

# COD OF CONDUCT

## **Purpose**

This Code of Conduct serves as a guiding framework for the behavior expected from all employees and stakeholders of AAGES worldwide. It is rooted in AAGES values – respectful, reliable, cooperative, and passionate.

The Code aims to foster a shared AAGES identity, preventing integrity concerns. In this context, integrity is defined as the quality of being honest and just in character. AAGES aspires to be a world-class company with zero tolerance for illegal or unethical behavior.

## **Company Values: Competence and Experience, Quality and Reliability, Innovation and Adaptability, Social and Environmental Responsibility**

All stakeholders are expected to align their daily work and behavior with AAGES values. This entails providing products and services to customers at reasonable prices without compromising quality or reliability. It involves keeping promises, promoting cross-company cooperation, and adhering to the law while acting honorably and treating others with respect. These values form the bedrock of AAGES operations. Management and employees worldwide are obligated to embrace and uphold these values, and speak up if commitments to these standards are perceived to fall short.

## **Scope**

In the context of this document, "AAGES" refers to the AAGES Group, including its subsidiaries. The Code of Conduct is applicable to all stakeholders, including the Board of Directors, management, employees, agents, and individuals acting on behalf of the company. Board members appointed by AAGES in other companies are expected to actively promote similar ethical guidelines in those organizations.

AAGES emphasizes the importance of ethical standards and requires business partners to adhere to AAGES's Supplier Code of Conduct. Any deviations from this Code of Conduct must receive approval from the Managing Director.

## **Responsibility**

Stakeholders are expected to familiarize themselves with this Code of Conduct and conduct their duties in compliance with the outlined principles. Employees should exercise good judgment and seek guidance from their managers or others when necessary.

The Executive Management is responsible for implementing the Code of Conduct and monitoring its operational effectiveness. The Managing Director ensures periodic updates to reflect changes in applicable laws, regulations, and policies.

The Board of Directors receives regular reports on compliance levels within the company.

## **Guidelines and Framework**

This Code is built upon the ten Principles of the United Nations Global Compact, addressing human rights, labor rights, environmental responsibility, and anticorruption measures.

## **Laws and Regulations**

AAGES commits to acting in accordance with applicable laws and regulations. If AAGES's rules are more comprehensive than the country's laws and not in conflict with them, AAGES's rules shall take precedence.

A central part of the policy is to adhere to internationally accepted guidelines and conventions adopted by the UN and the OECD.

## **Disciplinary Actions and Criminal Sanctions**

Violations of this Code of Conduct and other applicable laws may lead to civil and/or criminal penalties. AAGES is committed to taking appropriate actions against violations, ranging from verbal warnings to dismissal. Properly substantiated allegations or evidence will trigger investigations and disciplinary actions. Violations may also be reported to authorities, and the company will cooperate in criminal investigations and prosecutions when necessary.

## **Guidance and Reporting**

While this Code of Conduct offers guidance on the outlined principles, it may not address every query employees may have. Therefore, it is crucial for stakeholders to exercise good judgment and, in cases of uncertainty, seek guidance from their manager, local Managing Director, Group Executive Management, or refer to other relevant procedures and guidelines adopted by AAGES. Stakeholders are encouraged to promptly report any suspicions or observations of unethical conduct, breaches of this Code of Conduct, or other policies and applicable laws. Employees should be aware of their duty to report concerns as stipulated in their employment contracts or by applicable law.

As a general rule, concerns should be reported to the line manager or local Managing Director, also anonymously according to the **GRIEVANCE & COMPLIANCE PROCEDURE**. Alternatively, concerns can be reported to public authorities. AAGES expects all

employees to be acquainted with the procedure available publicly, offering detailed guidance on what to report, whom to report to, and what to anticipate in the process. Denouncers reporting such matters will be protected from retaliation. Every report will be treated seriously and addressed appropriately. Individuals are entitled to confidentiality and even anonymously submitted reports will, to the extent possible, be thoroughly investigated by AAGES.

## **Human Rights**

All stakeholders in AAGES are obligated to respect human rights and act in accordance with the rules and principles outlined in the UN Guiding Principles on Business and Human Rights. This includes adherence to the principles and rights identified in the eight fundamental conventions outlined in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work, the International Bill of Human Rights, and the OECD Guidelines for Multinational Enterprises.

AAGES adopted a Human Right and Working Conditions Policy.

## **Health, Safety, and Work Environment**

In AAGES, we are committed to conducting our business activities in a manner that prevents harm, damage, and injuries to individuals. AAGES upholds the fundamental principles and rights at work outlined by the International Labour Organization (ILO). Stakeholders are expected to comply with all fundamental labor rights and applicable laws and regulations. This encompasses the right to freedom of association, the elimination of all forms of forced or compulsory labor, the abolition of child labor, and the elimination of discrimination in employment and occupation.

AAGES is dedicated to ensuring fair salaries, safe working conditions (including necessary supervision and protection from fire and other hazards), fostering a positive workplace environment, and implementing a whistleblowing procedure for Stakeholders to report concerns.

AAGES adopted a Health & Safety Policy.

## **Working Hours**

AAGES is committed to ensuring that working hours comply with at least the respective national legal requirements or the minimum standards set by the relevant national economic sectors in Romania.

## **Prohibition of Child Labour**

AAGES unequivocally rejects any form of child labor or engagement of children below the lawful minimum age for employment. In cases involving individuals below the age of 18, such as dual-education programs, special precautions must be taken to safeguard their

health, security, and rights. Persons below the age of 18 shall not engage in hazardous labor, night-time labor is excluded for all our employees, and their work shall not adversely affect their education or development. AAGES fully supports and will act in accordance with the UN Convention on the Rights of the Child.

### **Discrimination and Harassment**

All individuals at AAGES shall be treated fairly and with respect and dignity. Discrimination based on gender, ethnicity, national origin, descent, skin color, language, religion, sexual orientation, family situation, disability, or any other basis prohibited by law is not accepted. Everyone must be treated with respect and dignity at all times.

### **Hazardous Substances and Conflict Materials**

AAGES complies with applicable laws and regulations concerning the use, prohibition, and restriction of hazardous substances. We are committed to avoiding the use of conflict materials—materials originating from conflict areas that contribute to funding governments and movements violating fundamental human rights.

### **Environment**

AAGES adheres to guidelines based on environmental standards within the Ten Principles of the UN Global Compact. Our commitment to sustainability involves continuous improvement in energy efficiency, minimizing discharges, emissions, and waste, and adhering to applicable laws and regulations to reduce environmental impact and prevent harm to the environment. AAGES adopted an Environmental Policy

### **Integrity and Anti-Corruption**

#### **Conflict of Interest**

AAGES employees and representatives shall act impartially in all business matters, avoiding conflicts of interest. This fundamental principle, along with the outlined guidelines, ensures that all business-related decisions are made in the company's interest, and employees are not placed in positions where their integrity may be questioned later.

Conflicts of interest may arise when personal or family interests conflict with company interests, especially in roles involving awarding contracts, hiring staff, or dealing with competitors. Employees must not engage in outside business activities without prior management approval. Ownership interests in suppliers or competitors, or awarding business to companies controlled by family members or friends, are strictly prohibited. Transparency is crucial in handling potential conflicts of interest. Employees should disclose situations that could lead to conflicts or the appearance of conflicts in writing to their manager.

In addition, employees should generally avoid participating in business decisions involving immediate family members or companies in which they hold a significant ownership interest. Any such situations should be promptly notified to the manager, seeking guidance.

### **Corruption**

AAGES has a zero-tolerance policy for bribery or corruption in any form. All employees must adhere to applicable anti-bribery and corruption laws and actively work to ensure our business partners share this commitment. Corruption hinders the development of efficient market economies. Engaging in corruption may result in severe consequences for individuals and AAGES, including criminal charges, penalties, or sanctions.

Bribery, corruption, and facilitation payments are strictly prohibited in all business transactions, whether with public officials or private partners. Any advantage offered or received, directly or indirectly, which may be considered improper, is strictly forbidden. Compliance with applicable laws and regulations is mandatory. The distinction between acceptable and improper advantages may be challenging, and employees should exercise caution, especially in situations where the intention to influence can be inferred.

### **Gifts, Hospitality, and Travel Expenses**

**Gifts.** Any item of value, including discounts, constitutes a gift, regardless of its value. Without prior written approval from the local Managing Director, employees must not offer, give, accept, or receive gifts. An exception is made for promotional items of minimal value or other minor gifts below EUR 40, expressing gratitude for contributions to events, meetings, courses, or similar. Gifts of moderate value require approval from the local Managing Director.

**Hospitality and Travel Expenses.** Employees are expected to exercise prudence in accepting hospitality, ensuring it aligns with the company's values. Travel expenses must be reasonable and comply with company policies. Any exceptions or deviations require approval from the local Managing Director.

**Meals, Travel, and Accommodation Expenses.** AAGES will cover meals, travel, and accommodation expenses for employees as a general rule, and not by the third party offering hospitality.

Gifts exceeding a value of EUR 40 are prohibited for both giving and receiving by any employee. No gifts or hospitality are allowed in procurement, sales processes, contract negotiations, or transactions. Exceptions may be considered for simple meals, shared transport, and similar practical reasons if the amount is reasonable and does not compromise impartiality or independence.

Cash, vouchers exchangeable for cash, and similar gifts are strictly prohibited.

Offering or accepting hospitality is only acceptable when it serves a clear business purpose, the host is present, and the cost is reasonable.

All gifts, hospitality, and travel expenses, whether accepted or declined, must be reported to management through travel expense reports or other means.

Approval from the local Managing Director is required in advance for all travels paid by third parties.

Employees should not receive discounts on personal purchases from AAGES's business partners unless the discount scheme applies universally to all employees.

### **Due Diligence and Cooperation Agreements**

Prior to entering into cooperation agreements, joint ventures, or considering the acquisition of a company, AAGES requires mandatory due diligence procedures. These procedures aim to uncover any deviation from AAGES's non-tolerance guidelines regarding bribery and corruption.

### **Loans and Guarantees**

Employees and their closely related persons must obtain written consent from the local Managing Director before accepting loans or guarantees from any of AAGES's business partners. Exceptions are allowed for loans and guarantees on market terms from partners who issue them as a regular part of their activity.

### **Sponsorships and Donations**

Donations and sponsorships pose a significant corruption risk due to the potential for large gifts without a clear business purpose.

AAGES prohibits sponsoring religious or political groups, organizations, or candidates. Sponsorships and charitable donations are allowed only based on clear, legitimate, and publicly available criteria which are in line with the social responsibility assumed by the company. Charitable donations and sponsorships are subject to integrity due diligence of the recipient, ensuring transparency and legitimacy.

### **Anti-Money Laundering**

Money laundering involves the channeling of funds from illegitimate sources into legitimate business activities and financial markets. AAGES opposes all forms of money laundering and complies with applicable anti-money laundering laws and regulations.

AAGES implements measures to identify and handle potentially illegitimate funds, including establishing due diligence procedures for new business relationships.

Employees must be vigilant for warning signs of money laundering, such as customers reluctant to share information or insisting on cash payments, and report such instances to line management promptly.

## **Trade Sanctions and Export Control**

AAGES and its Stakeholders comply with trade sanctions and export control laws imposed by entities like the UN and EU, as well as other applicable regimes. These laws may restrict the sale, shipment, transfer, or provision of information, software, goods, assets, funds, and services across borders or involving parties subject to trade sanctions.

## **Insider Trading and Trading in Securities**

AAGES employees must comply with laws concerning transactions in publicly traded securities (insider trading) due to the public listing of the company.

## **Business Conduct**

AAGES and its Stakeholders must uphold trustworthiness, honesty, and fairness in all dealings, internally and externally.

Pricing between AAGES Group companies follows the principles outlined Remuneration Policy and Governance documentation available on the website of the company, ensuring compliance with national tax regulations.

AAGES has zero tolerance for violations of applicable competition laws and regulations, promoting fair competition and avoiding misuse of confidential information.

AAGES adopted a Business Ethics Policy.

## **Sobriety**

The Board of Directors, management, and employees are accountable for operational profitability, aiming to minimize costs whenever possible.

Travel, compensation packages, company cars, and other benefits are kept at a reasonable level, considering local habits and conditions.

**Protection of Company Property** Employees must handle physical assets, information, and intellectual property with care to prevent loss, theft, or damage.

Limited personal use of company assets requires management approval and must not conflict with company interests.

## **Political and Religious Activities**

AAGES's funds or assets cannot be used for political campaigns or religious practices without prior written approval from the Board.

Personal political activities or expressions of the company's opinion about political causes are not permitted without authorization from the Board.

## **Handling of Information and Communication**

AAGES and its Stakeholders comply with applicable laws and regulations regarding data protection, confidentiality, and trade secrets.

Confidential information, including financial, operational, and legal data, must be protected and used for company business purposes only.

Responsible use of social media is encouraged, but Stakeholders must avoid disclosing confidential information and respect colleagues' and business partners' privacy rights.

## **Confidential Information and Trade Secrets**

For AAGES, safeguarding confidential information is paramount as it constitutes a valuable asset. Confidential information encompasses all non-public data, regardless of its source, that could benefit the company's competitors or harm AAGES if disclosed. Stakeholders are obligated to utilize confidential information solely for company business purposes, refraining from personal gain. Without explicit written consent or a legal/professional obligation, Stakeholders must not disclose confidential information. AAGES emphasizes that this obligation extends even after the termination of the relationship with the Stakeholder.

## **Responsible Use of Social Media**

Social media platforms like Facebook, Instagram, and LinkedIn are increasingly influential in both personal and professional spheres. AAGES encourages employees' responsible use of social media, but caution is advised. Stakeholders are prohibited from disclosing financial, operational, or legal information pertaining to AAGES, customers, or business partners. Publishing information detrimental to AAGES may breach loyalty. If a Stakeholder inadvertently posts harmful content, immediate correction is required, with alerting the Managing Director. Respect for colleagues' and business partners' privacy is essential, including refraining from posting photos or tagging without explicit permission. LinkedIn suggestions for publication on the company site are welcome, subject to approval.

## **Cooperation Between Management and Employee Representatives**

AAGES is dedicated to complying with local laws and regulations regarding sharing company information with employees. Where necessary, the company establishes bodies for information exchange and opinions on company matters with employee representatives. Even in the absence of local regulations, AAGES ensures that employees are informed about developments influencing the company's progress.



## Cooperation with Third Parties

International transactions highlight the potential misuse of third parties, such as agents and consultants, to conceal bribes in foreign business dealings. AAGES recognizes the need for enhanced scrutiny when engaging third parties, especially in dealings with public officials or if the engagement is outside the ordinary course of business. Prior written approval from the Chief Commercial Officer is mandatory, contingent on a satisfactory risk-based integrity due diligence of the third party. Written agreements with third parties must outline services in detail, tie compensation proportionally to services, and set a maximum compensation cap.

### References:

1. UN Global Compact Principles (<https://www.unglobalcompact.org/what-is-gc/mission/principles>)
2. International Labour Organisation Declaration (<https://www.ilo.org/declaration/lang-en/index.htm>)
3. UN Convention on the Rights of the Child (<https://www.ohchr.org/en/professionalinterest/pages/crc.aspx>)
4. Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain (<https://www.csreurope.org/newsbundle-articles/automotive-industry-releases-updated-guiding-principles-to-enhance-supply-chain-sustainability>)

## Appendix 1

Regulation of Internal Order – workplace conduct applicable for employees