

# **Anti-corruption**

November 2025, version 1.0

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## General Policy information

### Purpose

Aware of the detrimental impact that corrupt practices can have on the social and economic development of the communities in which it operates, KME is strongly committed to upholding the principles of integrity, honesty, fairness, and transparency across all levels of its organization and among its stakeholders. This commitment is reflected in the adoption and implementation of leading anti-corruption standards and best practices.

To this end, KME has established this “**Anti-Corruption Policy**” with the aim of minimizing the risk of conduct that could be associated with corruption. This Policy ensures that all business activities are carried out in full compliance with applicable national and international anti-corruption laws and regulations, including but not limited to:

- The United Nations Convention against Corruption.
- The Organisation for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.
- The German Law on Fighting Corruption (Gesetz zur Bekämpfung der Korruption).
- The Italian Law 190/2012.
- The U.S. Foreign Corrupt Practices Act (FCPA).
- The UK Bribery Act.
- The French Loi Sapin II.

as well as any subsequent amendments or related provisions.

### Scope and Target audience

Policy name	Anti-corruption
Business Units/ Countries	Global
Target audience	<p>This Policy applies to all group companies in which KME SE directly or indirectly holds the majority of all shares.</p> <p>It is applicable to all employees, directors, officers, collaborators and contractors who are under the direct supervision of KME, working at any KME office or industrial asset that is directly or indirectly controlled or operated by KME worldwide.</p>

## Definitions

Term	Definition
Corruption	<p>"Corruption" refers to the act of offering any form of Bribe to a public or private party with the intent to obtain undue benefits for KME or personal gains that could harm KME's reputation.</p> <p>Corrupt conduct may occur:</p> <ul style="list-style-type: none"> <li>actively, when an undue Bribe is offered or given, or passively, when it is requested or accepted;</li> <li>involving Public Officials or private individuals/entities;</li> <li>directly or indirectly, through intermediaries or third parties;</li> <li>whether the Bribe is actually granted or merely promised—under the law, a promise alone constitutes an offense;</li> <li>regardless of timing, including when the Bribe is given after the requested action has already been performed.</li> </ul>
Facilitation payments	<p>"Facilitation payments" are unofficial payments made to Public Officials in a non-transparent manner to expedite or secure routine administrative actions—such as obtaining licenses, permits, official documents, public contracts, or access to public funds—that the payer is otherwise legally entitled to.</p>
Public Official	<p>The term "Public Official" refers to any individual, whether paid or unpaid, who holds a position in a national, regional, or local government; a state-owned or state-controlled enterprise; a government agency or department; a public international organization; any executive, legislative, administrative, or judicial role.</p>
Business Partner	<p>"Business Partner" means all natural or legal persons who have a relationship with the companies of the KME Group in the normal course of their business, such as agents, representatives, suppliers, distributors, customers, consultants, etc..</p>
Bribe	<p>The term "Bribe" refers to any item of value or benefit, including but not limited to cash or cash equivalents, loans, donations, gifts, travel, accommodation, meals, entertainment, prizes, job offers, reimbursements, discounts, goods, or services—whether originating from KME or third parties.</p>
Politically Exposed Persons (PEPs)	<p>Any person who occupies (or has ceased to occupy for less than 12 months) a pre-eminent/important public position, or who is in close connection or in direct relationship with a person in such a position.</p>

### Policy ownership and revision

<b>Author</b>	<b>Compliance Office</b>
<b>Approved by</b>	<b>Board Resolution</b>

<b>Version no.</b>	<b>Reason for change</b>	<b>Effective Date</b>
1.0	Creation	27 November 2025

This Policy will be reviewed taking into consideration its scope, efficiency and effectiveness as well as changes to relevant laws.

### Implementation, effectiveness and relation to other policies

This Policy should be read in conjunction with related policies available at [www.kme.com](http://www.kme.com):

- Code of Conduct;
- Code of Conduct for Business Partner;
- Human Rights Policy;
- Conflict of Interest Policy;
- Responsible Sourcing and Supply Chain Due Diligence Policy;
- Whistleblowing and Reports Management - Rules of Procedure.

This Policy supersedes regional and/or local policies on the subject matter, unless the latter contain more detailed provisions or set up more restrictive rules due to local legal requirements.

## Specific information on the Policy

### 1. Requirements

To ensure transparency in operations, management, and accounting - as well as compliance with the applicable legal framework, Target audience is required to adhere to the following general and consistent organizational and control principles applicable across all Group companies:

- Traceability and post-event verifiability: all documentation and sources used to support business activities must be traceable, ensuring transparency in decision-making. Each operation must be documented at every stage to allow for ongoing verification and control.
- Separation of duties and functions: the same individual must not be responsible for authorizing, executing, reporting, and controlling a given operation.
- Assignment of responsibilities: hierarchical reporting lines must be clearly defined, and the responsibilities for management, coordination, and oversight within KME must be formally established.
- Signing and authorization powers: signing authority and internal approval rights must be assigned based on formalized rules, aligned with organizational and managerial responsibilities, and must clearly indicate spending limits where applicable.
- Impartiality and absence of conflicts of interest: as outlined in the Conflicts of Interest Policy, personal interests must remain separate from those of KME. All actions must be carried out with professionalism, transparency, impartiality, and in compliance with the law. Any potential conflict of interest must be promptly reported.
- Document archiving and retention: documents related to business activities must be archived and stored by the responsible department head or their delegate in a secure manner that prevents unauthorized third-party access. Official documents approved by corporate bodies or authorized representatives of KME may not be altered, except as permitted by internal procedures, and always in a way that preserves a clear record of any changes.

To further mitigate the risk of corrupt practices, Target audience must also comply with the additional conduct rules outlined below, which address key areas vulnerable to corruption.

### 2. Relations with Business Partners

Under most legal frameworks, KME Group companies, their managers, and employees may be held accountable for corrupt actions committed by Business Partners on their behalf, particularly when they are aware of or could reasonably foresee benefiting from such conduct.

Therefore, before entering any relationship with Business Partners, it is essential to take all necessary steps to ensure their compliance with applicable anti-corruption laws and their alignment with KME's commitment to transparency and ethical business conduct. The selection of Business Partners should follow an objective and transparent process, based on predefined criteria aimed at verifying their identity, qualifications, and reputation. This assessment should be tailored to the specific context, considering factors such as location, reputation, any pending legal proceedings or past disputes, technical/professional/organizational capabilities in the relevant sector, and any current or past dealings with public administrations.

Special attention should be given in the following cases:

- Business Partners involved in the marketing of KME products, such as sales agents, commercial intermediaries, and distributors;
- Business Partners representing Group companies before public authorities, including legal advisors, tax consultants, customs brokers, etc.;
- Politically Exposed Persons (PEPs), i.e., individuals who currently hold or have previously held prominent public, political, or institutional roles, and who may exert significant influence or decision-making power.

When negotiating and formalizing commercial agreements, they must explicitly require Business Partners to comply with all applicable anti-corruption laws, as well as the principles outlined in KME's Code of Conduct for Business Partners and this Policy. Where feasible, KME Group companies reserve the right to terminate agreements if the Business Partner's conduct violates these principles. In general, commercial relationships should be governed by a clearly defined contractual framework, and the use of KME's standard terms and conditions and model contracts is strongly encouraged.

Finally, compensation must always correspond to services rendered and be proportionate and justified based on objective criteria. No discounts, reimbursements, or other payments should be granted unless they are contractually agreed upon and adequately justified in relation to the nature of the assignment and the applicable local laws and practices.

### **3. Relations with Public Officials**

Corruption involving Public Officials is typically subject to stricter penalties than corruption involving private individuals. Therefore, in dealings with Public Administration, it is strictly prohibited to seek or establish relationships based on favouritism, influence, or interference aimed at swaying official decisions.

All interactions with Public Officials must be guided by principles of integrity, fairness, and full transparency, and must comply with all applicable laws and regulations. Specifically, it is forbidden to:

- promise, offer, or provide—either directly or indirectly—any form of Bribe to Public Officials with the intent to influence their actions (e.g., overlooking a violation, tolerating non-compliance with laws, failing to perform a required duty, or unlawfully issuing favourable legislative or judicial decisions);
- encourage a third party to exert pressure or influence on Public Officials for the above purposes, or compensate them for such mediation;
- comply with requests or solicitations for Bribes, Facilitation payments, pressure, or recommendations from Public Officials. Facilitation payments are strictly prohibited, even in jurisdictions where they may be legally permitted.

Engagements with Public Officials—including during inspections at company facilities or offices—must be handled exclusively by individuals who are specifically authorized and designated for such purposes, within the scope of their formal delegation, power of attorney, or defined responsibilities.

Where possible, at least two company representatives should be present during such interactions. Additionally, a clear and consistent flow of information to management must be ensured.

### **4. Human Resources management activities**

All Human Resources management activities - such as job offers, internships, promotions, and bonuses - can pose significant corruption risks if not conducted in accordance with principles of fairness and impartiality, particularly when used to improperly secure economic advantages.

KME firmly rejects any conduct that violates professional ethics and has formalized, within its internal regulatory framework, the responsibilities and safeguards governing HR processes. These are designed to ensure that all activities are carried out based on objectivity, competence, professionalism, and equal opportunity.

In particular:

- it is strictly prohibited to hire employees or collaborators who are directly or indirectly recommended by a Business Partner, Public Official, or individuals connected to them, in exchange for unlawful favours or benefits for KME;
- recruitment must be justified by specific planning or contingent needs and must be authorized by individuals with the appropriate powers;
- the selection process must follow objective criteria that demonstrate alignment between the job profile, the company's needs, and the candidate's qualifications.

The process must be traceable and documented to prove that decisions were not influenced by requests from Business Partners or Public Officials;

- the selection process must include pre-employment checks, including signed declarations from candidates regarding potential conflicts of interest or other relevant circumstances that KME considers significant for hiring decisions;
- career development must be consistent, fair, and transparent, promoting meritocracy and aligning with KME's governance values and applicable legal and contractual standards. Staff evaluation and incentive systems must be based on clear, objective criteria, and bonuses may only be awarded after verifying that the established goals have been achieved.

## **5. Gifts and other benefits**

In accordance with the provisions of the KME Code of Conduct, gifts or other benefits - such as invitations, entertainment, meals, or hospitality - of modest value, offered or received in good faith with the sole purpose of fostering or maintaining appropriate business relationships or as a gesture of customary courtesy, are not prohibited.

However, it is essential to ensure that such exchanges do not create any form of dependency—either on the part of the giver or the recipient—and that they fully comply with all applicable national and international regulations.

Each situation must be carefully evaluated to determine whether, under the specific circumstances and considering the underlying intent, the gift or benefit is reasonable and justifiable. In cases of uncertainty, it is recommended to seek guidance from the Compliance Office at [compliance@kme.com](mailto:compliance@kme.com).

## **6. Donations and sponsorships**

Donations and sponsorships fall under the full discretion of the company; however, KME employees and collaborators must always ensure that such activities are not used as instruments for corrupt practices or to obtain unlawful advantages.

Monetary donations and sponsorships may only be granted following thorough due diligence and identification of the recipient entities, along with a clear understanding of the underlying purpose. These actions must comply with internal company procedures and avoid any potential conflicts of interest. In particular, they must be properly authorized, with clear identification of the beneficiaries - who must be reputable, trustworthy individuals or organizations with a transparent and lawful track record - and must support cultural, artistic, sporting, social, or technological initiatives. If the contribution is monetary, it must be processed through authorized banks or financial intermediaries to ensure full traceability.

It is strictly prohibited to offer or provide sponsorships or donations that could be perceived as attempts to influence independent judgment or to secure preferential treatment or improper advantages. To this end, contracts and donation letters must include specific clauses requiring the recipient to fully comply with applicable laws and the principles outlined in KME's Code of Conduct.

Donations to associations and sponsorships are considered legitimate when they represent good-faith financial contributions made for charitable purposes, reflecting KME's commitment to social and civic responsibility and supporting the communities in which it operates. This includes sponsorship of events whose proceeds are directed toward charitable causes.

KME may offer and disburse donations only if they meet the following conditions: (i) they are entirely unrelated to commercial transactions and not intended to gain or retain business; (ii) they are made with full transparency; (iii) they are permitted under applicable laws; (iv) they do not conflict with the ethical codes of the recipient organization; and (v) they are reasonable in nature.



## **7. Lobbying**

Lobbying refers to any direct or indirect interaction with Public Officials intended to influence decisions of a public nature. These activities must be conducted with full transparency, in strict compliance with all applicable national and international regulations, and always with prior authorization from the Group.

It is important to recognize that lobbying carries inherent risks, as it may lead to corrupt practices—particularly when the lobbying party (e.g., a trade association, NGO, etc.) offers undue advantages to decision-makers to sway regulations or policies in their favour.

## **8. Bookkeeping and management of financial flows**

All accounting books and records must be maintained in a manner that accurately and fairly reflects all transactions of economic or financial relevance. Every financial transaction must be properly documented and recorded in the books of the relevant Group company.

It is the responsibility of the appropriate organizational units to implement adequate controls to ensure that business operations are duly authorized, truthfully and accurately recorded, and that such records support the preparation of financial statements in accordance with applicable accounting standards. The required activities, responsibilities, and control mechanisms are defined in internal directives and procedures, structured according to the operational needs and complexity of the organization.

## **9. Grievances and reporting procedure**

If doubts arise about the behaviour to be adopted in certain circumstances, it is always necessary to seek advice from your hierarchical superior or the Compliance Office.

If you believe or suspect that any provision of this Policy has not been complied with or is about to be violated, grievances may be addressed to our KME Group Ombudsman, Mr. Carsten Thiel von Herff, by e-mail ([ombudsman@thielvonherff.de](mailto:ombudsman@thielvonherff.de)), telephone (+49 521 557 3330 or +49 151 5823 0321) or through the designated website [www.report-tvh.de](http://www.report-tvh.de).

The details of KME whistleblower system are available on corporate website at [www.kme.com](http://www.kme.com), in the Code of Conduct, and are communicated internally.

KME places great importance on protecting the identity of whistleblowers, ensuring their confidentiality, with access limited to the designated Ombudsman and relevant person.

Whistleblowers are not subject to any retaliation for providing information.

In addition, ethical compliance concerns can be raised in confidence to the Compliance Office by email to: [compliance@kme.com](mailto:compliance@kme.com).

## **10. Access to Policy, monitoring and training**

This Policy is available on the KME Group intranet and/or locally at each relevant business location.

KME will ensure that appropriate safeguards are in place to monitor compliance with this Policy and detect any non-compliance.

In addition, KME will ensure adequate employee training on the Policy.

## **11. Discipline for violation of this Policy**

Failure to comply with this Policy may have serious consequences for KME and its employees and collaborators. Any violation of this Policy by an employee may result in disciplinary action that may include dismissal, without prejudice to any judicial proceedings and civil, criminal and/or administrative sanctions against them.

## **KME SE**

Klosterstraße 29  
D-49074 Osnabrück  
Germany  
Tel. +49 541 321-0  
E-mail [info-germany@kme.com](mailto:info-germany@kme.com)

[www.kme.com](http://www.kme.com)

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