

RENK

 CORPORATE GOVERNANCE

RENK Group Ethics & Compliance



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document carefully.

It will support you in
your everyday work.

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For reasons of better readability, we chose the generic masculine for references to individuals and any such reference is meant to include all genders.

RENK Group – Ethics & Compliance

As a globally active group of companies with a long tradition, the RENK Group (“RENK”) has a corporate responsibility to customers, business associates, employees, investors, and the public. This responsibility also includes that RENK complies with applicable laws, respects fundamental ethical values in all its activities, and acts sustainably – always and everywhere.

Against this background, Ethics & Compliance is a fundamental part of RENK’s corporate strategy and culture and must be practiced at all times by all employees. This starts with the Management Board of RENK Group AG and applies likewise to all local managing directors, executives, employees, and temporary workers within RENK.

The Management Board of RENK Group AG has established a Compliance Management System (CMS) that ensures a lawful and compliant conduct throughout the RENK Group by specifying a clear organizational structure, issuing generally binding guidelines, and defining appropriate processes.

The Management Board of RENK Group AG has appointed the Group General Counsel to act as Chief Compliance Officer who heads the Corporate Ethics & Compliance department and is responsible for the implementation, enforcement, and advancement of the CMS at RENK.

In particular, the Chief Compliance Officer of RENK Group AG is responsible for the following topics:

- compliance with the corporate governance regulations
- prevention of money laundering
- antitrust law
- establishing and maintaining a whistleblower system
- compliance with the provisions of foreign trade legislation
- compliance with the provisions of information security legislation
- coordination of data protection requirements
- avoidance of fraud, corruption, and embezzlement
- avoidance of other cases of economic crime
- avoidance of risks with business associates (suppliers, distributors, cooperation partners, customers).

The CMS at RENK is based on generally acknowledged principles and is structured along the following core elements.



RENK Compliance Management System

Compliance culture

Compliance is an integral part of RENK's corporate culture. The Management Board encourages a culture of transparency and integrity through numerous measures (Tone from the Top). Targeted communication as well as training sessions that are organized regularly and/or as required ensure that the employees know about relevant compliance processes and requirements and that the required sensitivity to Ethics & Compliance topics exists (Communication and Training).

Tone from the Top

The RENK Management Board is aware of its responsibility for compliance and is fully committed to it. Integrity and lawful conduct have top priority within the RENK Group. Compliance violations are not tolerated and are punished resolutely. Compliance communication measures carried out at regular intervals or as required by the Management Board, by the managing directors of the RENK entities, and by the heads of the segments underpin the importance of compliance for the corporate culture and the corporate success. Ethics & Compliance is a regular item on the agenda of meetings of executives.

Susanne Wiegand, chairwoman of the Management Board of RENK Group AG, emphasizes:

"Compliance is an integral part of RENK's corporate strategy. All employees must be aware of their individual responsibility and make their contribution so we can jointly fulfil our corporate responsibility. For all of us, compliance with laws, ethical principles, and internal guidelines is a matter of course in everything we do – everywhere and at all times. When it comes to the infringement of the law, we live zero tolerance."

Communication and Training

Compliance guidelines, processes and individual measures are regularly communicated to our employees through RENK's internal communication channels such as newsletters, the employee app (myRENK), information platforms, and the intranet. Further communication measures such as the organization of internal information events and poster campaigns ensure that employees are comprehensively and continuously informed and sensitized.

Employees are also made familiar with compliance guidelines and relevant compliance processes through training. All over the world, the Compliance Organization conducts training sessions for RENK employees. In these sessions, the RENK Compliance Organization is presented, and the participants are provided with a basic knowledge of topics related to Ethics & Compliance. Specific examples are used to highlight risks and deepen the understanding of the relevant compliance guidelines. The employees learn how to behave to avoid infringements of the law and conflicts.

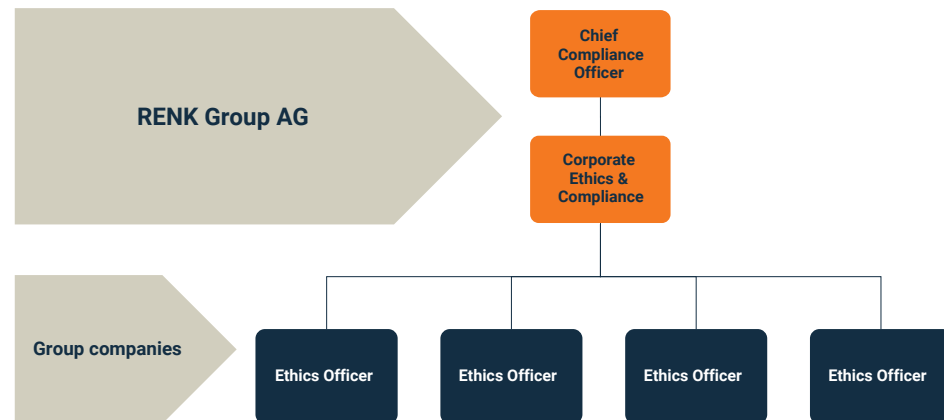
In particularly risk-prone areas, employees also attend online training sessions or special training events on particular topics. For instance, our employees in the sales, purchasing and after-sales fields are provided with in-depth training on the prevention of corruption. Also RENK executives receive dedicated training on the specific compliance risks they face as member of the management and on their resulting special responsibility.

Compliance organization

The Management Board of RENK Group AG has established the Compliance Organization which is headed by the Chief Compliance Officer. The Compliance function is one of the responsibilities of the Chairwoman of the Board, and the Chief Compliance Officer reports directly to the Chairwoman of the Board. In addition, the Chief Compliance Officer regular reports to the Supervisory Board of RENK Group AG about the CMS, about current compliance risks and about potential incidents. Significant compliance risks and incidents are escalated on an ad hoc basis outside the regular reporting routine.

The Chief Compliance Officer controls the Corporate Ethics & Compliance department which is managed by the Lead Compliance Officer and implements and advances the Group-wide CMS.

The management bodies of the group companies are responsible for executing the Group-wide compliance programme established by the Management Board and controlled by the Corporate Ethics & Compliance department. Each group company has one person assigned to it as a local compliance officer ("Ethics Officer"). Ethics Officers are not full-time Compliance Managers but executives or employees that take on a special responsibility for the subject of Ethics & Compliance, except at sites, where the large number of employees requires the existence of a full-time Compliance Manager. Ethics Officers support the Corporate Ethics & Compliance department in the effective implementation of compliance measures at the respective sites or in case of questions arising at the site in this connection. Insofar, Ethics Officers are functionally subject to the instructions by the Chief Compliance Officer and the Lead Compliance Officer as the head of the Corporate Ethics & Compliance department.



RENK Compliance organization

Within RENK's Governance, Risk and Compliance System (GRC), the Compliance function, together with other functional departments, is part of the second line of defence (Three Lines Model)¹. Core mission of the Compliance function is thus the support of the Management Board and the business segments in the management of compliance risks. The Compliance function constitutes

one of several steering groups within the Risk & Compliance Review Board and reports any anticipated compliance risks to the Risk & Compliance Review Board on a quarterly basis. The Risk & Compliance Review Board comprises at least one member of the Management Board, the Chief Compliance Officer, the Segment Controllers, the Head of Finance, and the Head of Internal Audit.



RENK's Risk & Compliance Review Board

¹ Three Line Model of the Institute of Internal Auditors (IIA).

Compliance framework and guidelines

To manage the business operations, ensure the legality of all business transactions and respond to other material risks, the Management Board of RENK Group AG issues internal provisions, also in the form of guidelines.

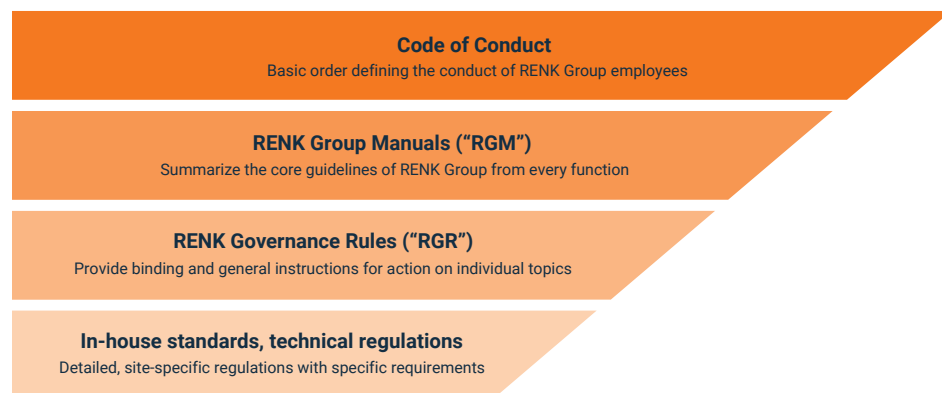
The RENK compliance framework includes the Code of Conduct and all guidelines of the RENK Group. The Group companies must implement the specifications of all guidelines to their full extent. The local implementation may also comprise measures necessary due to corporate, business or country-specific requirements. The guidelines fully apply to all employees of the RENK Group. The objective is to create an equivalent level of security.

RENK Group Manuals ("RGM") summarize all core contents of the RENK Group that MUST be implemented, and provide an overview of all applicable guidelines from each function.

RENK Governance Rules ("RGR") concern core topics and are applicable across the sites within the RENK Group. They must meet uniform minimum standards and be accessible and comprehensible for all employees.

In addition, there are local in-house (plant) standards that include detailed and usually site-specific technical provisions. They are independent, specific technical specifications with a high depth of detail.

The RGR "Creation and Issue of Rules in the RENK Group" contains binding specifications for the creation, implementation, publication, communication, review, amendment, and revocation of guidelines and corresponding local guidelines of the group companies. That Rule also describes the hierarchy of provisions and lays down basic guidance for their handling.



RENK Compliance framework

Code of Conduct

The RENK Code of Conduct is a binding communications and control instrument and constitutes the basic order defining the conduct of the RENK Group employees in a variety of surroundings and contexts. It contains specifications for acting lawfully and with integrity. The Code of Conduct applies to the Management Board, the local management bodies, all executives, and every single employee.

The Code of Conduct summarizes the responsibility for Ethics & Compliance under three basic headings:

- Our responsibility as a member of society
- Our responsibility as a business partner
- Our responsibility at the workplace.

Under these fundamental topics, the Code of Conduct outlines RENK's corporate principles, the contributions RENK expects from each employee, and practical examples for the implementation in the day-to-day business which concern the following compliance-relevant aspects:

human rights; equal opportunities, equal treatment, and non-discrimination; product conformity and safety; environmental protection; donations, sponsorship, and charity; communication and marketing; political lobbying; conflicts of interests; gifts, hospitality, and invitations; prohibition of corruption; interaction with public and elected officials; consultants and agents; prohibition of money laundering and the financing of terrorism; accounting and financial reporting; taxes and customs duties; fair and free competition;

procurement and due diligence obligations in the supply chain; export control; occupational safety and health; data protection; security and protection of information, knowledge, and intellectual property; IT security; prohibition of insider dealing; use of company assets; employee representation and fair working conditions; protection of whistleblowers.

Compliance guidelines

Apart from the Code of Conduct, RENK has implemented Governance Rules for the topics for which the Corporate Ethics & Compliance function is responsible; these must also be fully implemented by the group companies.

All guidelines, also including the compliance guidelines are communicated to all employees. RENK Group Manuals and RENK Governance Rules are accessible to all employees through internal channels (intranet, SharePoint, etc.) and are available in German and English.

Compliance Risk Analysis

A central component of the CMS is a group-wide Compliance Risk Analysis through which risks in the areas for which the Governance, Legal, Ethics & Compliance function is responsible are determined in a structured process.

The Compliance Risk Analysis follows the standards of Deutsches Institut für Compliance e.V. (DICO)². It extends across all group companies and considers the number and size of the individual group companies, the business model, the customer and sales structure, the CPI³ and GDI⁴ as well as the structure of the local competition to identify potential risks. Subsequently, a top-down and bottom-up assessment of the relevant risks is performed, and the results are presented in a global map of the risks based on the expected risk level (Global Compliance Risk Map).

The findings of the Compliance Risk Analysis are used to derive and implement specific risk mitigation measures. The comprehensive implementation of these measures is monitored by the Corporate Ethics & Compliance department. The Compliance Risk Analysis is carried out every three years; the most recent Compliance Risk Analysis was performed in 2023.

Compliance and financial controls

RENK's Internal Control System (ICS) comprises a variety of compliance and financial controls to address central risks that are of compliance relevance in the respective processes implemented by RENK. These controls are in particular related to the business partner integrity and sanction list check, the regular updating of guidelines, conflicts of interest, gifts and entertainment, and mandatory compliance training.

² DICO Standard 09 – Compliance Risikoanalyse.

³ Transparency International Corruption Perception Index.

⁴ Government Defence Integrity Index.

Reporting and investigation of compliance violations and sanctions

RENK has established clear and transparent procedures and processes that ensure that compliance violations are internally identified, investigated, and promptly stopped. These procedures and processes are laid down in a RENK Governance Rule.

Reporting of compliance violations

RENK's Compliance Management System provides several channels for reporting potential compliance violations:

Potential violations of the law or the guidelines can be reported online – also anonymously if preferred – through the digital whistleblower system "RENK Integrity Line". With the installation of a protected mail box, whistleblowers have the opportunity to communicate anonymously with the Corporate Ethics & Compliance department. The digital whistleblower system is available in several languages and is intended for use by all RENK employees but also by customers, suppliers and other third parties. The RENK Integrity Line is available at <https://renk.integrityline.com>.

In addition, employees can directly contact the Corporate Ethics & Compliance department to report potential compliance violations. The name of the contacts and their contact data are published on the intranet. Potential violations can also be reported to other points of contact such as the line manager or the HR department.

Moreover, there is the possibility of contacting the external ombudsman. With this, RENK offers employees and business associates an external opportunity to report compliance violations confidentially. The external ombudsman protects the identity of the whistleblower based on his duty of confidentiality as a lawyer. The contact data of the external ombudsman are published on the intranet and on the RENK Group website.

Investigation of violations

Received reports are checked and processed by the Corporate Ethics & Compliance department. The processing is governed by a defined Incident Management Process which in particular ensures the confidentiality and the protection of the whistleblower. The central responsibility of the Corporate Ethics & Compliance department for receiving reports and investigating compliance violations ensures that misconduct is detected and risks for the RENK Group can be identified and averted at an early stage.

Sanctions

RENK does not tolerate any violations of the law or of internal guidelines. Where compliance violations are identified, they are investigated and, where applicable, suitable and appropriate sanction measures are identified and implemented. An internal RENK committee, in which the Corporate Ethics & Compliance department is represented, decides about the sanctions. The sanction measures depend on the seriousness of the violation and range from disciplinary action and civil law consequences through to a criminal charge. The implementation of the sanction measures is monitored internally in the RENK Group.

Where a compliance violation has occurred, the Corporate Ethics & Compliance department also analyses the background and reasons of the violation. The findings of this analysis are used to identify and eliminate potential weaknesses of the CMS. The identification of compliance violations is thus used to continuously develop and improve the CMS. This way, RENK ensures the sustainable effectiveness of its Ethics & Compliance programme.

Business Partner due diligence and monitoring

RENK expects that also its business associates and their employees act responsibly and comply with applicable laws and respect ethical principles – everywhere and at all times. Therefore, RENK has issued its own set of values ("Supplier Code of Conduct") that defines certain minimum standards that RENK's suppliers and other business associates undertake to observe.

RENK has additionally issued a RENK Governance Rule which governs the engagement of business associates that act on behalf of RENK in an intermediary or representative function to assist RENK in marketing, importing, or exporting products or services or in meeting RENK's obligations as part of counterpurchase (offset) transactions ("Business Partners").

It defines specific requirements for the initiation, conclusion, and follow-up check of contracts and for the payment of the remuneration and is intended to ensure that applicable legal provisions and compliance principles are also observed when Business Partners are engaged.

The integrity of all Business Partners of the RENK Group is monitored with the Business Partner Integrity Check and the annual follow-up check which are mandatory under the Governance Rule. The Business Partner Integrity Check is a process through which the integrity of a Business Partner can be quickly, transparently, and comprehensively verified using information available anywhere in the world.

Controls concerning suppliers and contract award process

RENK expects that also its suppliers and their employees act responsibly and comply with applicable laws and respect RENK's values and basic principles – everywhere and at all times.

Against this backdrop, the Supplier Code of Conduct obliges suppliers to comply with the binding minimum standards it defines.

The Supplier Code of Conduct summarizes the responsibility for compliance under five basic headings:

- Corporate responsibility
- Transparent business relationships
- Fair market conduct
- Protection of data, business secrets and company assets
- Compliance with the Code of Conduct and legal consequences of any violations.

Under these fundamental topics, RENK's specific expectations and requirements on suppliers are defined for the following compliance-related subjects:

human rights; equal opportunity and non-discrimination; freedom of association and fair working conditions; health and safety at work; environmental protection and sustainability; handling of hazardous substances; product safety; responsible procurement of raw materials and conflict minerals; avoiding conflicts of interests; prohibition of corruption; gifts, hospitality, and invitations; states as customers and dealing with authorities; consultants and agents; fair competition; export control & trade compliance; money laundering and financing of terrorism; taxes and reporting; data protection and data security; intellectual property, trade and business secrets; handling company assets; security of the international supply chain.

In addition, RENK has issued a RENK Governance Rule that defines details of the responsibilities in connection with the purchase of goods and services, of the principles of purchasing, and of the purchasing process. As part of the purchasing process, also due diligence measures for the creation of new suppliers (onboarding) and measures for the ongoing monitoring of suppliers are implemented, through which compliance risks can be identified at an early stage.

Mergers & Acquisitions (M&A)

For the management and monitoring of M&A risks, also including compliance risks, RENK has issued a RENK Governance Rule. The M&A department in charge involves the Corporate Ethics & Compliance department in all stages of the M&A process.

A compliance review is one of the core components of the due diligence review of an M&A project.

Internal audit and external reviews

As a third line of defence (Three Line Model)⁵ RENK has implemented an independent internal audit function. The internal audit function supports the business organization through a systematic and targeted approach in evaluating and improving the effectiveness of the CMS and the risk management, the controls, and the management and monitoring processes. The task of the internal audit function at RENK is to provide independent and objective auditing and consulting services and to optimize the processes within the company. Where required, RENK also commissions external reviews, in particular with the aim of ensuring the effective implementation of individual compliance measures and checks.

Contact

If you would like to know more about ethics and compliance at RENK, please contact:

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⁵ Three Line Model of the Institute of Internal Auditors (IIA).



Trusted Partner.

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