

CODE OF CONDUCT

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Code of Conduct

1. Goal setting

To ensure a high level of integrity in all our activities at all times, we have developed this Code of Conduct as a guide. It contains the basic requirements for the conduct of every employee of our company. At the same time, it provides the binding framework and brackets for all specific policies and regulations. The internal policies serve as binding guidance and assistance in complying with the law and internal company requirements.

The Code of Conduct is KAP AG's central guideline for all professional activities and business relationships. Its rules represent the minimum standards for ethical conduct within the KAP Group across countries, companies and jurisdictions. There is no substitute for personal integrity and sound judgment on the part of all involved. An important prerequisite for this is that we all know the rules relevant to our work and are aware of the consequences of any action or decision.

As an international Group, we are responsible for complying with the legal requirements of all regions and countries in which we operate in order to protect our society from potential harm and to act with integrity.

By way of example, this includes

- ethical behavior within the company and in our dealings with external business partners and authorities
- compliance with all relevant legal requirements in Germany and abroad
- compliance with export and import bans and embargo regulations
- protecting the health and safety of all employees
- observance of human rights.

For our Executive Board and the management of our subsidiaries, this results in an obligation to set an example and to demonstrate this credibly to our employees. Managers ensure that employees are aware of and comply with all relevant legislation and internal policies.

In order to identify the needs of our customers at an early stage and meet their expectations in the best possible way, we must constantly improve. We therefore work continuously to optimize our structures and processes in order to achieve and maintain the highest quality standards. The satisfaction of our customers has the highest priority for us and is the focus of our actions.

Our customers, shareholders, employees, suppliers and business partners place their trust in us. This obliges us to be open in our dealings and to communicate transparently both internally and externally. We are aware of the responsibility this entails.

When acquiring new customers, we always comply with applicable law. Information is made available to the public in compliance with internationally recognized corporate governance standards.

Working in the KAP Group means respecting the rights of others and avoiding anything, both professionally and privately, that could harm the company and its employees. We do not tolerate any form of discrimination or harassment, either internally or in our cooperation with business partners.

2. Conflicts of interest

Conflicts of interest may arise in the relationship between the KAP Group or its affiliated companies and customers, the KAP Group or its affiliated companies and employees, or as a conflict of interest between different customers. We must do everything possible to avoid conflicts of interest; conflicts that cannot be avoided must be resolved as quickly as possible in an ethical manner. We expect our employees to inform their superiors about relationships with persons or companies that could lead to potential conflicts of interest.

In order to maintain independence, our employees will not demand, accept or be offered the prospect of monetary benefits, gifts or other advantages or favors from persons with whom they interact in the course of their duties. Exceptions to this rule are only permitted after prior consultation with and approval by the management. The only exception to this principle is the generally permissible acceptance of low-value gifts.

3. Independence

All our employees dedicate their labor to the company for which they work. Without the prior consent of management, they will not independently conduct any business for themselves or for others, or act as an employee in any other business. Accordingly, they will not engage in any secondary activity in their own name or for their own account or in the name or for the account of third parties without the prior knowledge and express written consent of the management. Exceptions to this principle may only be considered in cases in which the interests of the KAP Group or the respective associated company are not impaired.

4. Confidentiality and data protection

We attach great importance to the completeness and accuracy of the information we produce and treat business matters that come to our attention in the course of our work as strictly confidential. We do not misuse confidential information and do not pass it on to third parties without authorization.

We protect company data as well as personal customer and employee data against unauthorized access, unauthorized or improper use, loss and premature destruction with all suitable and appropriate technical and organizational means available to us. All employees are therefore obliged to take the necessary measures to ensure the security of IT systems with regard to internal and external misuse and threats. In addition, when collecting, storing, processing and transferring personal data from employees, customers or other third parties, we ensure the greatest care and strict confidentiality as well as compliance with applicable laws and regulations.

5. Cooperation characterized by respect

It is our goal to always recruit committed and competent employees for the KAP Group. Since we treat everyone with dignity and respect, regardless of their origin and circumstances, age, disability, ethnic origin, skin color, gender, pregnancy, sexual identity, nationality, religion and marital status play no role in the selection of personnel in the interest of equal opportunity. We evaluate our employees on the basis of their performance and give them fair feedback on this. We treat each other with dignity and respect. Employees who violate this principle must expect disciplinary measures. We strive to solve problems in the workplace as quickly as possible, confidentially and with consideration for the interests of all. We maintain a culture of open communication within the KAP Group. We are convinced that openly voicing concerns makes a decisive contribution to ensuring that misconduct occurs less frequently or is recognized and corrected at an early stage. We therefore attach great importance to an open atmosphere in which employees can approach their superiors or the management with critical issues without hesitation and in a spirit of trust.

6. Rejection of any form of corruption

We maintain trusting, fair and respectful business relationships with our business partners and expect the same from them. Our purchasing takes into account the laws and regulations of the countries in which we operate. We communicate our principles of ethical conduct and integrity to our business partners and encourage them to align their actions to the same standards. In addition, where possible, we agree with our suppliers that they will comply with our Code of Conduct.

We must not allow ourselves to be influenced in business decisions by being offered or promised unauthorized advantages by suppliers and customers or by accepting such advantages. Nor shall we demand unauthorized advantages from them. If we are offered, promised or granted unauthorized advantages, we will inform the KAP legal department.

7. Our competitors and business partners

We act as a fair competitor and do not denigrate any other company. We comply with the legal requirements to ensure free competition. This applies in particular to agreements with competitors and other third parties if these agreements could impair competition. We do not participate in price agreements or prohibited coordination of market behavior between competitors.

We are also aware of the special importance of intellectual property; therefore, we not only protect our own knowledge and inventions, but also respect the intellectual property of our business partners and competitors.

8. Financial reporting/prohibition of insider trading

Our shareholders expect the legal requirements for managing and monitoring the company and internationally recognized standards of good corporate governance to be complied with. They require transparent financial reporting to enable them to form a picture of the Company's net assets, financial position and results of operations. Against this background, all employees of the company must help to ensure

that our business transactions are fully and correctly recorded in the books. We comply with the statutory prohibitions on insider trading to maintain the confidence of our investors and shareholders.

9. Workplace/Resources

Our employees should work in a healthy and safe environment. We therefore comply with laws and regulations on health and safety in the workplace. At the same time, managers support their employees in achieving a work-life balance and taking advantage of health promotion offers.

We treat our work equipment, which is the property of the company, with care and use it only for its intended purpose. We strive to use our resources efficiently. This also includes an environmentally conscious and -protective way of working. For us, this also means complying with applicable environmental laws and using technologies that are as sustainable as possible.

10. Measures in the event of violations

If employees commit violations of agreements and regulations of any kind in the course of their employment, appropriate disciplinary measures will be taken. Priority will be given to trying to persuade them to change their behavior by explaining the meaning of our Code of Conduct. However, in the case of serious violations, employment or disciplinary measures may also be the consequence.

All employees can ask questions about the Code of Conduct or report violations of the Code to their supervisors, their management, their human resources, legal or finance departments or - wherever available - to their employee representatives. At the same time, all employees are required to inform the KAP legal department if they become aware of such violations.

In addition, employees can also contact the KAP AG compliance department anonymously or openly at <https://www.kap.de/hinweisgebersystem> (May 14, 2021) to report violations. The whistleblower system is used to advise and support whistleblowers in clarifying suspected material violations of the Code of Conduct, in particular suspected illegal business practices. The Compliance department treats all communication with the whistleblower confidentially and only discloses facts and the identity of the person to the company with the whistleblower's express consent.

Employees who in good faith report actual or suspected misconduct must not suffer any disadvantages as a result, as described above. The KAP Legal Department is available to employees and third parties.

Reported cases and subsequent audit actions are documented and concluded in a standardized closing statement at the end of the investigation, and settled cases are reported on in the next quarterly report.

Exceptions to compliance with the Code of Conduct are not permitted without justifiable cause. Corresponding regulations and exceptions can only be approved by the Executive Board.

11. Entry into force

This Code of Conduct applies to KAP AG and its employees as well as to all direct and indirect, domestic and foreign majority-owned subsidiaries of KAP AG and their employees and comes into force upon its adoption by the Executive Board of KAP AG.

KAP AG

Executive Board