

alzchem  
group



AGILE SCIENCE PURE RESULTS

Alzchem Group AG

Doing  
business  
right.

Visions | Principles | Guidelines



# Content

# ALZCHEM PHILOSOPHY

## GUIDELINES FOR THE ACTIVITIES OF ALZCHEM AND ITS EMPLOYEES

These guidelines apply to all companies where Alzchem Group AG directly or indirectly holds a majority interest.

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With innovative chemistry based on our integrated production network we supply customer-oriented applications to selected markets.

## Our visions

### COMMITMENT TO THE „ CARBIDE/CALCIUM/CALCIUM CYANAMIDE (NCN) CHAIN“

We say a clear „yes“ to carbide and the production network based thereon being the foundation and strength of all our activities.

### CREATING VALUES FOR OUR CUSTOMERS

We sell solutions, not molecules. For this purpose we work closely together with our customers to identify their improvement potential as early as possible and focus our activities thereon.

### GROWTH

We focus on innovation. We act on the maxim to create new areas of work, develop profitable markets and optimize our value chain.

### FOCUS

We operate in selected, clearly defined target markets. We want to grow in these markets and become the preferred partner for our customers.

# Our principles

For realizing our vision we build upon clear principles of conduct.

1

We strengthen mutual trust through reliability, fairness, timely information and open communication, as well as by asking for and giving feedback.

2

We aim at achieving Alzchem's goals by acting in an entrepreneurial manner thereby assuming responsibility for our decisions.

3

All our activities are bound to meet highest quality standards. We see a chance in learning from potential mistakes and feel obliged to do so.

4

We elaborate constructive solutions together with our customers and implement decisions resulting therefrom.

5

We develop attractive offers by communicating with our business partners. We are constantly aware of our responsibility towards society and environment.

6

One of our key success factors is our skillful and quick way of acting. Thus we can adapt to and benefit from constantly changing demands.

# 01 Objectives and scope of application

The guidelines for Alzchem's activities require that every employee behaves in accordance with the rules. Why does Alzchem need such „compliance“ and what exactly does „rule-compliant behavior“ mean?

In the narrower sense, the term „compliance“ means that the company and its employees must adhere to law and order. In addition, the accordance of entrepreneurial activities with all core social guidelines and moral concepts shall be guaranteed.



## When does the compliance system come into play?

Alzchem's compliance system shall meet legal obligations, detect and terminate legal violation(s) and prevent or limit any damages.

These guidelines summarize Alzchem's most important corporate principles and standards that all employees should be familiar with. They provide orientation for Alzchem employees with respect to basic legal and ethical obligations and give them the necessary confidence to behave properly at work.

The corporate guidelines determine our conduct, both internally when communicating with each other and externally when contacting our business partners, authorities, representatives of the capital market and the public.

## Trust is created by taking over responsibility

Every employee is responsible for ensuring compliance. For achieving this goal, he or she is supported by the guidance and good example given by his or her superiors.

Moreover, compliance is a confidence-building measure to protect the global reputation of our company and its employees. A culture of mutual trust, predictable and integer behaviour is promoted thereby.



## 02 Business environment behaviour

The integrity of all actions is an essential prerequisite for a sustainably successful business life.

### BUSINESS MANAGEMENT

As a globally active group, Alzchem has to observe numerous national and supranational legal regulations (e.g. EU regulations) as well as legal regulations of other countries. All of Alzchem's business affairs and processes must therefore be managed in such a way that they comply with all applicable laws and regulations.

It is prohibited to issue any instruction that might result in a violation of the conduct governed by these guidelines.

Any form of bribery and corruption, fraud, embezzlement, etc., including the attempt of such criminal acts, is prohibited in the Alzchem company. There shall not even be a hint that an Alzchem employee might be bribable or that he or she would try to influence others by using inappropriate means.

Any gifts, favors, food and drinks or other benefits may only be granted or accepted if they do not exceed the scope of business customs in the region concerned, if they do not also have an unreasonably high value and if they are within the scope of what is permitted by law or employment law. Generally, business meals that do not cost more than EUR 60 per person are considered reasonable (see also Travel Policy). In all other cases as well as in the event of doubt, prior consultation of one of the superiors or the Compliance Officer is required. Every employee is obliged to disclose the gifts, food and drinks and other favors granted and accepted towards his or her superior(s) and - upon request - also towards the Compliance Officer. If the gifts and favors exceed the permissible level, but cannot be refused or returned, they shall be distributed among the members of the department and/or the other employees in coordination with the Compliance Officer.

### COMPLIANCE WITH LAWS AND REGULATIONS

### BRIBERY AND FRAUD

### GIFTS, ENTERTAINMENT OFFERS AND OTHER BENEFITS

## OPEN-MINDED DIALOGUE / EXTERNAL COMMUNICATION

We stand for an open-minded dialogue, whether in our communication with Alzchem's employees or employee representatives, or in the relationships with our business partners, neighbors and/or authorities. In the event of official or internal investigations, all employees are obliged to cooperatively contribute to the clarification of the subject matter and to provide all necessary information. Official statements, in particular towards the media, are only made by persons authorized by Alzchem.

## HUMAN RIGHTS, LABOR AND SOCIAL STANDARDS

As a globally active company, we are fully committed to respecting human rights - both with respect to employees of our company and our suppliers. For this reason, Alzchem regularly undergoes comprehensive auditing by Ecovadis for the chemical initiative „Together for Sustainability“ and regularly receives an extraordinary audit rating. In addition, by joining the German Association of Materials Management, Purchasing and Logistics (BME), Alzchem has undertaken to comply directly with the principles of UN Global Compact, the ILO [International Labour Organisation] conventions and the Universal Declaration of Human Rights on respecting human rights, guaranteeing environmental protection, complying with minimum labor standards and combating corruption.

When selecting our suppliers, we pay attention to the fact that they also comply with the essential principles of the BME Code of Conduct

## REPORT INTEGRITY

All expense vouchers, accounting records, financial, research and sales reports, environmental and safety reports, and other documents of the Group shall accurately, clearly and timely reflect the relevant facts respectively the character of a business transaction.

## BUSINESS RELATIONS

## EQUAL TREATMENT AND FAIRNESS

We communicate with all business partners in a legally correct and fair manner. Our purchasing department selects suppliers and service providers applying objective and comprehensible criteria. As far as possible and reasonable, contracts are awarded on the basis of competitive bids. When selecting our suppliers, we pay attention to the fact that they act in accordance with the principles of these corporate guidelines.

Business incentives, such as performance-related commissions, discounts, price reductions or free deliveries of goods, shall be applied with great care in order to ensure compliance with the respective legal requirements. Any incentives granted must be documented comprehensively and accurately.

Payment for goods and services received shall be made directly to the respective contractual partner. As a rule, payment shall be made in the country where the contractual partner has his place of business. Payment in whole or in part by cash is prohibited, except in minor cases.

When undertaking financial transactions, we observe all applicable laws, in particular the regulations for preventing money laundering.

## CONFLICTS OF INTEREST

The utilization of Alzchem resources for private purposes is generally prohibited. Exceptions may be permitted by one of the superiors or by separate regulations (e.g. company agreements).

The private interests of Alzchem employees and the interests of Alzchem shall be strictly separated. A conflict of interest occurs if private interests collide in any way with Alzchem's interests or if only such an impression is given.

Alzchem appreciates the social commitment of its employees to working with young people, educating adults, sports, charitable and cultural activities, even when said employees receive appropriate remuneration/compensation therefor. Secondary occupations of any kind may not impair the employee's obligation to make his or her full working capacity available to Alzchem. If an employee exercises a secondary employment, he shall inform one of his superiors or the Human Resources Department and ask for approval in accordance with the provisions of the employment contract.

## BUSINESS INCENTIVES

## PAYMENTS

## UTILIZATION OF THE COMPANY'S TANGIBLE ASSETS AND RESOURCES

## SIDELINE ACTIVITY/ POLITICAL COMMITMENT



Economy and society only function properly when companies and their employees make political and civic commitments in a democratic environment. This is why Alzchem appreciates and encourages its employees' commitment. Alzchem also respects the freedom of its employees to decide on political self-determination. In particular, employees shall not be encouraged in any way, directly or indirectly, to make party donations or to support or oppose a political party or a person's candidacy for a political position.

#### **COMPETITIVE ACTIVITIES; INVESTMENTS IN COMPETITORS, CUSTOMERS AND SUPPLIERS**

An employee's activities, including the activities of his or her family members, in one of Alzchem's core businesses shall not be competitive or in conflict with Alzchem's interests. In case of doubt, such an activity shall be reported to one of the superiors or the Compliance Officer.

Shareholdings, including those of family members, in the company of one of Alzchem's competitors, customers or suppliers shall be reported to one of the superiors or the Compliance Officer.

„Family members“ in this sense are spouses, life partners and minor children; a „shareholding“ under company law is deemed to exist if the shareholding exceeds five percent.

#### **BUSINESS WITH FAMILY MEMBERS**

Transactions between Alzchem companies and employees or their family members should generally be avoided. In individual cases, however, they may be approved by the management of the respective company. In the course of this it shall be ensured that the employee concerned does not participate in the decision-making process.

#### **PRESERVATION OF CONFIDENTIALITY**

All company and business secrets are subject to confidentiality and shall not be disclosed to third parties, either during or after the termination of the employment relationship, without an operational necessity or a legal obligation to do so. If such information is disclosed, care must be taken to ensure that the respective information is effectively protected, e.g. by concluding confidentiality agreements.

The direct or indirect use of confidential business information for personal benefit, for the benefit of third parties or to the disadvantage of Alzchem is prohibited both during and after the termination of the employment relationship.

Alzchem employees are obliged to contribute to the active protection of confidential matters, information and data against access by third parties in accordance with Alzchem's guidelines as well as applicable legal provisions regarding the protection of business secrets .

#### **DONATIONS**

Donations are made in the form of cash benefits or benefits in kind to promote cultural, social, religious, scientific, political or charitable purposes. Donations on behalf of Alzchem, regardless of the scale, are subject to the approval of the Board of Directors. All donations are processed exclusively by the Communications Department.

#### **EQUAL TREATMENT AND INTERACTION WITH EACH OTHER**

Alzchem employees communicate in a fair, polite and respectful manner. At work, they respect the rights as well as the country-specific and cultural characteristics of each individual they contact. Attempts are made to settle any conflicts between employees internally first and, if possible, the conflicts should be resolved by discussing with each other.

It is Alzchem's declared goal not to favor or discriminate any employee, job applicant or business partner on the grounds of race or ethnic origin, gender, religion or world view, disability, age or sexual identity.

Any kind of harassment, hostility against, discrimination or bullying of Alzchem employees or employees of business partners is prohibited. If Alzchem employees feel unjustifiably disadvantaged, they can contact the Compliance Officer confidentially at any time.

#### **FIRST CLARIFY CONFLICTS INTERNALLY**



## 03 Specialist topics

### ANTITRUST LAW

One of the fundamental company policy principles is that all Group employees working for Alzchem act in accordance with the applicable antitrust laws.

In general, antitrust laws prohibit agreements and actions that are disadvantageous for trade or competition. For example, agreements among competitors aiming at fixing or controlling prices, boycotting selected suppliers or customers, splitting up customers or markets or limiting the production or sale of goods, are part of the violations against said laws.

### FOREIGN TRADE AND EXPORT CONTROL

Alzchem complies with all applicable foreign trade and customs regulations.

### ENVIRONMENT, SAFETY AND HEALTH

Protecting the safety and health of humans against negative influences caused by Alzchem products or business and production processes and responsibly dealing with the environment and its natural resources are elementary components of conscientious Alzchem activities. Beyond complying with laws and agreements, Alzchem continuously tries to improve its performance and management system in this area.

The employee productivity shall be durably maintained by offering age-appropriate workplaces and an effective health management.

## DATA PROTECTION

We ensure conscientious and responsible handling of personal data respecting the privacy and personal rights of our employees and business partners. Their right on informational self-determination shall always be respected. Unauthorized collection, processing, forwarding and use of personal data is prohibited. All other data protection principles are detailed in one of the guidelines.

The data protection officer shall answer all questions relating to data protection.

## INFORMATION SECURITY

Information security is part of all Alzchem processes and projects where data are elaborated. This is not only true for the IT area, but also, for example, for the design of business processes, physical access perimeters or employee training. All employees are required to comply with the information security specifications.

The global increase in cybercrime constantly endangers the security of our products, systems and networks and impairs the confidentiality, availability and reliability of our data. When our critical IT systems and applications are exposed to such a danger, this may also have effects on production and supply chain operations. For example, if data are unavailable or manipulated, the plant security and the accuracy of financial reporting may be jeopardized. Furthermore, confidential information, such as the results of Alzchem's research and development, are valuable assets. This means that any unauthorized access thereto may jeopardize our competitive position and, what's more, reputation could be affected negatively.

To minimize such risks, information security is an integral part of our business processes. Since 2017, Alzchem's German locations have been certified in accordance with the globally recognized ISO/IEC 27001 standard in all business divisions.

## IT SECURITY

Alzchem's critical business processes are operated on redundantly designed high availability systems. Data backup procedures are state of the art at all times. We have the measures to protect our IT systems, cybersecurity, backup procedures, and virus, access protection, and encryption systems regularly audited by independent third parties. We have taken out a cyber insurance in order to minimize the residual risk.

All Alzchem employees are obligated to use the IT systems they are provided with and the data stored thereon in accordance with given regulations. We take care to ensure that our information and IT security standards are not impaired by the contact with our business partners. For example, all external data carriers must be scanned for viruses before being used in the company without exception.

## INSIDER RIGHT

As a listed company, Alzchem Group AG must comply with strict capital market regulations. This is also true for Alzchem employees. In particular, they are not allowed to exploit so-called insider information, i.e. information relevant to the stock market price of Alzchem shares that has not yet been published, either for themselves or for third parties, nor are they allowed to pass it on to third parties. Anyone who violates this regulation may be prosecuted. Since violations caused by insiders can also cause great damage to Alzchem, the company will also consider to take labor law-related steps in such a case.

## INSIDER INFORMATION/ PRICE-RELEVANT INFORMATION



## 04 Implementati- on of the corpo- rate guidelines

The board of directors of Alzchem Group AG, the Compliance Officer and all employees are responsible for the implementation of the corporate guidelines, as far as the responsibility for individual topics has not been transferred to the head of the respective department.



**CONTACT**

The Compliance Officer ensures independent and objective processing of all concerns addressed to him. In this function, he is subordinate to the board of directors. However, with respect to his qualifications, he is not tied to any instructions. The Compliance Officer can be contacted by all employees for answering their questions and he can give advice in connection with the corporate guidelines. He takes note of all incoming information and handles it with the necessary diligence. The information received is treated in a strictly confidential manner, insofar as this is legally possible.

Dr. Cornelius Simons  
**Compliance Officer**  
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**CLARIFICATION OF THE FACTS**

If the Compliance Officer finds that an employee is suspected of having violated the principles defined in said guidelines, he may also invite other Alzchem departments to support him in clarifying the facts without neglecting the confidentiality of the information received. The employees working for the Compliance Officer are also obliged to keep absolute secrecy on said information. No disadvantages shall arise for the employee concerned as a result of having contacted the Compliance officer, provided that he or she has not violated any laws or the corporate guidelines.

## Whistleblower Hotline

**FUNCTION**

In addition to offering the possibility of reporting a potential violation of laws or guidelines to the Compliance Officer, Alzchem has also set up a whistleblower hotline. Alzchem employees as well as third parties, e.g. business partners or customers, are thus able to report violations of legal regulations or the corporate guidelines anonymously, if desired. By using the Whistleblower Hotline, the whistleblower will not incur any costs and no disadvantages will arise for the whistleblower in his relation

The whistleblower hotline is provided by our service provider [www.hinweisgeber-experte.de](http://www.hinweisgeber-experte.de). Its employees are subject to the obligation of secrecy. They shall treat the whistleblower's identity and the information provided by him or her confidentially, insofar as this is desired by the whistleblower and legally possible, also in relation to Alzchem. [www.hinweisgeber-experte.de](http://www.hinweisgeber-experte.de) as well as Alzchem shall pursue the transmitted notices with the necessary diligence and thoroughly investigate the underlying facts.

The Whistleblower Hotline can be contacted under the following addresses using online forms, by email, by phone, or in a face-to-face meeting:

Online form: <https://alzchem.hinweisgeberexpertemeldeplattform.de/>

E-Mail: [info@hinweisgeber-experte.de](mailto:info@hinweisgeber-experte.de)

Phone: +49 89 21527433

Personal meeting: Please make an appointment by e-mail ([info@hinweisgeber-experte.de](mailto:info@hinweisgeber-experte.de))

**CONFIDENTIALITY****EXTERNAL REPORTING OFFICE/  
CONTACT PERSON****CONTACT OPTIONS**

### **INFORMATION AND CONTROL OBLIGATIONS; ROLE MODEL FUNCTION OF THE SUPERIORS**

All superiors shall ensure that their employees are regularly informed on the contents of the corporate guidelines and that they observe the regulations contained therein. All superiors are obliged to actively support compliance with the corporate guidelines by being role models.

### **COMMUNICATION...**

If one of the employees becomes aware of violations of legal regulations or the corporate guidelines, he or she shall inform the Compliance Officer, if necessary also one of the superiors, or alternatively the Whistleblower Hotline. Correspondingly, the same procedure is applied if there is reasonable suspicion of such violations.

### **...AND PENALTIES FOR COMPLIANCE VIOLATIONS**

Violations of legal regulations may be punished by state authorities. Violations of the corporate guidelines may also have additional consequences under labor law, in particular disciplinary consequences.

### **COMPLIANCE TRAINING**

All Alzchem employees will be further familiarized with the corporate guidelines during the iManSys training course „Acting correctly“. The training is mandatory for all employees; successful participation therein will be documented accordingly. In addition, special training courses will be offered for defined circles of persons on other compliance-relevant topics (e.g. export control, terrorism control, antitrust law, and environment, safety and health); the participation therein will also be documented.



### **Imprint**

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