



# CODE OF CONDUCT



CONTENT

Purpose and Introduction ..... 4

Scope and Application ..... 5

Responsibility for Implementation..... 5

Product Quality ..... 6

Fair Competition and Anti-Trust Law ..... 7

Corruption, Bribery and Acceptance of Gifts..... 8

Responsible Procurement..... 9

Handling Conflicts of Interest ..... 10

Dealing with Discrimination and Harassment..... 11

Diversity and Inclusion ..... 12

Transparent Reporting ..... 13

Occupational Safety and Health Protection..... 14

Working Hours ..... 14

Sustainability (Environmental and Climate Protection)..... 15

Social Responsibility ..... 16

Foreign Trade Laws, Customs and Export Control ..... 17

Sanctions List Check..... 18

Compliance and Sustainability in the Supply Chain ..... 19

Data Protection and Data Security ..... 20

Reporting Violations / KLINGER Whistleblower System..... 21

Human and Labour Rights..... 22

Political Influence and Lobbying Activities ..... 22

Assignment of External Personnel..... 23

Revisions:  
06/2021  
11/2024



Ladies and Gentlemen,

wherever liquid, gaseous or cryogenic media have to be sealed, KLINGER symbolizes proven expertise for various industry applications. The KLINGER product portfolio remains at the forefront of sealing technologies and we are proud to serve a global customer base. We are a globally active group totalling over 64 companies and more than 93 manufacturing, distribution and service hubs worldwide. As a reliable partner, we also feel responsible for the way we conduct business. Ethical business standards and practices are part of our KLINGER company culture.

For this reason, we have developed our Code of Conduct further to help our employees conduct themselves responsibly in any business activity. Each of us has a personal obligation to uphold the standards of our Code and act ethically in our dealings with each other. It is also an essential element to inspire trust and confidence amongst all our business partners, and ensure the sustainability of our business. We rely on every one of us to make a careful and considered judgement of what is right and proper in any given situation. Take the time to read through this Code carefully. If you have any questions or need support, you can contact Peter Müller (p.mueller@klinger-international.com).

KLINGER Group Management Board

Peter Müller  
CFO

Daniel Schibli  
CEO

Christoph Klinger-Lohr  
CEO

## PURPOSE AND INTRODUCTION

The KLINGER Code of Conduct is the embodiment of our commitment to the way we conduct our business. Business with the KLINGER Group was and is always characterized by high ethical business standards and practices.

The Code of Conduct describes some of the most important ethical and legal obligations we must meet in the conduct of our business. It also describes the practices and procedures that must be followed in meeting those obligations. It is the foundation for any and all commercial activities and decisions within the KLINGER Group. It shall be the basis for the morally, ethically and legally correct conduct of all employees of the KLINGER Group.

The KLINGER Group Management acknowledges without any reservation and with the full support of its Supervisory Board the principles of an ethical conduct of business. Compliance with all legislation, including anti-corruption and anti-trust rules, in every country in which KLINGER products are manufactured or distributed is, therefore, a main component of the KLINGER corporate policy. We thereby protect the trust of employees, customers and business partners in the quality and performance of our services.

Any employee who violates laws, regulations, internal guidelines, rules or instructions, or this Code of Conduct, will be subject to disciplinary measures. Furthermore, any such acts may result in criminal charges against and/or civil liability (such as indemnity or damage claims) against such person.

The standards outlined in our Code of Conduct are by no means exhaustive. They do not replace local Operating Guidelines, Policies & Procedures, or local laws. In case of conflict between this Code's standards and local legislation, the local legislation will prevail.

However, any such conflict will not impact the remainder of the Code. Failure to comply with the KLINGER Code of Conduct, Operating Guidelines or Policies & Procedures could result in disciplinary measures.

While local language translations of this Code of Conduct may be made, the original English version will remain the only official version. The electronic version will be renewed regularly with updates and amendments.

## SCOPE AND APPLICATION

This Code of Conduct applies to all employees within the KLINGER Group.

Moreover, it is in the interest of the Group that the Group companies bring this Code of Conduct to the attention of their business partners (customers, suppliers, consultants, etc.).

Each and every employee is responsible for complying with and implementing this Code of Conduct. Employees shall use common sense when interpreting this Code of Conduct and consider whether a specific act could give rise to criticism on the basis of reasonable ethical and moral standards. Every employee can seek advice and assistance from his or her direct superior in case of questions or confusion about the Code of Conduct. Before a potential breach of the rules, every employee has to turn to his or her Managing Director for further consulting and reconciliation. Every employee who does not comply with any law, must, therefore, anticipate the consequences under employment law, including instant dismissal. The Group Management shall be the final authority for disputes regarding the interpretation of this Code of Conduct.

The topic of compliance is within the responsibility of the KLINGER Holding GmbH in Gumpoldskirchen. The main objectives are the monitoring of the compliance with these rules within the KLINGER Group companies and their support in legal and organisational questions and issues.

## RESPONSIBILITY FOR IMPLEMENTATION

We expect from all KLINGER employees that they acquaint themselves with the present Code of Conduct, that they respect all applicable legislation, wherever they are conducting business on behalf of KLINGER, and that they are personally responsible for compliance with these rules in their areas of responsibility.

The Managing Directors of the Group shall be living examples for all employees in the implementation of this Code of Conduct. Compliance with these rules is within the own responsibility of every Managing Director. Every Managing Director of a KLINGER company is responsible for adapting the present Code of Conduct to the local environment in anti-trust and anti-corruption matters. They shall instruct, guide and supervise the compliance of the employees with this Code of Conduct.



# 1. PRODUCT QUALITY

The KLINGER Group will never compromise on the quality of its products and commits to compliance with all regulatory requirements. The Company will ensure that customers receive excellent service and products of high quality, whereby customer expectations must be met or exceeded. Any significant issues must be reported to Management.

## EXAMPLE

An employee discovers a deviation in a product batch and immediately reports this to Management as required by the guidelines. The Company replaces the affected products, analyses the cause and thereby ensures future quality. The customer is transparently informed, receives a replacement and strengthens their trust in the integrity and reliability of KLINGER.

# 2. FAIR COMPETITION AND ANTI-TRUST LAW

KLINGER expects all of its employees to compete fairly and transparently and to respect free competition. Any restrictions of free competition, such as discussions of pricing or market shares, are strictly prohibited and irreconcilable with our company culture. Violations of competition or anti-trust laws, not only due to formal but also informal agreements, can have serious legal consequences, such as high monetary fines and imprisonments.

Employees are prohibited from discussing sensitive business information with competitors and, in case of a suspicious conversation, the employees must immediately leave such conversation and report the matter to Management. Anti-trust law particularly prohibits discussions of pricing, market shares or unfair competition. Companies and their employees who violate anti-trust law can expect high penalties.

In case of anti-trust law violations, leniency rules apply, which reduce a penalty for the first company who reports voluntarily. In case of an investigation by anti-trust authorities, employees must cooperate but do not have to actively support the investigation. They must secure documents, inform the Managing Director and make sure that no evidence is destroyed. All statements must be true and factual.

Overall, any communication must be in line with the ethical standards of the Company and must not raise the impression that the anti-trust law is being violated.

## EXAMPLE

A KLINGER employee attends an industry conference and is casually asked by a competitor if they want to coordinate pricing for a joint customer project. The employee immediately recognizes that such conversation could present a violation of anti-trust law, decisively rejects the suggestion and ends the conversation. The employee then informs Management of the incident and documents the details. The Company examines the situation and secures all relevant information to be able to cooperate in case of an investigation. This transparent and legally compliant reaction allows KLINGER to ensure that the ethical standards and free competition are protected.



### 3. CORRUPTION, BRIBERY AND ACCEPTANCE OF GIFTS

Offering or accepting benefits meant to influence business transactions are strictly prohibited for all employees. Corruption is defined by bribery where the decision is based on personal interests and not based on objective criteria. Benefits that are not beneficial to the employee (such as rebates or bonuses) are not considered to be bribes.

**Benefits from KLINGER to others** are only allowable in so far that they conform to the usual accepted practice in business dealings and do not exceed an economic value without influence on the decision-making of the recipient.

**Gifts or benefits for KLINGER employees** are only allowable in so far that they conform to the usual accepted practice in business dealings and do not influence business decisions. However, monetary gifts or benefits with monetary values are always prohibited.

#### EXAMPLE

A supplier offers a high-value gift to a KLINGER employee to increase the chances for a new contract. The employee rejects the gift because it violates KLINGER guidelines regarding allowing benefits to influence business decisions and turns to their superior.

### 4. RESPONSIBLE PROCUREMENT

At KLINGER, we seek to establish fair and healthy relationships with responsible suppliers, whereby suppliers are selected objectively and impartially based on factors including integrity, quality, performance, pricing and sustainability.

When dealing with competitors, arrangements or agreements that influence competition are strictly prohibited. In particular, the following agreements are prohibited if they contain: agreements on prices, terms and conditions of contracts, market allocation rules, and the exchange of market related data that could lead to a coordinated market strategy. Cooperation with competitors is only permitted in case of specific business relations, such as product deliveries or licensing agreements.

When dealing with customers and suppliers, vertical fixing of prices and conditions is prohibited. Suppliers are not allowed to dictate the prices at which the customer can resell the delivered goods. This also applies to rebates linked to the recommended price. Territory or target group restrictions are not permitted unless the market share is below 30%.

A company with a market share of over 25% (in Germany from 33%) is considered to be market-dominant and must not abuse its position to damage competitors or manipulate conditions of competition.

#### EXAMPLE

KLINGER is searching for a supplier of specialized sealings. The selection process is objective and transparent, whereby a variety of factors, such as the quality of the products, the delivery times, the price, the production capacities and the sustainability practices of the supplier, are evaluated.



## 5. HANDLING CONFLICTS OF INTEREST

KLINGER bases all business decisions on the best interest of the Company. Conflicts of interest that arise from personal matters or other economic and/or personal activities must be avoided from the start – as do conflicts related to relatives or affiliated persons and organizations.

To avoid such conflicts, employees must avoid giving the appearance of preferential treatment when dealing with competitors, consulting companies, customers, suppliers, service providers and other business partners. Potential conflicts of interest must immediately be disclosed to the superiors or a trusted person and clarified.



### EXAMPLE

A KLINGER employee is tasked with checking offers for a new supplier but notices that one of the companies is managed by a close relative. To avoid possible conflicts of interest, the employee immediately informs his/her superior and discloses the relation. The superior decides to assign a colleague to the evaluation of the offers to ensure that an objective decision is made. At the same time, it is ensured that the affected supplier is treated as fairly as the other applicants.



## 6. DEALING WITH DISCRIMINATION AND HARASSMENT

**KLINGER prohibits** any form of discrimination and any kind of sexual and non-sexual harassment.

**KLINGER pursues** a zero tolerance policy and takes active and concise action against such conduct.

**KLINGER promotes** a culture of respect and tolerance and the reporting of concerns where discrimination or harassment of any kind is noticed.

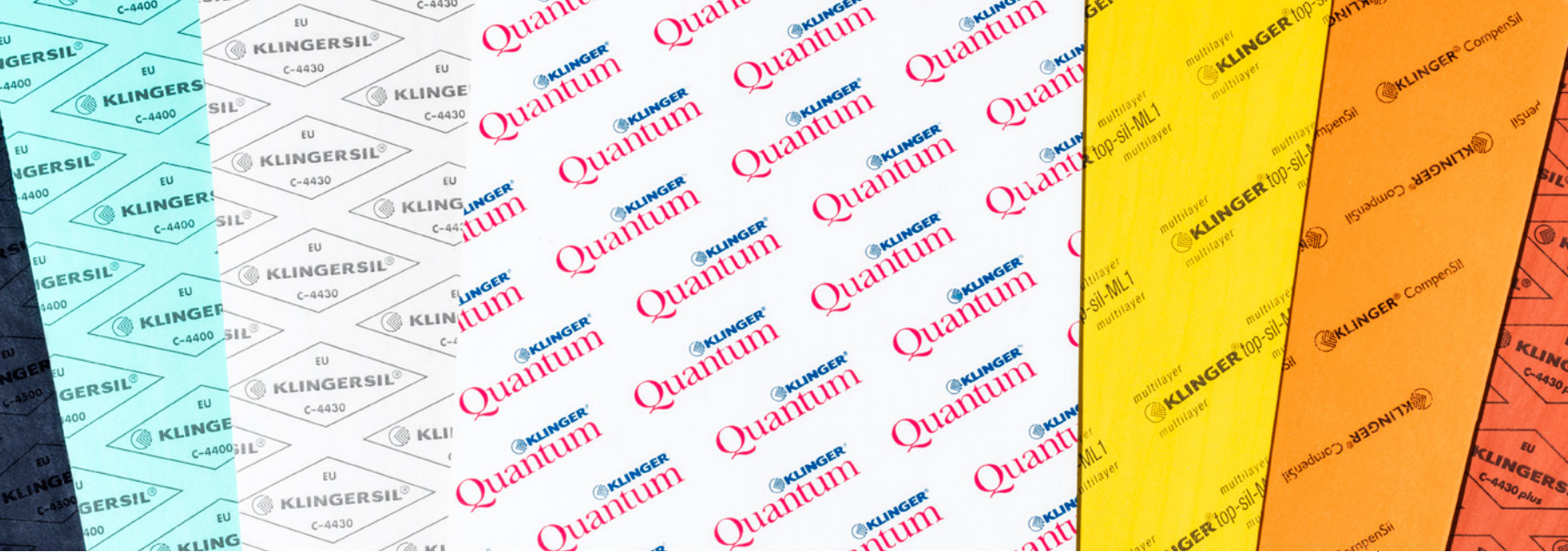
Even indications of ethical violations or harassment are not tolerated.



### EXAMPLE

A KLINGER employee hears how a colleague makes inappropriate remarks toward another female employee during a meeting. The employee immediately reports the conduct to his/her superior or another trusted person. The Company immediately initiates an investigation and takes the necessary measures to ensure a respectful work environment.






# 7. DIVERSITY AND INCLUSION

KLINGER provides a work environment that promotes diversity, equality and inclusion. This means that equal opportunities are guaranteed for all employees, regardless of demographic or other personal characteristics, particularly, but not limited to:


- » Age
- » Disability
- » Gender
- » Sexual orientation
- » Gender identity
- » Race
- » Colour of skin
- » Nationality
- » Ethnic or national origin
- » Religion or ideology
- » as well as characteristics that are related to the socio-economic context.

Moreover, KLINGER promotes a corporate culture where everyone feels valued and included.



### EXAMPLE


A new employee who has a disability is integrated with customized working conditions and support, so that the employee can work successfully. For promotions, it is ensured that all employees have equal access opportunities without discrimination due to personal characteristics.



# 8. TRANSPARENT REPORTING


For KLINGER, truthful, transparent and reliable reporting and communication regarding the Company's relevant business transactions to all stakeholders (such as investors, employees, customers, business partners, the public in general and state institutions) is essential. This also includes an adequate documentation of our actions, not only within the company but also in relation to third parties.

As part of their duties and tasks under their employment contract, all employees of the KLINGER Group are therefore obligated to diligently, completely, correctly and promptly record relevant business transactions and report on same. This is the basis for KLINGER's credibility with regard to business and on the capital market. The respective superiors ensure adequate documentation in their area of responsibility.



### EXAMPLE

A KLINGER employee is responsible for monthly financial reporting and ensures that all business transactions are documented correctly and in a timely manner. The employees diligently checks all accounting entries and makes sure that all relevant information is recorded completely and transparently. The department head checks the documentation and provides feedback to ensure that it meets KLINGER's high standards.



## 9. OCCUPATIONAL SAFETY AND HEALTH PROTECTION

At KLINGER, Occupational Safety and Health Protection are top priority. KLINGER, in joint responsibility with all parties involved, provides a work environment where workplace related illnesses and work accidents are excluded to the greatest extent possible. In this context, KLINGER promotes the assurance, expansion and further development of safe working conditions. KLINGER explicitly encourages all parties involved to exercise their special right to make suggestions regarding occupational and health protection.



### EXAMPLE

A KLINGER employee notices inadequate lighting in an area in the production hall, which could potentially lead to accidents. The employee reports this issue to the superior, and the Company in turn promptly installs new lighting, which improves the working conditions.



## 10. WORKING HOURS

The working hours, including overtime hours, must not exceed the statutory and collectively agreed specifications in the respective countries and the international standards. KLINGER categorically rejects overtime hours as a replacement for insufficient regular wages. If overtime hours are paid, the remuneration follows the respective statutory, contractual and/or collectively agreed regulations.



### EXAMPLE

A KLINGER employee must work overtime during a project to meet deadlines. The Personnel department ensures that the overtime hours are recorded in accordance with statutory regulations and remunerated accordingly. KLINGER makes sure that overtime hours are only incurred in exceptional cases and always remunerated as regulated under employment law.



## 11. SUSTAINABILITY (ENVIRONMENTAL AND CLIMATE PROTECTION)

We strive to avoid any kind of waste to the greatest extent possible, not only in the development, but also in the manufacture of our products. However, since waste cannot be avoided entirely, KLINGER is committed to recycling materials and waste and/or dispose of residual substances in a safe and environmentally safe manner to contribute to the protection of our environment.

Various measures are applied to ensure the responsible handling of water and energy as well as the adequate disposal of waste water, trash and residual substances.

In addition, we focus on the continuous reduction of these resources (energy and resource savings) to reduce our own CO<sub>2</sub> footprint, as well as that of our products and the required transports. Various control and management systems (environmental and climate protection, energy

and emissions, quality and product security, etc.) are implemented to better illustrate our own ecological and economical activities at KLINGER and to make them comparable. We hereby strive to make ourselves and our activities measurable and to illustrate if and to what extent the defined sustainability goals are reached, where a potential for improvement exists and how we can implement it.

Beginning with the year 2026, the KLINGER Group will prepare a sustainability report to explain the defined goals and to communicate these goals. At KLINGER, it is very important to us that all employees are acting deliberately with regard to sustainability. It is thereby essential that each and every one is continuously informed on how our actions contribute to a more sustainable future. In the future, further details will be provided in the sustainability report.



### EXAMPLE

KLINGER procures various materials for the production of industrial valves that are currently delivered in costly packaging. The goal is to convert this packaging material internally and use it for the packaging and sale of our own products. This could yield savings for the cost of packaging material and also a reduction of resources for the disposal. This sustainable process combines economic advantages with a contribution to environmental protection.





## 12. SOCIAL RESPONSIBILITY

KLINGER is an important employer in the regions where the Company is active. KLINGER contributes to the establishment and development of prosperity and income in compliance with local, national and international laws and regulations.

As a Company that is active worldwide, the KLINGER Group participates in numerous international, regional and local initiatives and projects and exchanges information on technical and market topics in relevant technical and industry associations.

KLINGER is engaged socially – for example, in form of donations or sponsoring activities – with a focus on charitable projects in the direct field of activity of the KLINGER locations.

## 13. FOREIGN TRADE LAWS, CUSTOMS AND EXPORT CONTROL

KLINGER is a globally operating company that transacts business worldwide in compliance with the regulations that can regulate and restrict free trade. However, national and international laws and regulations are the basis for the trade in goods, services and technologies, and also the processing of capital and payments.

Every KLINGER employee must comply with foreign trade and customs regulations for the international purchase or sale of goods, products, services or technologies that apply to their area of responsibility.

This is always based on complete and transparent customs clearance of all imports and exports, and also compliance with applicable foreign trade laws, including the export control obligations and embargo restrictions that apply to us.

We comply to the best of our knowledge with all relevant regulations under foreign trade law. With regard to export control, we strive to act in an exemplary manner and cooperate with all relevant authorities worldwide when required.



### EXAMPLE

An employee in the KLINGER Sales department receives an order for the export of valves to a customer in a third country. Before shipping, the employee uses an internal company export control software to check if the shipment requires a permit. The software automatically checks the shipment against the relevant international sanctions lists and ensures that the customer is not listed on an embargo list or a blacklist.



## 14. SANCTIONS LIST CHECK

Before entering business relationships with customers and suppliers, all employees must verify that they are not listed on the current sanctions lists. The following steps must be adhered to accordingly:

- 1. Access to sanctions lists:** It must be ensured that the current sanctions lists that are relevant to our field of business are available at all times.
- 2. Carrying out the check:** Before signing a contract or entering a business relationship, the relevant data (names, addresses, company numbers) must be checked thoroughly.
- 3. Documentation:** All completed checks must be documented and stored for proof of regulatory compliance.
- 4. Reporting suspicious cases:** If it is suspected that a customer or supplier is listed on a sanctions list, a business relationship must not be established.

If query tools are not yet available at the company, we suggest the following worldwide software providers:

World-Check [www.lseg.com](http://www.lseg.com)  
 Mic-Cust.com [www.mic-cust.com](http://www.mic-cust.com)  
 Dow Jones Risk & Compliance [www.dowjones.com](http://www.dowjones.com)

## 15. COMPLIANCE AND SUSTAINABILITY IN THE SUPPLY CHAIN

KLINGER maintains various business relationships with suppliers and customers. These relationships enable KLINGER to offer its own services at a competitive price. Therefore, the KLINGER Group selects its suppliers and customers very carefully and exclusively based on their capability and their reliability and requires cooperation with regard to sustainability related criteria.

KLINGER promotes the principles and practices for acting sustainably along the entire supply chain and assigns an important role to ethical procurement. KLINGER also demands that its business partners act with integrity and conduct themselves lawfully.

KLINGER also works toward compliance with the relevant standards in its business relationships with business partners, particularly suppliers, service providers and customers. For this reason, KLINGER will publish a separate Code of Conduct for suppliers and subcontractors, which is intended to help ensure that the supply chain is sustainable. We explicitly expect our suppliers to follow KLINGER's conduct in the sense of a sustainable social, environmental and company policy.



### EXAMPLE

KLINGER decides to design its supply chain sustainably. KLINGER requires its suppliers to comply with environmental and social standards, documents them in supplier contracts and conducts regular audits. The cooperation with a supplier who was unable to exclude child labour was terminated and an ethically acceptable supplier was found. In addition, the company trains its employees in the Purchasing department to ensure that sustainability and compliance goals are taken into account for every decision.





## 16. DATA PROTECTION AND DATA SECURITY

Special statutory regulations exist for the protection of personal data. KLINGER undertakes compliance with these regulations without exception. Personal data of any kind must therefore be carefully protected from unauthorized access and misuse.

We cannot imagine everyday life at KLINGER without information technology (IT) and electronic data processing (EDP). However, they harbour many risks. The KLINGER Group takes these risks very seriously in its own interest and in the interest of its business partners and fights possible weak points preventively and immediately after they become known.

### EXAMPLE

A KLINGER employee receives access to sensitive customer data and must ensure that it is protected with strong passwords and encryption to prevent misuse or unauthorized access. If a weak point is discovered in the IT security, the employees must immediately report it to the IT or EDP department so that it can be rectified quickly and no data is at risk.

## 17. REPORTING VIOLATIONS – KLINGER WHISTLEBLOWER SYSTEM

Because of the far-reaching importance of correct actions of all employees, compliance with the Code of Conduct and its guidelines is a joint task. In the event of signs of a violation, KLINGER expects all of its employees to report accordingly to the superior or the relevant department (e.g., Legal, Personnel, Finance, Tax or Sustainability department).

The KLINGER Managers make sure that serious misconduct, particularly in the area of corruption, competition law, data protection and environmental violations, is sanctioned accordingly. Additionally, violations of this Code of Conduct can be reported via the anonymous “KLINGER Whistleblower System” that is provided at each KLINGER subsidiary with more than 50 employees.

### EXAMPLE

A KLINGER employee notices a possible violation of the data protection guidelines and decides to report this via the anonymous KLINGER Whistleblower System, because the employee does not have to fear negative consequences. Managers are obligated to take all reports seriously and to ensure that such incidents are investigated.

## 18. HUMAN AND LABOUR RIGHTS

KLINGER observes the general human rights and ensures compliance as part of the regional possibilities to exert influence as well as in relation to the business partners.

KLINGER rejects any kind of forced labour and child labour. KLINGER fights any form of violence and discrimination. This also applies to the gender-based violence and harassment at the workplace.

KLINGER recognizes the right to fair, living wages/remuneration for all employees. The wages/remuneration and other benefits (social benefits, vacation, etc.) take account of the principle of the fairness calculation and comply with national and international statutory standards and/or the applicable collective agreement regulations, if applicable.



### EXAMPLE

A KLINGER employee notices that a supplier uses child labour at its production site and immediately reports this to the Purchasing department. KLINGER checks the accusations, terminates the business relationship with the supplier and thereby actively promotes a fair and ethical supply chain.



## 19. POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

KLINGER companies do not get involved in politics and do not make financial contributions to political parties, related or similar organizations, elected officials or candidates for political offices.



## 20. ASSIGNMENT OF EXTERNAL PERSONNEL

Regardless of the type of contract, compliance with the respective applicable national law is ensured in the contractual and work relationships for the assignment of external personnel (e.g., security personnel, leased employees, ...). We use suitable measures to sensitize and monitor external personnel, particularly with regard to human rights risks.



### EXAMPLE

A subsidiary of the KLINGER Group assigns an external security company to ensure the safety on its premises. Prior to the assignment, the company verifies that the service provider complies with all statutory regulations on working hours, remuneration and occupational protection.





