective companies in this regard.

## 4.4 Corporate communication

All press releases and other information about ALFING intended for the public are made exclusively via the management or the communications officer. This refers to both classic and digital communication.





# Sustainability and responsible corporate governance

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ALFING is committed to responsible corporate governance geared towards sustainability. In addition to economic goals, we also pursue social and ecological goals in the sense of responsible treatment of our employees and third parties and careful use of resources to protect the environment. In doing so, we adhere to the 10 universal principles of the Global Compact program of the United Nations, which relate to the areas of human rights, labor standards, the environment and climate, and the prevention of corruption.

## 5.1 Fair working conditions

ALFING provides its employees worldwide with fair and safe working conditions that comply with all relevant, including local, legal requirements. We respect the rights of our employees to freedom of association and collective bargaining in accordance with applicable rights and regulations.

We recognize the right of all employees to form trade unions and employee representatives on a democratic basis within the framework of national regulations. The right to adequate pay is recognized for all employees.

Working hours, pay and other benefits correspond at least to the respective national and local legal standards or the level of the national economic sectors/industries and regions. We are also committed to the core labor standards of the International Labor Organization (ILO).

We reject forced and child labor, human trafficking and any form of exploitation and discrimination and ensure strict compliance with relevant laws.

The safety and health of our employees is our top priority. Workplaces, operating equipment and work processes must therefore be designed to comply with applicable legal and internal health and safety regulations. We are committed to constantly reviewing and improving the effectiveness of our measures to reduce accident and health risks.

## 5.2 Environment and climate

For us, responsible corporate governance also includes responsibility towards future generations. Our actions are therefore geared to conserving scarce resources and minimizing the environmental impact of our companies and their products as far as possible.

We not only comply with all relevant environmental laws and regulations, but also operate an environmental management system in accordance with DIN EN ISO 14001 and involve employees and suppliers in our activities to protect the environment.

When developing new products, we consider ecological and environmentally compatible aspects from the outset in order to minimize the impact of our products on the environment.

Furthermore, ALFING particularly observes the requirements for conflict minerals, so-called „Conflict Materials“ according to the Dodd-Franck-Act, Sec. 1502. It is the declared goal to exclude the purchase of conflict minerals from the regions described therein.

## 5.3 Product safety and quality

We see ourselves as a partner to our customers. Long-term customer relationships serve our business success. Our claim is therefore to offer our customers safe and flawless products and services of high quality. Products and services must not have any defects or hazardous properties that could impair health or damage property. At the same time, we strive to constantly improve the quality of ALFING products.

# Complaints and hints

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ALFING's managers are obliged to inform their employees about the content and meaning of this Code of Conduct and to encourage them to follow the principles and rules described therein.

Every employee has the right to report violations or suspected violations of this Code of Conduct, other internal guidelines and regulations or legal requirements at any time. The first points of contact are the supervisors, the HR department or the management. In addition, the employee may also contact the employee representative body.

In addition, the following general compliance advisory service is available to any employee for further inquiries:

E-mail: [compliance@aks.alfing.de](mailto:compliance@aks.alfing.de)

All reports are taken seriously and the respective reporting person does not have to fear any disciplinary measures or sanctions, even if the reported violation of this Code of Conduct is not confirmed. However, deliberately false or malicious accusations made to defame others will not be tolerated. If the whistleblower requests confidentiality, this will also be guaranteed.



Requirements

# COMPLIANCE



Law



Audit



Standards



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