



# CODE OF CONDUCT

Version 1.0  
05.2024

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## 1. Introduction

This document serves as our Code of Conduct, a guide that outlines the ethical standards and behaviors expected of everyone associated with HIL GROUP. It is designed to foster an environment of mutual respect, integrity, and responsibility.

### 1.1 Purpose of the Code

The primary purpose of this Code of Conduct is to ensure that all members of our organization conduct themselves in a manner that upholds our core values. It aims to provide clear guidelines on what is expected in terms of professional behavior and ethical conduct. This Code acts as a guide for decision-making, ensuring that the highest standards of integrity are always upheld.

### 1.2 Scope and Applicability

The Code of Conduct is applicable to all individuals affiliated with the organization, regardless of their role, function, or location. This includes, but is not limited to, employees, contractors, consultants, and board members. It is vital that everyone understands and adheres to these guidelines, as they reflect our collective commitment to ethical conduct and professionalism.

### 1.3 Ethics and Integrity

Ethics and integrity are at the core of the Code of Conduct is a dedication to ethics and integrity, encompassing:

**Honesty and Transparency:** Ensuring truthfulness in all transactions and upholding a significant degree of transparency in operational activities.

**Respect and Fairness:** Maintaining a consistent approach of respect, dignity, and fairness towards all, regardless of background, position, or beliefs.

**Accountability and Responsibility:** Embracing responsibility for actions and acknowledging their repercussions.

**Compliance and Legality:** Complying with all relevant laws, regulations, and policies.

**Confidentiality and Privacy:** Preserving the confidentiality of information and the privacy of individuals.

While this section is not exhaustive, it lays the groundwork for ethical behavior and decision-making within the organization. Upholding these standards is a collective responsibility, essential for fostering a positive and ethical working environment.

## 2. Core Values

We think and act entrepreneurially by being active, operational, and local and by pursuing a sustainable, long-term strategy. We do not only want to provide suggestions, but see ourselves as a partner, of the various companies in our portfolio.

As entrepreneurs, we want to bring about positive changes for which we also take responsibility. We deal with the associated risks in a dutiful and responsible manner. Together, we turn risks and losses into opportunities and successes for profitable growth.

## 3. Employment Laws

### 3.1. Exclusion of Forced Labour

HILO Group does not permit any form of forced labor, slave labor, or work comparable to forced or slave labour. It is our firm policy that all employment must be entirely voluntary, and workers retain the right to end their work or employment relationship freely at any time. Furthermore, HILO Group upholds a zero-tolerance stance against any unacceptable treatment of workers, including psychological cruelty and any form of sexual or personal harassment.

### 3.2. Prohibition on Child Labour

HILO Group strictly adheres to international standards against child labor in every phase of production. We follow the guidelines set forth in the ILO Conventions regarding the minimum age for employment. Consistent with these standards, we ensure that the employment age is not lower than the age at which compulsory education is completed and is always above 15 years of age.

### 3.3. Fair Pay and Working Hours

HILO Group is committed to upholding all relevant labour, employment, and human rights standards and laws. We ensure to offer fair compensation and/or to comply with the national minimum wage and maximum working hours as stipulated by law.

### 3.4. Freedom of Association

HILO Group honours the workers' right to freely associate and join trade unions, in alignment with local regulations. It is essential that workers have the chance to engage in open dialogue with company management, without any risk of retaliation or harassment.

### 3.5. Prohibition on Discrimination

HILO Group is committed to fostering a workplace environment that promotes and guarantees equal opportunities and treatment for all its employees, ensuring a culture of fairness and inclusivity.

Any form of discrimination against employees is not permitted. This applies but is not limited to: discrimination based on gender, race, caste, skin colour, disability, political opinions, ethnic background, religion, age, pregnancy, or sexual orientation. The personal dignity, privacy and personal rights of each individual shall be respected.

HILO Group is dedicated to promoting gender equality and empowering women through self-determination. We reject all forms of discrimination against women. Any distinction, exclusion, or restriction based on sex that has the effect or purpose of impairing or nullifying the ability of women, regardless of their marital status, to exercise their human rights and fundamental freedoms in political, economic, social, cultural, civil, or any other sphere shall not be tolerated, upholding equality between men and women.

Furthermore, HILO Group does not tolerate any conduct – including gestures, language and physical contact – that is sexually coercive, threatening, abusive or exploitative.

### 3.6. Grievance Mechanisms

HILO Group has established an effective grievance mechanism for internal and external individuals and communities that may be negatively impacted.

## 4. Protection of Company Assets

We protect the tangible and intangible assets and intellectual property of HILO Group and respect these of third parties. We reject any form of extortion, fraud, theft, embezzlement, or product counterfeiting, regardless of whether company assets (e.g. work equipment, IT equipment) or third-party assets are involved. The private use of company property is only permitted if this is provided for by individual law, collective law or company regulations or company practice.

**Example 1:** You want to work with a company or agency on a project. During your research, you remember that a former colleague has started his own business and ask him to submit an

offer. At first glance, the offer price seems relatively high, but you want to move forward with the assignment. You also know the supplier from before, so the price will be right.

**Recommendation:** Even if you know the consultant or agency, it is worth asking other providers in the interests of the portfolio company to save costs if necessary. In addition, the potential conflict of interest should be disclosed and the decision about the assignment should be left to a colleague.

**Example 2:** During the inventory, you notice that the quantities of ordered and consumed raw materials do not quite match. You ask an older colleague; he tells you that production employees usually take metal scraps for their own use.

**Recommendation:** Company assets may not be used privately without further specific authorization on each occasion. Work products, including rejects and raw materials, are increasingly valuable. Possibilities should be examined for further use of such assets in the operating process.

## 5. Ethical Business Conduct

### 5.1. Accounting and Financial Reporting Regulations

We are committed to accurate accounting, record keeping and to maintaining a system of internal controls. In addition, we conduct our financial reporting and our businesses with integrity and transparency. We prepare and publish our periodic financial statements in accordance with applicable national and international accounting standards.

### 5.2. Competition and Antitrust Laws

HILO Group and all employees are committed to fair competition in all business relationships. No agreements that restrict competition or are relevant under antitrust law (e.g. on prices or markets) are made during our business activities. We comply with applicable competition and antitrust laws and avoid unlawful restrictions on competition in our dealings with competitors, customers, or suppliers. Employees who are particularly confronted with these issues as a result of their work (e.g. in sales or purchasing) must familiarize themselves in detail with the applicable competition and antitrust laws.

### 5.3. Tax Laws and Customs Duties

We are aware of our legal obligation to comply with tax and custom duties. Every responsible employee must therefore ensure that all taxes and duties are determined, recorded, declared if necessary and paid to the relevant tax authorities completely, correctly and on time.

### 5.4. Prevention of Money Laundering and Terrorist Financing

We comply with the applicable regulations on the prevention of money laundering and terrorist financing. Money laundering occurs when funds, assets or substitute items for such assets derived from criminal acts are brought into the legal economic cycle.

Terrorist financing occurs when funds or other assets are provided to support terrorist goals or associations.

**Example 1:** You are an employee in the accounting department. When reviewing the incoming payments, you discover that the customer did not initiate the payments for deliveries to him himself, but that the payment came from a company unknown to you with no obvious connection to the contractual partner.

**Recommendation:** Payments from unknown third parties can be a warning sign of a money laundering risk. The money should not simply be booked, but first separated. Ask the contractor for more information about this company and an explanation of how it relates to our contractor. Talk to your supervisor and Compliance Manager Ewa Sitek about the matter to define further measures, if necessary.

**Example 2:** You are an employee in the accounting department. When reviewing the payments of the past week, you notice three recurring payments to the same recipient with the same posting text in the amount of 14,900 EUR each.

**Recommendation:** The splitting of a higher amount into smaller batches could be an indication that applicable transparency requirements for a higher payment are to be circumvented. Discuss the matter with your manager and Compliance Manager Ewa Sitek to define any necessary measures.

### 5.5. Anti-Bribery and Corruption

We condemn any form of corruption and bribery, whether active or passive, direct or indirect. We do not offer or grant personal benefits to representatives or employees of other companies



or public administrations in connection with official activities. We grant gifts or invitations only in an appropriate form and amount. We also do not accept any personal benefits in connection with our business activities for HIL Group, in particular gifts or invitations in an inappropriate form or amount. Even the appearance of corruption and bribery must be avoided at all costs.

**Example 1:** You are an employee in purchasing. A potential supplier of your company invites you to dinner. When you take a closer look at the invitation, you realize that it is for a Michelin-starred restaurant.

**Recommendation:** You should decline the invitation and discuss the situation and the next steps with your direct manager and Compliance Manager Ewa Sitek.

**Example 2:** You are an employee in the finance department. While reviewing the disbursements, you notice the payment of a higher amount to a consultant unknown to you. From your point of view, the invoice deposited with the payment documents does not contain any conclusive proof of activity that would justify a payment of this amount. You ask the responsible colleague for further information and documents. No further documents on the business relationship can be found and the colleagues only refer to the good relations that the consultant maintains with the customer.

**Recommendation:** Question the business relationship and the services provided by the consultant. If necessary, ask for an explanation of how the business relationship with the consultant was initiated. Discuss the matter with your direct manager and Compliance Manager Ewa Sitek if there are still doubts about the legitimacy of the payment or the business relationship.

## 5.6. Counterfeit Parts

By sourcing our materials from official and certified sources/suppliers, we minimise the potential for counterfeit materials and imitations to be incorporated into our products. Nevertheless, should counterfeit materials or imitations be identified as part of regular quality assurance checks, they will be isolated immediately and the manufacturer of the original parts and/or any existing law enforcement agencies will be notified.

## 5.7. Export Control and Sanctioned Parties

Certain goods, services and information are subject to restrictions on export to or import from certain countries. In the context of international business transactions, we comply with all export

control regulations, and, in the case of cross-border transactions, we carefully check whether any export control restrictions apply to goods, services or information.

In addition, countries, or potential business partners (companies and individuals) could be on embargo or sanctions lists. Before entering a business transaction, we ensure that sanctions are not violated in the execution of the transaction.

Transactions with sanctioned individuals and countries or goods and services regulated under export control law can have serious consequences for the HILO Group and responsible employees.

**Example:** You are involved in the sale of an ISO Fix system abroad. Negotiations are already at an advanced stage, and you are confident that you will be able to conclude the purchase within the next few weeks. After repeated inquiries about the exact company with which the contract is to be concluded, the customer provides the name of a company which, at first glance, has nothing to do with the buyer. After a brief investigation, you discover that it is a mailbox company.

**Recommendation:** In accordance with the Know-Your-Customer principle, we are obliged to know the identity of our contractual partner and to ensure that we do not enter business relationships with sanctioned companies or individuals. Without actual knowledge of the identity of our contractual partner's beneficial owner, there is a risk of doing business with someone who is on a sanction list.

## 6. Occupational Health and Safety Standards, Environmental Laws, and Other Regulations

We have made it our mission to create a healthy and safe working environment. Each one of us must comply with the applicable safety standards. We ascribe a high priority to safety in the workplace and strive for an accident rate of zero. Pollution must be prevented or reduced as much as possible. We strive to improve environmental protection in our business activities, to minimize our use of resources (in terms of energy, water, etc.) and to conserve natural resources.

We and our suppliers must be aware of the source and origin of the raw materials used in our products. For this reason, we also oblige our contractual partners to comply with the ‘Code of Conduct for Suppliers’.

This primarily involves compliance with the OECD Due Diligence Guidance on the procurement, extraction, and handling of minerals from conflict and high-risk regions. In addition, the contractual partner must reliably identify the source and origin of these minerals to ensure that the procurement of these materials does not directly or indirectly finance or otherwise support armed groups, directly or indirectly violate human rights, or harm the environment.

If private or public security forces are commissioned to protect business operations, HIL O Group provides appropriate instruction and monitoring to ensure that human rights violations are prevented.

### 6.1. Decarbonization, emissions and renewable energies

The energy used in the necessary company processes is an essential and important resource that should be used as sparingly and economically as possible from an economic and ecological point of view. The continuous improvement process aims, among other things, to increase energy efficiency and the use of renewable energies.

We are committed to actively contributing to decarbonization and conducting our business activities in a way that has the least possible impact on climate change. We will constantly look for ways to reduce our energy consumption, promote renewable energy sources and minimize our CO<sub>2</sub> emissions. This includes promoting environmentally friendly transportation and reducing waste in our operations. We are determined to fulfil our responsibility to future generations by adopting a sustainable, low-carbon approach in our business environment.

Before release, we categorize and routinely monitor general emissions such as air and noise, as well as greenhouse gases resulting from our operational processes. These emissions are categorized, routinely monitored, and treated as required.

### 6.2. Treatment and drainage of industrial wastewater

Prior to being discharged or disposed of, wastewater from operational processes, manufacturing processes and sanitary facilities are categorized, monitored, inspected and treated as required. In addition, measures are implemented to reduce the volume of wastewater produced.

### 6.3. Water quality, consumption, and management

Our aim is to organize our water balance in such a way that:

- the ecological balance is preserved and restored,
- the direct and indirect consumption of energy and resources is minimized and
- measures introduced or taken are as flexible and modifiable as possible and the possible consequences are reversible.

Our commitment aims to reduce energy consumption and greenhouse gases as well as impairments to water and air quality to the absolute minimum and to promote good water and air quality.

### 6.4. Responsible handling of chemicals

Responsible chemicals management is an essential focus for all companies that work with hazardous substances or use them in production. Compliance with laws and standards is the minimum requirement. Our aim is to substitute hazardous substances with less dangerous ones and adapt processes accordingly.

Chemicals or other substances that pose a hazard if released into the environment are identified and dealt with in such a way that safety is guaranteed during their handling, transport, storage, use, recycling or reuse and disposal.

### 6.5. Waste prevention, reuse, and recycling

When designing our processes and procedures, as well as in purchasing, we must ensure that we conserve resources and avoid waste at an early stage, both from an economic and an ecological point of view. The Closed Substance Cycle Waste Management Act (KrWG) and its waste hierarchy (Section 6) serve as a guideline:

- Waste avoidance
- Reuse
- Recycling
- Other utilization of waste
- Waste disposal.

HILO Group has adopted a systematic approach to identify, handle, reduce and responsibly dispose of or recycle solid waste.

## 6.6. Animal welfare

We are committed to the responsible treatment of living creatures and expect all employees to comply with national and international legal standards on animal welfare.

## 6.7. Biodiversity, land use and deforestation

The issues of biodiversity, land use and deforestation are closely interlinked, and HIL Group will work towards ensuring the sustainable use of resources and the preservation of biodiversity as far as possible. The protection of ecosystems, sustainable forestry, and agriculture as well as the creation and safeguarding of protected areas are essential prerequisites for an intact environment. HIL Group promotes these goals through the responsible and careful use of resources and the minimization of emissions and waste. HIL Group also respects the rights of local communities to decent living conditions, education, employment, social activities, and the right to Free, Prior, and informed Consent (FPIC) to developments that affect them and the lands on which they live, with particular consideration for the presence of vulnerable groups.

## 6.8. Soil quality

HIL Group ensures that the materials and procedures used in its business activities do not adversely affect soil quality.

## 6.9. Consumption of raw materials and natural resources

We strive to reduce and/or avoid the use and consumption of resources during production and the generation of waste of any kind, including water and energy. This may be achieved directly at the point of origin or by means of processes and procedures, e.g. by changing production processes and maintenance practices within the company, or by using alternative materials, reducing costs, recycling, or reusing materials.

We are committed to the careful use of natural resources, the avoidance of waste and compliance with environmental protection laws and regulations as early as during the development and production stage.

## 7. Political Commitment

All employees can become politically and socially involved in their free time within the scope of the given opportunities. As an active member of society, HIL Group is also involved in various ways. Donations and other forms of social commitment are made exclusively in the interests of

HILO Group. We attach great importance to political neutrality and therefore do not make any financial contributions such as donations or sponsoring measures with political objectives. This means that we do not make donations or comparable contributions to political parties, party-like organizations, individual elected officials, or candidates for political office in Germany or abroad.

## 8. Conflicts of Interest

We communicate honestly and transparently. We disclose potential or actual conflicts of interest in the workplace in a timely manner for review and definition of necessary measures. A conflict of interest exists when the private interest of an employee could collide with the interests of HILO Group. This may also include the fact that a partner or close relative has conflicting interests, for example working in a responsible position for a competitor.

Business decisions may only be made based on objectively comprehensible business criteria and not under the potential influence of personal interests or relationships.

**Example:** You are looking for a suitable supplier. You are about to decide on the most favorable offer when you discover that your brother-in-law holds a leading management position in the company.

**Recommendation:** Discuss the situation with your direct manager. Together, you should document the situation and define any necessary measures.

## 9. Confidential Information

We protect confidential information from unauthorized disclosure and use. We use sensitive or confidential data, information, and documents from HILO Group or third parties only in connection with our professional duties. We also observe any restrictions on use imposed by the owner of the information.

Employees will not disclose confidential information to third parties unless they have explicit permission for such disclosure from the owner of the information in question or a clear legal obligation. If the information concerns HILO Group, the management of HILO Group must be involved.

**Example:** You receive an e-mail from a business partner. Attached is a document with highly interesting information from a potential supplier. At first glance, you do not see any

confidentiality markings on the document. However, the quality of the information contained in the document leads you to believe that it is a trade secret of the potential supplier.

**Recommendation:** Do not forward the information to other colleagues. Ask the business contact to explain where and for what purpose he or she received this information. In case of doubt, contact your direct manager and Compliance Manager Ewa Sitek to discuss further procedures and any necessary next steps.

## 10. Data Privacy

We respect the privacy of our employees and business partners. We therefore protect the personal data of employees and third parties. Therefore, we collect, store, use and transfer personal data and information only in accordance with applicable laws and guidelines. In doing so, we observe that the collection, storage, processing, and other use of personal data may only take place with the consent of the person concerned or based on a contractual or legal basis. We treat such information confidentially both during and after the termination of our employment relationship with HILO Group.

**Example:** There is a vacancy in your team, and you have already received several promising applications. After you have conducted several interviews, you decide on one candidate. She happily accepts the offer. You consider whether you should keep the resume and contact information of the second-best candidate so that you can contact him or her if there is another vacancy to fill.

**Recommendation:** The CV and contact details of applicants are personal data that we may only store, use, transfer or otherwise process under strict purpose limitation. In the case of application documents, the purpose lies exclusively in the application itself. As soon as we have decided on another candidate, the purpose ceases to apply and the personal information of the other applicants is no longer required. They must therefore be deleted. Alternatively, you would have to ask the applicant for permission to continue to hold his or her data, e.g. for a certain period of time. In case of doubt, you should involve the Compliance Office and, if necessary, ask the Compliance Manager Ewa Sitek for support.

## 11. Interacting with Colleagues and Business Partners

We always behave fairly and act with integrity and respect toward each other and third parties.

We do not tolerate any form of bullying, coercion, or other harassment. Neither on a sexual nor on a physical, psychological, or other level. HILO Group is committed to providing equal employment opportunities to all qualified employees and applicants. As an employee, you must comply with all laws and regulations prohibiting discrimination with respect to age, physical appearance, gender, ethnic origin, nationality, religion, medical condition, disability, marital status, sexual orientation, political or philosophical beliefs, union membership or any other characteristic protected by law or regulation.

If you observe or experience any form of abuse or harassment, you may report it to the Human Resources Department. Employees will not be harmed if such reports are made in good faith.

We expect our business partners to comply with applicable laws. Suppliers must observe the principles of fair competition.

Respect for others means respect for their dignity and personal integrity, their self-respect, their property, and their contribution to the overall success of HILO Group. We protect our company's reputation in our public statements. We conduct our business responsibly and do not engage in practices that harm HILO Group's reputation or are contrary to our values.

We meet the highest standards of ethics and integrity in the performance of our work. Even when performing actions that are lawful or not regulated by law, we always ensure that our actions are honest and ethical. HILO Group assets must be used only for their intended business purposes and not for improper personal, illegal, or other unauthorized purposes.

## 12. Decision-Making

If you are unsure whether a decision is consistent with the requirements of our Code of Conduct, the following questions may help:

- Is my action legal and have I checked relevant internal policies?
- Can I make an impartial decision that is in the best interest of HILO Group and free from any competing personal interests?
- Can I make the decision in good conscience? Can I stand by my decision if it becomes known?
- Would my decision stand up to scrutiny by a third party?

If you can answer “yes” to each of these questions, it is likely that your decision is appropriate. If you are still in doubt, you can always contact your supervisor.



### 13. Reporting Possible Violations

Any employee or third party who becomes aware of violations of the provisions of this Code of Conduct or otherwise becomes aware of violations of the law, harmful conduct or risks that endanger the company is required to report them.

At HILO Group, we practice open communication. Normally, therefore, the direct supervisor is the right contact person for questions, possible errors, or indications of irregularities.

If an employee prefers in an individual case - for whatever reason - not to contact the supervisor directly, they should report the violation, harmful conduct, or risk through the Integrity Line Portal - <https://hilo.integrityline.com>.

## HILO GROUP

Dirk Dieckhöfer

*Chief Executive Officer*

A handwritten signature in blue ink, appearing to read 'Dirk Dieckhöfer'.

Robert Codogni

*Chief Operations Officer*

A handwritten signature in blue ink, appearing to read 'Codogni Robert'.

Radu-Marcel Joia

*Chief Financial Officer*

A handwritten signature in blue ink, appearing to read 'Joia'.

# HILS GROUP

