

# Code of Conduct of the CTS GmbH

## Preamble

Our Code of Conduct is a guideline for the entire CTS Clima Temperatur Systeme GmbH and applies to all employees of the company. It represents the demands we place on ourselves to live up to the values and rules listed and at the same time signals responsible behaviour towards our business partners, customers and employees.

## Dealing with each other and employment principles

Our management culture is characterised by appreciation and trust. We respect and protect the dignity of every individual person. Discrimination, harassment or degradation will not be tolerated.

We promote constructive teamwork among our employees. Their interests and demands on us are decisive for our work and further development. We successfully work together thanks to the diversity and commitment of our employees.

We expect all employees to act in accordance with the highest professional standards and the guidelines of our company at all times. Any employee violating existing guidelines, rules or regulations in the course of their work or through their behaviour will be subject to disciplinary action.

## Customer orientation

We behave fairly and honestly towards our customers and business partners. We consider the wishes, needs and expectations of our customers and business partners in order to ensure a targeted implementation in products or services. Our primary goal is to build a long-term and stable relationship with our customers and business partners based on trust.

## Handling information

Information and its processing are a key component and prerequisite for the success of any business activity. When handling information, accuracy and correctness are of paramount importance. The respective degree of confidentiality and data protection must be observed. All business information and trade secrets of our partners are treated sensitively and confidentially as a matter of principle. Necessary documents are properly created, stored and, if necessary, destroyed after the end of the co-operation.

## Compliance with applicable law

We require all managers and employees to familiarise themselves with the applicable laws, regulations and rules and to comply with them without exception. It is prohibited to induce third parties to commit unlawful acts or to knowingly participate in such acts. Compliance with export control regulations and the continuous monitoring of sanctions are ensured through regular training of the relevant employees.

The business practices of our business partners and their suppliers must also comply with the applicable laws. This applies in particular to imports, exports, domestic goods trading, and services, as well as to payment and capital transactions. Violations of economic embargoes and trade, import and export controls must be ruled out, as must terrorist financing.

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## **Financial responsibility and disclosure of information**

We comply with national and international tax and customs laws. We reject any form of unauthorised circumvention of these regulations and abuse of law. We also support the international fight against money laundering and take our legal obligations very seriously. All business transactions are conducted transparently and are correctly reflected in the financial reports. The confidential treatment of security and personnel data as well as accounting and financial data is of particular importance. All business transactions must be recorded in our books in accordance with established procedures and auditing standards and generally recognised accounting principles. These records contain the necessary information about the respective transactions.

## **Freedom of association**

We respect the right of all employees to freedom of association, freedom of assembly and collective bargaining.

## **Working hours**

The working hours are based on the applicable law and may not exceed the maximum number of hours stipulated by law.

## **Remuneration**

The remuneration paid must comply with all relevant local laws on remuneration, including minimum wage laws.

## **Conflicts of interest**

We require our employees to avoid situations that could lead to personal conflicts of interest. If there is a risk of a conflict of interest, the respective manager or the management must be approached. Business relationships may only be initiated or maintained on the basis of objective criteria, such as quality, price, technological or ecological standards and reliability of the business partner. Commercial and personnel decisions or recommendations by employees must not be influenced by private interests and relationships or motivated by material or immaterial gains.

The ban on accepting or receiving bribes applies not only to direct financial gains, but also to other gains that could jeopardise the independence of business partners. Such favours include, for example, invitations and gifts.

## **Bribery and corruption**

We do not tolerate any form of corruption or bribery. We use control mechanisms to prevent bribery, theft, embezzlement, fraud, tax evasion and money laundering.

Our employees are prohibited from accepting or receiving favours of any kind (cash, trips, gifts, etc.) that are linked to undue gains (awarding of contracts, project bonuses, etc.).

Our business partners are also required to avoid conflicts of interest that harbour a risk of corruption.

## **Protection against child and forced labour**

Child and forced labour are not tolerated and are rejected without exception, including by our business partners. If child or forced labour is noticed in a direct or indirect connection, this must be reported immediately so that consequences can be derived from it.

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## **Protection of human rights**

We respect and support internationally recognised human rights and adhere to the United Nations Guiding Principles on Business and Human Rights. In this context, we are also in constant dialogue with our suppliers to ensure that our products do not contain raw materials from conflict regions.

## **Equal treatment and non-discrimination**

A culture of equal opportunities, mutual trust and mutual respect is of great importance to us. We promote equal opportunities and prohibit discrimination in the recruitment of employees as well as in the promotion or granting of training and further education programmes. We treat all employees equally, regardless of gender, age, skin colour, culture, ethnic origin, sexual identity, disability, religious affiliation or ideology.

## **Ethical recruiting**

In our recruitment process, all applicants are assessed without discrimination or bias. Integrity, transparency, trust and performance are paramount and all candidates have a fair chance of getting the job. For us, ethical recruiting means: No discrimination against candidates based on their appearance, gender, ethnic affiliation or age, and open and transparent communication with applicants and candidates about the status of their application. All applicants and candidates are treated with respect and honesty and we show them that we appreciate that they have made the effort to apply for the position.

## **Women's rights**

It is firmly anchored in our corporate culture that equal rights and gender-independent assessment are crucial for a healthy working atmosphere. Women, men and diverse genders receive equal attention and are assessed solely on the basis of performance. Gender-related differences and prejudices do not arise from the behaviour of men or women themselves, but are caused by the environment in which they work. That is why we all make every effort to create a neutral environment.

## **Diversity, equality and inclusion**

We stand for the ideal of a society that favours diversity, excludes no one and allows everyone to participate equally in social life. Inclusion in this sense means that diversity – in all its nuances – is the norm.

## **Rights of minorities and indigenous peoples**

Indigenous peoples and minorities are free and equal to all other peoples and human beings and have the right not to be subject to discrimination in the exercising of their rights, in particular on the basis of their indigenous origin or identity.

## **Privacy**

We treat all personal data of our customers, business partners and employees with the utmost care and comply with the currently valid General Data Protection Regulation. To keep data safe, our

employees are obliged to take all the appropriate measures to protect our IT system from both internal and external data theft.

### **Gifts and other benefits**

When accepting and giving gifts and invitations from and to business partners, an extremely restrictive approach must be taken. Their financial scope must be measured in such a way that their acceptance by the recipient does not have to be concealed and does not place the recipient in a position of obligatory dependency. In cases of doubt, the consent of the management must be obtained.

Invitations from business partners to events with a general social connection (e. g. sporting events, cultural events) are only permitted if they are customary for the business, do not have an unreasonably high value and also correspond to the other personal standard of living of the participants. If there are any doubts as to the appropriateness of this, prior agreement must be reached with the management.

### **Donations**

As a matter of principle, CTS Clima Temperatur Systeme GmbH does not donate to political parties, individual organisations or organisations whose objectives contradict our corporate philosophy or damage our reputation. The bestowal of donations is always transparent.

### **Fair competition**

We are committed to fair competition and adhere to these laws and rules. We refrain from agreements on prices, conditions and strategies with competitors, suppliers and other companies and dealers that hinder fair competition. We do not take part in any anti-competitive boycotts.

### **Occupational health and safety**

To protect our employees, we comply with all laws and regulations relating to health and safety in the workplace. To this end, our managers in particular take measures to create a healthy and safe working environment for our employees.

### **Whistleblowing and protection from retaliation**

In the event of a violation of the content defined in this Code of Conduct, all employees can speak out freely and without fear of retaliation.

The independent reporting office set up in 2023 complies with the requirements of the Whistleblower Directive.

### **Protection of the environment, decarbonisation, greenhouse gas emissions**

Protecting the environment and the climate are important to us.

We are committed to protecting the environment in all relevant business processes.

We aim to prevent or reduce environmental pollution wherever possible.

Our employees are encouraged to use all resources responsibly and sustainably.

The processes for manufacturing products and services are energy-efficient and preferably run using renewable energies.

The decarbonisation of our business activities is an important strategic goal. We want to make our contribution and intend to reduce greenhouse gases as much as possible.

We report on our consumption and savings in greenhouse gas emissions as part of our environmental management system.

## **Intellectual property – patents**

We respect and protect intellectual property rights.

Each individual employee must protect the know-how and intellectual property developed by our company. There is a strict obligation of confidentiality with regard to intellectual property and trade secrets. Intellectual property includes, among others, patents and trade secrets. All employees are prohibited from disclosing information relating to our technical, technological and business expertise to third parties. Conversely, it is part of our corporate policy to respect the intellectual property rights of third parties and not to infringe the valid patent rights of others.

Hechingen, January 23, 2024

The Management of CTS GmbH