

Code of Conduct

ADLER Group



May 2023

"WE ARE 

**WE ARE RELIABLE,
EAGER TO EXPAND OUR KNOWLEDGE
AND
COMMITTED TO SUSTAINABILITY.**

**WE WORK HARD TO SATISFY OUR CUS-
TOMERS
AND OFFER THEM THE BEST SOLU-
TIONS.**

**ADLER – EUROPE'S NO. 1 FOR SURFACE
FINISHING."**



The ADLER Group

The ADLER-Werk Lackfabrik is one of Central Europe's leading providers of paints, varnishes and wood preservers. The foundations for the business were laid in 1934 by Johann Berghofer. He set up a paint store in the town of Schwaz in Tyrol, Austria – the forerunner of today's ADLER-Werk Lackfabrik. In 1964, after the premature death of the company's founder, Günther Berghofer (who is today chair of the ADLER-Werk supervisory board) took over the running of the family business at the age of just 26 years old. At that time, ADLER had 71 employees, produced 1,000 tonnes of paints and varnishes a year and had an annual turnover equivalent to € 1.5 million. Together with his employees, Günther Berghofer continued to expand the business in line with the needs of the market and realised his vision of a paint and varnish factory in the countryside: during the 1970s, a new paint and varnish factory was built in Schwaz, in a three-phase construction project, becoming the most advanced factory of its kind in Europe.

Today, with Andrea Berghofer at the helm, the business is being run by a member of the third generation. The company now has a more international focus, with around 720 employees and operations in more than 30 different countries, although Schwaz in Tyrol continues to be their sole production site.



A very special company philosophy

As a brand, ADLER guarantees top-quality products and outstanding service. Behind the many decades of success of our family business, there is a very special company philosophy and a set of shared values that govern the way we work and do business on a day-to-day basis: whether we are in Austria, where ADLER originates from, or in one of our sales offices that can be found across the whole of Europe.

Our visionary way of thinking motivates us to keep achieving new milestones and ensures the sustainable development of this family business. We encourage all our employees to contribute by putting forward their ideas and using their creativity. Expecting and encouraging good performance is an integral part of our corporate culture. Our management culture focuses on showing appreciation and setting a good example, and is enshrined in our Guiding Principles for Managers. Being optimistic, acting responsibly and treating one another with respect are principles that we live by in our day-to-day activities.

Foreword

Dear employees of the ADLER Group,

The name ADLER means top-quality products and outstanding service for our customers. The basis for the many decades of success of our family business is the ADLER philosophy, which includes values such as fairness, reliability, loyalty, honesty and mutual trust.

This corporate culture was established at ADLER back in the days of my father, Günther Berghofer. Still today, this philosophy is an important ingredient in achieving sustainable success across the entire international ADLER Group.

With our ADLER Code of Conduct, we have put together a set of rules that are derived from a commitment to our shared values and from compliance with all the currently applicable legislation. As one of our employees, we are therefore providing you with a clear set of instructions regarding conduct, as well as an unambiguous set of rules and regulations.

It is your task to familiarise yourself with these requirements, to comply with them and to implement them in your day-to-day activities. The management team of the ADLER Group bear a special responsibility in this regard as they are expected to act as role models. It goes without saying that our family, the supervisory board, the extended management team and the managers of our sales offices will likewise comply with this Code of Conduct.

Please make efforts to implement these principles in your day-to-day work so that you can make your own personal contribution to the success of our company!

Best regards,



Andrea Berghofer

Managing partner, ADLER-Werk Lackfabrik

Scope of application

This Code of Conduct is to be observed by all employees across the entire ADLER Group, in addition to any rules that may have been established for specific areas of the business (e.g. Purchasing, R&D). Newly-hired employees will be asked to agree to comply with the Code of Conduct in their contract of employment.

These guidelines contain a set of principles regarding conduct for all employees of the ADLER Group and are intended to protect the corporate group and its team. They are to be seen as guiding principles that will help our employees to ensure that the decisions they make in their day-to-day work comply with the Law and are in harmony with the values of the ADLER-Werk Lackfabrik.

The Code of Conduct is part of the ADLER Group Standards, which are filed in the ELO Archive in the file Standards (Chapter 5.1.2.).

The ADLER Code of Conduct

ADLER's basic principles

We are fair and treat one another with respect.

We are reliable, loyal and trustworthy.

We are honest and act with integrity.

We communicate in a way that is open and transparent.

We take our rules and regulations seriously and we expect the same of our work colleagues.

Correct conduct – guiding principles

Doing the right thing isn't difficult if you stick to a few key points:

- Read the ADLER Code of Conduct right through and look at it again from time to time.
- Be self-critical and question your own conduct. Ask yourself the following questions every now and then:
 - o Can I be open about what I do to my line manager and my colleagues?
 - o Would my family and my friends consider my conduct to be correct?
 - o Would I behave in the same way if there were witnesses present?
 - o Would I find it okay if someone behaved like this to me?
 - o Am I harming the interests of ADLER with my conduct?
 - o Have I thought about the consequences of my conduct for the persons affected by it?
- Our Code of Conduct does not cover every individual case. If you are not sure how to behave correctly in any given situation, speak to your line manager!

Correct conduct at ADLER

What do we mean by correct conduct?

Correct conduct firstly means compliance with rules, regulations and laws. It also means making a clear commitment to values such as honesty and integrity, mutual respect, fairness and reliability. So it's actually quite simple: behaving in such a way that no harm is done – either to the economic interests and the image of our company, or to other people or the environment.

What is the objective of our Code of Conduct?

Our Code of Conduct is a key factor in securing ADLER's corporate success. Our customers and partners not only appreciate us because of the quality of our products and our service, but also because we are a reliable and trustworthy partner. It is our joint responsibility to fulfil their expectations, so that we can continue to secure the success of the ADLER brand.

This Code of Conduct also forms the basis for us to work together within the company. It helps us to do our work well and efficiently, makes communication easier and ensures a pleasant atmosphere within our teams.

Who does this Code of Conduct apply to?

The ADLER Code of Conduct applies across the entire ADLER Group and therefore to all of us – to each individual at their workplace, regardless of their position, area of responsibility or location. Our Code of Conduct is not a recommendation, it is a binding set of rules and all employees are required to comply with it.

What happens in the case of a breach of the Code of Conduct?

If you observe or hear about a breach or an attempted breach of the ADLER Code of Conduct, you must report it immediately. By doing so, you will help to prevent harm being done to our company. This also applies in the case that you yourself have breached the Code of Conduct – making a mistake is not as bad as covering one up.

Serious or repeated breaches of the Code of Conduct may have grave consequences; the person in question could even be dismissed with immediate effect.

How can I report a breach of the Code of Conduct?

If you have become aware of a (possible) breach of our Code of Conduct, please tell your line manager – you can trust them. The same applies if you would like to make a suggestion as to how we could improve or add to this Code of Conduct.

Alternatively, you can also report a breach of the Code of Conduct via our web portal: *adler-lacke.whistleblower.report* which will allow you to report the matter anonymously.

The information will in all cases be dealt with in strict confidence – you do not need to fear any negative consequences as a result of reporting a breach.

ADLER Code of Conduct

Reliable partnership

We comply with laws and regulations

We understand and respect the laws and official regulations that are of relevance to our professional activity, both in the place where our company is based and internationally: environmental and safety regulations, tax laws, employment laws, customs laws, regulations relating to foreign trade, etc. We never break or try to circumvent these or any other laws.

We ensure that our knowledge of changes in the law is kept up to date and we pass on any such information – this applies in particular to our management team. When it comes to our international business, we work closely with our customers and suppliers in this regard.

It goes without saying that we comply with all laws relating to human rights and we also expect the same of our customers, suppliers and partners.

We never accept bribes

We do not accept any gifts from customers, suppliers or other business partners who are hoping to gain an undue business advantage. Bribery is not a trivial matter but rather a serious offence; it doesn't matter whether the bribe was successful or not – the fact that an attempt was made is enough.

Bribes can be just as varied as the undue business advantages that they are aimed at achieving:

- a supplier who tries to get contracts through regular gifts or free tickets to an event
- a customer who hopes to obtain better conditions through an invitation to an expensive dinner
- a competitor who offers money for internal information

All these are classic examples of attempts at bribery. This also includes bribes that you do not receive yourself but that are given to family members or friends.

Gifts of a moderate value that are given as a gesture of politeness are not considered to be bribes – e.g. inviting one another for a coffee or small gifts such as promotional articles. You may also accept small gifts with a value of up to approx. € 20 in the period leading up to Christmas.

If you are uncertain whether you should accept a gift, please speak to your line manager.

In addition to this, employees in the Purchasing and R&D departments are required to comply with the specific rules that have been established for their area of work.

We never try to bribe others

Just as we do not accept bribes, we never attempt to bribe anyone else in order to gain an undue business advantage – whether it's a speeded-up authorisation process of an official authority or the acquisition of a contract. We reject any kind of corruption.

We will only offer donations or sponsorships following consultations with the senior management or the Head of Corporate Communications.

We have the greatest of respect for the environment and for human health

Protecting people and the environment is a top priority for us. We are therefore very strict in upholding all statutory and internal regulations relating to safety, the protection of the environment and health, and we also expect all our business partners to show an awareness of the environment, health and safety in their conduct. We ensure that – providing they are used in accordance with their intended use – our products will not give rise to any risks for people or the environment.

We avoid doing anything that could result in damage to the environment or to our own health or that of others, and we handle resources with care. We are committed to energy efficiency and climate protection and we continuously work on the development of sustainable solutions for our customers.

We support the United Nations Sustainable Development Goals and we ensure that our decision-making is not only done according to economic criteria but that it always considers safety, health and protecting the environment.

Fair competition

We are committed to fair competition

We do not see other providers of paints and varnishes as opponents but rather as fellow market players and we deal with them in a respectful and appreciative way. We do not speak ill of our competitors and we do not spread rumours. We do not make negative comments about the products, services or employees of our competitors, but rather we emphasise the positive points of our own services.

We do not pass on any internal information to competitors and we do not make any agreements with them, e.g. on the dividing up of sales areas, on special offers or on strategic goals. Should we receive any insider information, we do not use this to our own advantage or to the advantage of any third party.

We avoid conflicts of interest

We behave in such a way that our professional conduct serves the interests of our company and we put our private and personal interests in the background. We are impartial in our dealings with our business partners and do not allow ourselves to be led by our personal relationships or liking for the persons we are dealing with, but instead are led by our responsibility towards ADLER. We always make decisions on the basis of objective, factual information.

If we have a secondary, part-time job, apart from voluntary work, we will inform our employer and will insure that this secondary job does not present any conflict of interest with regard to ADLER.

The ADLER Group is committed to our pluralistic democracy and to all employees participating in this democracy. As a company, however, we refrain from any kind of party-political affiliation. This means that we do not allow any party-political activities (e.g. campaigning for a party, holding meetings or rallies on company premises) in the context of your professional activity. Furthermore, we do not allow our employees to take part in any public meetings, processions or demonstrations in work clothing that we have provided which bears recognisable and assignable lettering and/or an ADLER logo.

We can be trusted

We act with integrity and we are reliable. We stick to any arrangements we make with our customers and business partners and keep to the terms of any contracts we make with them. We are

aware of the trust that is placed in us and we do not put it at risk through carelessness.

We communicate openly and professionally

Our communications, both within the company and with external persons and organisations, are always discrete, authentic and appropriate. We do not spread untruths, half-truths or rumours and we do not get involved in intrigue. We treat our business partners, local residents, the authorities and representatives of the media as equals and we supply them with the information that they have a right to receive. We are consistent in our communications with external persons and organisations and, if we receive enquiries (e.g. from the authorities or from representatives of the media), we refer them to the relevant internal office (e.g. Corporate Communications or the senior management).

Reliable work

We work in a way that is transparent and can be clearly understood.

We want to ensure that the way we work is at all times transparent and can be clearly understood. Our aim is to ensure that, in the case of an unexpected absence, it is possible for another person to stand in for any employee and cover their duties in full.

We carefully file important data and information in the analogue or digital systems that are intended for this purpose (e.g. ELO, server drives) and we precisely monitor the content that is communicated on our website, for example. We document all the key steps in our work processes and all important decisions in line with our internal rules and regulations (e.g. management handbook, work instructions).

We protect our knowledge

We are aware of the fact that our data and information is an essential part of ADLER's business capital and therefore needs to be carefully protected. Recipes, test results, plans, process documentation, market analyses, customer data, address lists, strategy documents, etc. are the property of ADLER and must never be given to anyone external or used in the private sphere without the explicit permission of the senior management. Likewise, our entire internal

communications and documentation are to be treated in the strictest of confidence.

In addition to this, employees of R&D are to comply with the specific rules that have been established for their area of work.

We ensure computer and internet security

When using digital devices and in particular with all activities on the internet, we ensure strict compliance with the ADLER IT Guidelines on Computer and Internet Security. We do not allow harm to be done to the company through a careless approach to these rules.

We respect data protection and intellectual property

We treat the personal data of employees and business partners with respect and care; we only use it for the specific purpose for which it was supplied and in compliance with the GDPR and the ADLER Privacy Statement; we never pass it on to anyone else without the consent of the person concerned, and we secure it against unauthorised access or loss. We respect intellectual property in regard to images, written text, ideas, etc. and we do not unlawfully acquire any third-party data.

We protect our facilities

We understand that all buildings, equipment and systems in and with which we work belong to ADLER – from the production facilities to our own desk, from the vehicles to the equipment in the laboratory. We do not use them for private purposes, we treat them with care, maintain and clean them regularly, avoid damaging them and, if it becomes necessary, take steps to ensure that repairs are carried out quickly.

We adopt the same principles in the way we treat the property of our customers and partners.

We ensure that our bookkeeping is accurate and is carried out conscientiously

Our bookkeeping records are up-to-date and kept in a business-like and accurate manner; to the best of our knowledge, our books are kept in such a way that they could be inspected at any time. It goes without saying that we comply with all regulations relating to commercial law and tax law. Our internal control system ensures that our documentation is in compliance with the legal requirements.

Good working relationships

We are fair in the way we deal with one another and show one another respect and tolerance.

We respect other people, and that includes their particular characteristics and idiosyncrasies. We will not tolerate anyone being put at a disadvantage or discriminated against on account of their origin, appearance, religion, gender, sexual orientation, way of life or any physical defect. We accept other opinions and attitudes, even if they are different to our own. We will not tolerate insults, verbal abuse or physical violence. We are polite and accommodating and we always treat others in the way we would like to be treated ourselves. We are aware that we all share responsibility for ensuring a good working atmosphere in our company.

We never harass others

We have zero tolerance for harassment, in particular sexual harassment. This includes undesired and inappropriate touching as well as words and gestures, suggestive remarks and lewd jokes. In this context, the intention is not of any relevance, but rather how it comes across to the recipient.

We encourage a leadership culture in which our managers act as role models

Our managers undertake to adhere to ADLER's Guiding Principles for Managers and to put these principles into practice in the execution of their responsibilities as managers. They are open to the questions and concerns of their employees and act as role models.

We are loyal

We know that, as employees, we represent both ADLER as a company and the ADLER culture, and we therefore always behave in an exemplary and appropriate way. We are also aware of our responsibility as ADLER employees when we are not at our workplace. We protect ADLER's reputation, speak respectfully about our company and its team, and we do not talk about any internal conflicts to external persons.

We take our Code of Conduct seriously

We are familiar with our Code of Conduct, comply with it consistently and expect that our colleagues and superiors do the same.

We are self-critical and question our own behaviour and we contact our line manager if we are uncertain in this respect.

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