BETZ HOLDING

CSR

Code of Conduct

For suppliers and service providers

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I. Introduction

Corporate Sustainability Responsibility (**CSR**) is an integral part of modern business ethics. It describes the voluntary contribution of business to sustainable development, which often goes beyond the legal requirements.

The following **CSR Code of Conduct** of BETZ Holding serves as a guiding principle for our company to participate in and contribute to social, economic, and environmental improvements (hereinafter referred to as the CSR Code of Conduct). It defines our responsible corporate behavior within our actual business activities (market), ecologically relevant aspects (environment) as well as for relationships with employees (workplace) and the exchange with the relevant stakeholders.

This CSR Code of Conduct applies to suppliers and service providers and is therefore an essential part of BETZ Holding's ethical and moral conduct.

Definition of terms

In 2011, the European Commission published a definition in its communication "EU Strategy 2011-1024 on Corporate Social Responsibility (CSR)", according to which CSR is "the responsibility of companies for their impact on society". This responsibility can only be exercised if the applicable legal provisions and collective agreements between the social partners are complied with. Companies should accordingly make use of appropriate CSR procedures so that they can fully meet their social responsibility and integrate social, environmental, ethical, human rights and consumer concerns into corporate management and their corporate strategy in close cooperation with stakeholders. In this way:

- the aim is to optimize the creation of shared value for company owners, other stakeholders, and society as a whole,

- any negative effects are to be identified, prevented, and mitigated.

The complexity of such appropriate CSR procedures depends on factors such as company size and type of business activity. In the case of most small and medium-sized enterprises, and especially micro-enterprises, the CSR process can remain informal and intuitive.

To optimize the creation of shared value, companies are encouraged to adopt a long-term approach to CSR and explore opportunities to develop innovative products, services and business models that contribute to the well-being of society and the creation of higher quality and more productive jobs.

To identify, prevent and mitigate any negative impacts, large companies and companies that could be particularly affected by such impacts are encouraged to carry out risk-based due diligence, including at supply chain level.

II. Scope

The CSR Code of Conduct covers all suppliers and service providers of BETZ Holding, which are thereby equated with an individual, meaning that they also assume responsibility for society. Furthermore, the CSR Code of Conduct also applies to every stakeholder and shareholder, owner, managing director and every employee of the supplier or service provider.

Every employee of the suppliers and service providers concerned is sincerely committed to complying with the defined standards consistently and with dedication in accordance with the CSR Code of Conduct.

III. Responsibility of BETZ Holding towards its suppliers and service providers

As set out in our sustainability policy, BETZ Holding is committed to complying with:

- National and international laws and regulations
- Human rights
- Fair and safe working conditions and employment practices
- Environmental protection
- Transparency and accountability towards third parties
- Common good (BETZ Holding is actively involved in the community and supports social projects and initiatives to make a positive contribution to society. It also sets an example by creating jobs, promoting local supply chains, and supporting the local economy).
- Ethical principles and values, as well as the fight against corruption
- Fair trade practices and fair competition along the entire supply chain
- Open and transparent dialog with our stakeholders, including employees, customers, suppliers, investors, communities and NGO’s

IV. Requirements for suppliers and service providers of BETZ Holding

BETZ Holding is committed to treating all people with dignity and respect. We are aware of our responsibility and the importance of promoting human rights and workers' rights in our own business areas and along our supply chain and expect our suppliers and service providers to actively combat prohibited practices and ensure the well-being of workers.

BETZ Holding recognizes the ten basic principles of the UN Global Compact as essential principles of our business activities and expects the same from our suppliers and service providers. Accordingly, they are committed…

- ..to support and respect the protection of international human rights.
- ..to ensure that they are not complicit in human rights violations.
- ..to uphold the freedom of association and the effective recognition of the right to collective bargaining.
- ..to advocate the elimination of all forms of forced labor.
- ..to advocate the abolition of child labor.
- ..to advocate the elimination of discrimination in employment and occupation.
- ..to follow the precautionary principle in dealing with environmental problems.
- ..to take initiatives and measures to promote greater environmental awareness.
- ..to accelerate the development and dissemination of environmentally friendly technologies.
- ..to work against all forms of corruption, including extortion and bribery.

Our suppliers and service providers must also comply with the additional requirements of the UN Global Compact listed below:

Forced labor or debt bondage

We reject any form of forced labor, debt bondage, slavery, or serfdom.

The work must be voluntary and not based on verbal or physical coercion, intimidation, or deception (including involuntary prison labor).

Employees have the right to freedom of movement and may terminate their employment at any time, with or without cause and without notice, unless otherwise stipulated in a written employment contract in accordance with applicable laws. Migrant workers may only be employed with a valid work permit.

Employers may not unlawfully withhold employees' identity or immigration documents (e.g. passports, visas, identity cards, citizenship papers) at any time. Employers may only retain these documents to enable them to comply with the relevant legal obligations. In addition, the employee's consent is required for retention. All documents must be returned to employees immediately once the relevant legal obligations have been fulfilled. In cases where employers retain employees' identity documents, employees must always have access to the documents. In addition, the ability of employees to leave the company must not be restricted.

Employees may not be charged fees or related costs for their recruitment or employment, either directly or indirectly, unless this is permitted under applicable law.

Prohibition of child labor and protection of young workers

We do not tolerate any form of illegal child labor.

No children under (based on ILO Convention No. 138) the minimum age of 15 years (13 years for light work) or under the age stipulated by the applicable local laws, whichever is higher, may be employed. In such cases where light work is performed by persons between the ages of 13 and 15, this light work must not be detrimental to the health and development of the employees and must not interfere with school attendance or participation in vocational training.

The employment of young workers (i.e. all workers under the age of 18 and above the statutory minimum age, but not under the age of 15) is only permitted if additional protective measures are taken. These safeguards include the fact that young workers may not be used for hazardous work. In countries that have ratified ILO Convention No. 138, young workers are prohibited from working night shifts or during compulsory school hours. Proof of age must be provided, verified, and documented.

Non-discrimination and equal treatment

We see the respectful and equal treatment of all people as the basis for a healthy and sustainable working environment:

All people should be treated with dignity and respect.

No one may be favored or disadvantaged because of personal characteristics such as race, national origin, skin color, social status, social background or position, gender, gender-specific behavior, sexual orientation, religion, age, disability, political opinion, marital status, or other characteristics protected by law.

All decisions regarding hiring, compensation, training, promotion, termination, retirement and/or other employment-related matters must be made based on non-discriminatory reasons. These non-discriminatory reasons include, for example, the person's ability to do the job, the person's performance, or changes in economic conditions.

Employees must not be harassed. This prohibition includes any form of bullying, intimidation, direct insult, defamation, or harassment. Any use or threat of physical, sexual, or verbal abuse is strictly prohibited.

Employment contracts, wages and working hours

We expect every employment relationship to be conducted professionally and in accordance with the law:

Before the employment relationship begins, employees receive a clear and comprehensible written document from the employer containing the information required by applicable law regarding their employment relationship (e.g. agreed salary, frequency of remuneration).

Wages must be paid regularly, punctually and in full directly to employees using legally recognized means of payment or transferable securities. Deductions from wages may not be used as a disciplinary measure and are only permitted with the prior written consent of the employees unless deductions from wages are permitted under the applicable laws.

Wages must be appropriate and at least correspond to the local statutory minimum wage and meet the statutory minimum requirements applicable at the place of work.

Employers must ensure that all employees are legally authorized to work in the country in question.

The number of hours worked (excluding overtime) may not exceed the maximum working hours permitted under the applicable laws.

Overtime must be used responsibly. When assessing whether overtime is appropriate, the scope, frequency and working hours of individual employees and the workforce must be considered. The number of overtime hours must not exceed the number permitted by law.

Employees must be provided with adequate meal and rest breaks to prevent excessive physical and mental fatigue due to long working hours, in accordance with applicable laws.

Freedom of association and the right to collective bargaining

We respect the legal rights of employees to freedom of association and collective bargaining:

Employees are free to form representative bodies and join a trade union of their choice, provided this is permitted under the applicable local laws.

Employees must not be discriminated against or given preferential treatment if they exercise their right or refrain from joining a trade union or representative body.

Provision of a safe and hygienic workplace

We see the provision of a safe workplace as a basic prerequisite for a functioning employment relationship. Employers must comply with all applicable workplace safety requirements, identify the causes of hazards, and take appropriate measures to prevent injuries and accidents in the workplace.

Employees must regularly take part in health and safety training in compliance with legal requirements.

Employees must have access to infrastructure to promote their health and safety, such as sanitary facilities, drinking water, protective equipment (e.g. fire extinguishers, first aid equipment, etc.).

Employees with a management function should be responsible for health and safety.

Any accommodation and transportation provided by the employer must meet the legal requirements for safety, hygiene, and habitability.

If health and safety risks are increased due to unusual circumstances (e.g. pandemics, natural disasters, etc.), employers must comply with the relevant health standards, recommendations, and regulations to ensure safe working conditions for employees.

Protecting local communities

We respect the resources of local communities.

All rights of local communities under applicable local, national, or international law with respect to water, land or other resources must be respected. Changes in land use or other actions affecting the resources of local communities are only permitted in strict compliance with applicable laws.

Unlawful evictions will not be tolerated.

Environmental protection

We recognize our responsibility to protect the environment and combat climate change. We expect our suppliers to share this responsibility and to actively assume it.

Our suppliers are committed to complying with all applicable environmental regulations and are also taking measures to reduce their environmental footprint. Environmental pollution is to be proactively avoided by identifying potential risks at an early stage and taking appropriate preventive measures.

Specifically, we expect:

- *Continuous reduction of greenhouse gas emissions and energy consumption in all operations*
- *Responsible waste management according to the principle: prevention before recycling before disposal*
- *Efficient and careful use of natural resources, especially water and raw materials*
- *Avoidance or minimization of substances that are harmful to the environment and health, as far as technically possible*
- *Use of environmentally friendly processes, resource-saving materials and sustainable technologies as well as their continuous improvement*
- *Preference for environmentally friendly processes and technologies in investment and procurement decisions*
- *Consideration of environmental criteria in the selection of own business partners*

Integrity and Anti-Corruption

We do not tolerate any form of corruption, extortion or bribery. Our business practices are based on transparency, fairness and ethical behavior. All business partners are obliged to comply with applicable anti-corruption laws and to refrain from any undue influence or granting of advantages. Suspected cases must be reported immediately to ensure a business environment with integrity and trust.

V. Whistleblower system (whistleblower reporting office)

To ensure the highest ethical standards and legally compliant behavior, we offer all suppliers, their employees and third parties the opportunity to confidentially report violations of applicable laws, our company guidelines or this Code of Conduct. Our whistleblower reporting office is available for this purpose at whistleblowing@betz-holding.de . All reports will be treated confidentially and there will be no negative consequences for whistleblowers acting in good faith.
This notice must be clearly displayed in your business premises and made available to all employees.

VI. Consequences of violations

BETZ Holding expects all business partners to comply with this Code of Conduct.

The reaction to deviations is based on the type and severity of the violation. In the case of minor violations, business partners will be asked to correct them and will be given the opportunity to comply with the standards within a reasonable period of time. If violations are repeated or persist, the business relationship can be suspended until the necessary improvements have been demonstrably implemented. In the event of serious violations of central principles of this Code, the business relationship may be terminated.

BETZ Holding may request evidence of compliance with standards of conduct at any time to ensure the integrity of the supply chain.

VII. Supply chain commitment

The supplier/service provider undertakes to pass on this Code of Conduct or its own code of conduct with equivalent content to all relevant business partners in its own supply chain and to make every effort to oblige them to comply with the standards of conduct defined therein. This includes reasonable efforts to regularly review compliance with critical suppliers.

The supplier/service provider is obliged to inform BETZ Holding immediately as soon as it becomes aware of serious violations in the downstream supply chain.

In addition, the activities to pass on the Code of Conduct should be documented in order to be able to provide appropriate evidence to BETZ Holding.

VIII. Validity and confirmation

This CSR Code of Conduct applies to all suppliers and service providers of BETZ Holding with immediate effect and is regularly reviewed and updated as necessary. The current version is available on the website of BETZ Holding (https://betz-holding.com).

Confirmation by Order Confirmation

By accepting an Order Confirmation, all suppliers and service providers automatically confirm:

- *Acknowledging and fully accepting this CSR Code of Conduct*
- *The obligation to comply with all standards of conduct defined therein*
- *Passing on to one's own supply chain and commitment of sub-suppliers*
- *The willingness to participate in audits*

Acceptance of the Order Confirmation is therefore considered a legally binding declaration of acceptance of this Code. A separate signature is not required, but can be requested by BETZ Holding from new or critical suppliers.

Contact

If you have any questions about this Code of Conduct or the implementation of the standards defined therein, please contact:

BETZ Holding Sustainability Management

Email: sustainability@betz-holding.de

For reports of violations, please only use the Whistleblower Reporting Office: whistleblowing@betz-holding.de

Supplier Acknowledgment Form *(Optional - for new or critical suppliers upon request)*

By signing this document, the Supplier acknowledges that they have received, read, and understood the CSR Code of Conduct and commits to comply with all requirements set forth therein.

Signature Section

Company Name:

Authorized Representative Name (Print):

Title/Position:

Signature:

Date:

Company Stamp/Seal:

(if applicable)