



# Code of Conduct

English Edition

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## I. Introduction

KME is valued as a major European group which for more than a hundred years has been a leading player in the world copper processing industry. To a substantial degree, the reputation of KME is determined by our actions and by the way each and every one of us presents and conducts himself/herself. It is therefore important that all employees be guided in their activities by this Code of Conduct, which forms the basis for our work. It is the basis for our cooperation with business partners, customers, colleagues, competitors and the public. Each employee is obliged to obey all applicable laws and corporate guidelines in his or her work for KME. The Code of Conduct does not cover all possible situations and circumstances. This does not mean that unethical behaviour which is not expressly mentioned is permissible. Violations of the law must be avoided under all circumstances. Individual employees who violate the principles of this Code of Conduct face severe sanctions, including possible termination of employment. Employees who disobey the rules cannot claim to have been acting in KME's interests, because any violation ultimately harms the company.

This Code of Conduct is accordingly intended to assist the employees in their daily work. It aims to raise awareness of current legal provisions among KME staff and to oblige employees to adhere to the ethical rules and principles laid down in this Policy. However, it should also encourage employees to seek counsel in case of doubt. Ignorance is no defence against the potential consequences of breaking the rules. For support, employees can turn to their respective Compliance Officer.

## **II. KME PRINCIPLES OF BUSINESS CONDUCT**

### **1. Fair competition and anti-trust Laws**

KME pursues clean and recognised business practices and believes in fair competition. Every employee is obliged to abide by the rules of the individual countries and regions in which KME does business, including, in particular, U.S. and European anti-trust laws. Internally, KME will not show any leniency towards employees who disregard anti-trust laws.

Employees may not:

- talk to competitors about prices, costs, cost structures, discounts, terms of supply, promotional or marketing activities, output, capacities, bids, customers and suppliers, competitors, profits, profit margins, production information, market strategies, methods of distribution or any other sensitive information,
- enter into an agreement with a competitor not to compete, to restrict dealings with suppliers, to submit bogus offers for bidding or to divide up customers, markets, territories or production programmes,
- have any influence on the resale prices charged by our purchasers, or attempt to make them restrict the export or import of goods supplied by KME.
- exchange price lists with competitors, even where the price lists are publicly available.

If a competitor raises one of these topics, KME employees are obliged to end the conversation and consult the legal department.

We expect strict compliance with these principles from KME customers, suppliers and competitors.

### **2. Anti-corruption**

KME rejects corruption and bribery as stated in 2003 in the UN Convention against corruption, which has been in force since 2005. Therefore, it will not entertain any business deals that involve breaking the law or violating company rules relating to the granting or acceptance of favours, mindful of the fact that some business may be lost as a result. No amount of potential additional revenues or earnings can justify illegal business practices. This applies without exception throughout the KME Group.

We expect strict compliance with these principles from KME customers, suppliers and competitors.

### **3. Environment, health and safety**

Reflecting our mission and our values, KME is committed to achieving sustainable competitive advantage through leadership and excellence in environment, health and safety.

KME establishes EHS prevention strategies that prevent pollution and accidents to ensure the long-term sustainability of KME. KME pursues the goal of ZERO work-related accidents, providing a healthy and safe workplace for our employees, visitors and contractors.

## **4. Prohibition of child labour**

KME guarantees the prohibition of child labour, i.e. the employment of persons younger than 15 years. In those countries subject to the developing country exception of the ILO Convention 138 this means under the age of 14.

## **5. Respect for the basic human rights of employees**

KME promotes equal opportunities for and treatment of its employees. According to the general KME rules, each employee has to comply with this rule. No person is to be unfairly treated, disadvantaged, favoured, harassed or ostracised because of race or ethnicity, colour, nationality, religion, ideology, gender, age, physical characteristics, appearance or sexual orientation or other protected classes in the particular country. These principles apply to both internal cooperation and conduct towards external partners.

KME guarantees to respect the personal dignity, privacy and the rights of each individual and does not make anyone work against his will. It guarantees to comply with the maximum number of working hours laid down in the applicable laws and to recognise, as far as legally possible, the right of free association of employees and to neither favour nor discriminate against members of employee organisations or trade unions.

Any violation of these standards will not be tolerated. Any conflicts should be referred to the employee's supervisor, the Human Resources department or the responsible Compliance Officer, who, if necessary, will take the required action to appropriately address any wrongdoing and to prevent a repeat violation.

## **6. No infringement of our own or others' property rights**

The results of our scientific research and technical development work are extremely valuable business assets. Inventions, patents and other intellectual property are extremely important to our company's future. We must therefore take utmost care to ensure that our rights regarding the property we create enjoy full legal protection. Also, KME guarantees to respect the legally recognised rights of others.

Trade secrets and new knowledge should not be passed on to third parties, let alone be made public without the proper legal protection.

Care should be taken to avoid any unintentional transfer of intellectual property through the negligent handling of company information in public, such as working with laptop computers in full view of others or making casual comments in public or in presentations. Business data must be protected against unauthorised access by third parties.

## **7. No conflicts of interest**

All employees must separate their own personal interests from those of KME. According to the general KME rules each employee has to comply with this rule. During working hours, in particular, employees have a primary duty to promote KME's corporate interests. Employees must inform their supervisor of any personal interest they could possibly have in connection with the execution of their professional duties.

If an employee wishes to place a personal supply or other business contract with a person or entity that also has an already existing business relationship with KME and that employee is in a position to influence KME's business relationship with the supplier or business partner in question, the employee must receive the supervisor's permission before placing the contract.

A conflict can take the form of a business relationship with a competitor or customer of KME, or participation in sideline activities that prevent employees from being able to fulfil their responsibilities at KME. Business relationships with third parties must be formed on the basis of objective criteria.

## **8. Handling of information**

The most important requirement for preventing any breaches of the Code of Conduct is a full documentation of all processes and procedures. Files, especially those with accounting relevance, must be complete, correct, orderly and readily understandable. All records and files must be kept in such a way as to permit delegation to a colleague at any time. Employees should retain records for as long as statutory or internal provisions require and must never destroy documents relevant to threatened or pending official or judicial proceedings. The company's accounting records and related documents must fully and accurately reflect all business transactions and give a true and fair view of the company's assets.

## **III. How does this policy affect each individual's daily work routine?**

All KME employees are called upon to review their behaviour in the light of the standards set forth in this Code of Conduct and to ensure that these standards are observed. Individual employees who violate the principles of this Code of Conduct face severe sanctions including possible termination of employment. Employees who disobey the rules cannot claim to have been acting in KME's interests, because any violation ultimately harms the company. KME employees are called upon to immediately report any violations of the Code of Conduct. KME will ensure that no employee is in any way disadvantaged because he or she reports possible violation of third parties. Until the suspicion can be substantiated the principle of presumption of innocence will be respected.

## IV. How is compliance structured at KME?

### 1. Level Compliance Officer

The Compliance Officer is the first point of contact for employees in the case of suspected breaches of the principles set out in this code. Apart from this every employee can refer the matter to the Executive Board (KME AG) in special cases.

The Compliance Officer serves as a person who takes on the role of an impartial referee within KME. The Compliance Officer provides advice, assesses risks and tries to find a solution, taking into consideration the interests of all parties. The Compliance Officer is internally duty-bound to observe secrecy.

#### **Compliance Officers appointed by KME for the different countries:**

<b>France:</b>	Pascale Perrin-Bouvier
<b>Germany:</b>	Anja Pietrzykowski Christoph Janssen
<b>Great Britain:</b>	John Dodd
<b>Italy and other countries:</b>	Alessandra Pizzuti
<b>Spain:</b>	Andres Barallobre

The Compliance Officer is obliged to report any breach of the Code of Conduct to the Managing Directors of the Company and make a collective proposal on further steps to the Executive Board. In the case of an urgent and severe breach, the Executive Board must additionally be informed immediately and without undue delay. If a Managing Director of a subsidiary of KME AG is involved, the Compliance Officer is obliged to inform the Executive Board (KME AG) immediately without informing the Managing Director of the subsidiary of KME AG.

### 2. Level Managing Directors of the subsidiaries of KME AG

In collaboration with the Compliance Officer, the Managing Director of the subsidiary investigates alleged violations and makes a collective proposal to the Executive Board. Furthermore, the Managing Directors of the Company arrange audits pertaining to a possible violation or subjects identified through risk assessment either at national or group level.

### **3. Level**

#### **Executive Board (KME AG)**

The Executive Board decides on the policies for dealing with such cases and on possible sanctions against the employees involved.

In case of a possible breach of the principles set out in this code by the members of the Executive Board, the Chairman of the Supervisory Board of the company must be informed of this.

KME will ensure the ongoing viability of this Code of Conduct by creating the necessary framework for its operation and providing the necessary resources. The viability and effectiveness of the Code of Conduct will be regularly reviewed.