



COMPLIANCE HANDBOOK

JUWI Energie Rinnovabili S.r.l.

Foreword. The importance of the Compliance Handbook and of the regulatory compliance for JUWI.

Dear colleagues,

The JUWI Group (i.e. all companies affiliated with JUWI Energie Rinnovabili S.r.l., hereinafter also referred to as “**JUWI**”) is a group of companies operating worldwide. One of our goals is to successfully embrace renewable energies as an economical and reliable source of energy. Another goal is to safeguard and increase long-term added value, in the interest of the company's employees, of the shareholders and the company in its entirety.

JUWI is obliged to comply with applicable laws and observe the respective regulations in all countries in which it operates. Without regulatory compliance we jeopardise our reputation, which we rely on worldwide. Every individual has an obligation to meet compliance requirements when working for JUWI. All directors and employees are jointly responsible for the lawful conduct of JUWI.

Compliance with applicable laws is non-negotiable, even to safeguard business opportunities. Illegal conducts can cause considerable damage: compensation claims, confiscation of profits, fines, penalties, as well as exclusion from future contracts and/or tenders. Illegal conducts can damage the trust of our business partners and our reputation with the customers or the public. In the event of a violation, every employee must expect disciplinary and legal consequences, regardless of any legal sanctions. No one can claim to have violated the law while acting in the interest of JUWI.

Compliance ensures that the best solution prevails in a fair competition. Compliance is not only an obligation and a responsibility, but also an opportunity for the company, which we must seize.

We have published this Compliance Handbook, as well as other compliance guidelines, against a background of increasing complexity and increased business risks, to ensure compliance within the JUWI Group. These must be observed within the JUWI Group in the same way as applicable laws.

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Capitale Sociale nominale Euro
100.000,00 (Euro centomila) interamente
versato

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I. Overview of core values and ethical principles

JUWI Core Values

- **Living according to our convictions = authenticity**

We respect people and nature and are passionate about preserving a healthy environment.
- **Ensuring independence**

With decentralised direct supply solutions, even though smaller systems, we help communities and industrial companies achieve independence.
- **Targeted integration**

We offer the possibility of exploiting and combining renewable energies. In the process, we bring together the interests of all parties involved and integrate the projects into the environment and the region in a sensitive manner.
- **Ensuring economic viability**

We offer precise and practical planning, financing and implementation. Oriented towards economic and long-term goals, we realise projects with which we strengthen and secure our future and that of our *partners*.
- **Integrity in commercial transactions**

We support fairness in business transactions and do not tolerate corruption.
- **Non-discrimination**

We promote equal opportunities and equal treatment.

Ethical Principles (Corporate Social Responsibility)

- We support and respect the **protection of international human rights**. The personal dignity, privacy and personal rights of every individual must be respected.
- We ensure that we are not complicit in **the violation of human rights**.
- **We oppose any form of forced labour.**
- We **support the abolition of child labour**.
- We oppose **any form of discrimination** during recruitment and employment and support equal opportunities and equal treatment for all employees, regardless of skin colour, race, nationality, social background, potential disability, sexual orientation, political or religious beliefs, as well as gender or age. Unacceptable treatment of employees, such as mental cruelty, sexual and personal harassment or discrimination, will not be tolerated.
- We take a **precautionary approach to environmental challenges**.
- We take initiatives to promote **greater environmental awareness**.

- > We oppose all types of **corruption, including extortion and bribery.**

II. Principles

II.1. Compliance with regulations

We are required to comply with the legislation that applies to JUWI Group companies and to observe the respective legislation in all countries in which we operate. JUWI management requires corporate compliance with legislation and takes action against violations of applicable laws and regulations without exception.

II.2. Responsibility

Each employee has an obligation to comply with regulatory compliance requirements when working for JUWI. Directors and employees are jointly responsible for the lawful conduct of the JUWI Group. Our managers lead by example and ensure that applicable laws and internal guidelines are respected in their area of responsibility. If a third party acts on JUWI's behalf, the responsibility for compliance lies with the person who made the decision to select and engage that third party.

III. Integrity

III.1. Corruption and fraud

JUWI does not tolerate any bribery or corrupt practices, either by its employees or its business partners. Corruption is prosecuted internationally as a criminal offence. Employees are not permitted, in any country in the world, to unlawfully influence business partners, authorities or public institutions through threats, preferential treatment or the granting of benefits. In this respect, any advantage is considered a benefit, regardless of whether it is granted directly or indirectly (e.g. to relatives, friends or associations). Benefits may also be in the form of travel, events, luxury hospitality or money. Whenever benefits are accepted, this must be done in compliance with the legislation in force and with this Compliance Handbook and additional policies, as well as with any other applicable regulation, and in any case the stricter regulation must be observed.

Where benefits are granted and accepted in connection with business partners, the benefit must not relate to the commencement, awarding or performance of a contract and the benefit must comply with the legal provisions applicable to the donor and the acceptor. In case of doubt, the JUWI Group Corporate Compliance Officer ("**CCO**") must be consulted in advance. JUWI Group companies and their employees must comply with all laws, guidelines and other standards, in particular with regard to money laundering, corruption, fraud, subsidy fraud, insurance fraud and tax fraud. These rules also apply to cooperation between JUWI and third parties, such as consultants, intermediaries or cooperation partners, so that JUWI reputation is not compromised under any circumstances.

JUWI may support selected institutions, associations and projects, etc. with cash and/or in-kind donations or sponsorship activities. However, this shall be only done in accordance with legal provisions and management instructions, as well as specific applicable policies.

III.2. Foreign Trade Regulations

All domestic and international foreign trade regulations are constantly observed by JUWI; customs regulations

are strictly adhered to. No employee is authorized to violate restrictions and prohibitions in foreign and domestic trade.

III.3. Accounting and finance

Accounting regulations, as well as national and international regulations and standards, must also be strictly observed. All documentation relevant to accounting must be fully and accurately recorded and, consequently, accounted for. All business transactions must be fully and correctly recorded in the books of account and related documentation, and a true and fair view of the company's assets must be offered. Errors and negligent conduct can cause significant damage to JUWI and lead to civil or criminal consequences.

III.4. Public authorities

JUWI has a cooperative relationship with public authorities and institutions, while safeguarding the interests of the company. Information to authorities must always be provided in a **complete, open, accurate, timely and comprehensible form**. In the case of investigations of legal violations, the management and the CCO must be immediately involved in the interlocution with the authorities.

IV. Fair Competition and Intellectual Property

IV.1. Competition and antitrust law

JUWI is committed to ensuring fair competition and compliance with antitrust laws without limitation.

IV.2. Intellectual Property Protection

Inventions, patents and other know-how are important elements of JUWI success. No employee is authorised to own any intellectual property of JUWI (patents, trademarks, registered designs, etc.) without the express consent of the specialised departments. Existing and legally valid **third party property rights** (patents, trademarks, registered designs, etc.) are respected by JUWI and not used illegally.

V. Safety and environment

V.1. Safety in the workplace

Each employee is responsible for ensuring strict compliance with the provisions on environmental protection and occupational health and safety in his or her area. Sources of risk must be removed immediately and reported to the relevant management and departments. Fire regulations must be strictly observed. Employees working in this area are educated, trained and supervised and must have the required qualifications. Only with these measures accidents, malfunctions and breakdowns can be prevented.

V.2. Environmental Protection

The environment must be treated with care and environmental regulations must be respected at all times. In the event of environmental pollution or any other violation of environmental regulations, the JUWI people responsible for environmental protection must be involved immediately.

VI. Working conditions

VI.1. Conflicts of interest

Private and corporate interests must be kept strictly separate. Private interests must not conflict with the

interests of JUWI. In cases of doubt, conflicts of interest must be disclosed and the manager and/or CCO must be involved. Personal relationships, interests or tangible or intangible benefits must not influence the conclusion of a contract, the continuation of a contract or the termination of a contract under any circumstances. In business dealings with third parties, attention must be paid exclusively to objective and comprehensible criteria, such as reliability, quality, price, suitability, technological standard, good long-term business relationship, etc. The criteria used to make a decision must always be documented.

The use of employees for private purposes essentially constitutes an abuse of the right to give instructions to employees and is therefore not permitted. Decisions regarding the employees must be based exclusively on objective criteria. Any secondary employment is subject to approval. Company property may not be removed from company premises without consent; data files or programmes may not be copied and removed from the company or brought into the company without consent. The use of the Internet and electronic communication tools is subject to compliance with company agreements. No employee is authorized to use company materials and facilities for private purposes without explicit consent.

Personal involvement in parties, associations and other political and social institutions is, in principle, approved by JUWI, provided that the fulfilment of duties under the employment contract is not affected. When expressing private opinions in public, employees must avoid giving the impression that JUWI shares the same opinions.

VI.2. Equal treatment

JUWI is committed to the principle that no one shall be treated subjectively, disadvantaged, favored, harassed or excluded because of their race or ethnic origin, colour, nationality, beliefs, ideology, gender, age, physical constitution, appearance or sexual identity. JUWI therefore expects every manager and employee to treat other employees and third parties fairly, respectfully, courteously and appropriately. **JUWI does not tolerate discrimination and harassment.**

VI.3. Anti-discrimination

JUWI **opposes any discrimination** during recruitment and employment and is responsible for equal opportunities and equal treatment of its employees. Unacceptable treatment of employees, such as mental cruelty, sexual and personal harassment or discrimination, must not be tolerated.

Protected categories of persons in recruitment and employment include employees, trainees, persons with quasi-subordinate status and job applicants.

These persons must not be disadvantaged because of their race and ethnic origin, gender, religion and ideology, disability, age or sexual identity or orientation. Discrimination does not only occur when a person receives less favourable treatment due to one of the above-mentioned grounds (**direct discrimination**). It can also occur when provisions, criteria or processes are used that seem neutral but, compared to others, serve to disadvantage the protected person in a particular way (**indirect discrimination**). There are only very few exceptions where different treatment may be justified. This is the case, for example, when different treatment presents a significant and crucial occupational need due to the type of work to be performed or the conditions under which the work is carried out, provided that the purpose is legitimate and appropriate.

If someone is a victim of alleged discrimination, they may contact their direct superior, the CCO, personnel representatives or the human resources department. In case of serious violations, one can also report anonymously to the JUWI mediator.

VI.4 Confidentiality and data protection

All information, documents, data carriers, etc. obtained or prepared during the employment relationship must



be protected from unauthorized access and essentially kept under lock and key. Business secrets must always be kept confidential. Violation of these provisions may cause JUWI serious damage and may have civil and criminal consequences.

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I. Introduction

What is compliance?

Compliance is the **observance of (the most important) statutory and legal provisions**, in particular those

- which are sanctionable (in particular administrative offences),
- where the breach could result in the risk of serious material damage, or
- significant non-material damage (reputation, image, corporate culture).

What is corporate compliance?

It serves to safeguard the **legal or statutory compliance of business processes within a company** or corporate group through internal control and monitoring systems.

Why corporate compliance?

The purpose of maintaining and safeguarding the legal or statutory compliance of business processes is ultimately to **avoid damage to the company, its employees and third parties**.

What are the potential effects of compliance violations?

In the event of violations, companies and employees are threatened with wide range consequences:

- Fines
- Sanctions
- Loss of employment
- Confiscation of profits
- Detention
- Inapplicability/termination of contracts
- Claims for compensation
- Negative effects on evaluation
- Loss of image

This Compliance Handbook specifies the **minimum mandatory standards for JUWI and must be observed and adhered to by all employees**. Violations shall be punished with **sanctions according to labour laws** and, where appropriate, with claims for compensation. Furthermore, the behavioural requirements contained in this Compliance Handbook also derive directly from the law and are mandatory for JUWI, its employees and bodies, as well as customers, suppliers and third parties. **Where there are different and stricter requirements under national law, the stricter requirements shall apply in each case. Furthermore, the Managing Director of a country where stricter regulations apply is obliged to inform the CCO of such regulations and report on their compliance.**

Every employee has a duty to comply with all legal and other provisions, without exception. This applies not only to individual employees, but also to their respective functional and disciplinary managers.

II. Reporting violations, whistleblowing hotline

Every employee is **encouraged to** immediately report any case of potential or imminent violation of applicable legislation or the prohibitions and requirements specified in this Compliance Handbook. In the event that reporting to a direct supervisor, the CCO, HR representatives or the HR department is not deemed appropriate, we have established a **JUWI external hotline for reporting**. Violations and suspected cases relating to:

- Criminal offences, in particular in the areas of corruption, criminal competition law, fraud and breach of trust, illegal disclosure of legally protected information, illegal manipulation or misuse of data,
- Attempts and preparation of offences,
- Serious administrative offences, or
- Violations of duties under labour laws, which may result in dismissal without notice for just cause, as well as
- Serious violations of equal treatment,

can **be** reported to our external WBHL, **either anonymously or by providing a name**, i.e. to:

Feigen - Graf Law Firm, Dr. Laura Borgel (lawyer)
Telephone number Monday to Friday 8.30 a.m. to 6.30 p.m.: +49 (0)69770196- 78
E-mail address: borgel@feigen-graf.de

The data referred to the person reported will be treated with the utmost confidentiality, guaranteed by legal requirements (professional secret). All information received in connection with a report will be treated in strict confidence, in accordance with applicable data protection legislation.

Contacting Whistleblowing poses no risk to a still undecided whistleblower. The trusted advisor is subject to professional secret. He only discloses information to JUWI if the whistleblowers have given their explicit consent to do so. Employees who contact Whistleblowing with information or questions may remain anonymous if they wish.

The trusted advisor will initially record the facts as precisely as possible, either in a personal or telephone conversation or by e-mail with the whistleblower. The information is then transmitted to JUWI only if the whistleblower expressly consents to such disclosure, i.e. exclusively to the CCO. The latter will decide what further action to take and, if appropriate, consult the company management.

III. JUWI's regulatory compliance management system

III.1. Organisation, responsibilities and competences

The JUWI Compliance Management System (JUWI CMS) applies to all companies of the JUWI Group in its legal meaning, i.e. to all companies in which JUWI holds the majority of voting rights at the shareholders'

meeting or annual general meeting and/or in which it exercises corporate influence. The JUWI Group has a Corporate Compliance Officer (CCO), who is appointed and dismissed by the Executive Board. The CCO reports directly to the management responsible for compliance in the respective department and, in terms of disciplinary responsibility, is subordinate to the divisional management of Corporate Legal.

Employees have special compliance responsibilities in the following areas:

- Foreign Trade Law: JUWI Group person responsible for exports
- Occupational safety: safety officer in the JUWI occupational safety and health group
- Privacy Policy: Group-wide Data Protection Officer for the JUWI Group
- Information Security: Information Security Officer

The list of compliance representatives and employees with specific compliance responsibilities is available on the Intranet under 'Corporate Compliance'.

JUWI managers lead by example. They ensure that the applicable law is respected in their area of responsibility.

Communication: Managers clearly state the importance of compliance in their area and support compliance with laws and regulations without reservation.

Intervention: JUWI expects managers to follow indicators of incorrect or insufficient legal compliance in their area of responsibility and to inform their superiors and the CCO.

III.2. Declaration of Reporting and Compliance Management ('ECM')

At the end of each financial year, each business unit shall provide, upon request, a report on compliance or non-compliance with

- compliance regulations, applicable at group level or in general, and
- compliance standards specific to their unit.

This report is prepared in accordance with the benchmarks specified in the CCO's **ECM**.

III.3. Audit

Each year, the CCO agrees with management which business unit should potentially be audited in the area of compliance and what the target should be. Based on this decision, the CCO performs the review/audit together with the audit department. For this purpose, it may make use of other internal and external experts, especially from abroad.

III.4. Interfaces

In performing its tasks, the JUWI CMS is connected to other units of the Group in many different ways. The most important interfaces are:

- Accounting system/internal control
- Risk control
- Human Resources
- Corporate lawyer.

III.5. Prevention

Corporate compliance in the JUWI Group is oriented towards prevention. The essential tools for prevention are:

➤ **Prevention through information and training**

JUWI trains its staff on corporate compliance topics.

➤ **Prevention through counselling**

If superiors or specialised departments do not have an answer to questions about compliance with legislation, legal provisions or internal regulations for corporate compliance, employees may at any time contact their compliance representative or the CCO.

➤ **Prevention according to standards**

The intra-group guidelines define specific practices that contribute significantly to compliance in the JUWI Group.

➤ **Prevention through monitoring**

The monitoring of regulatory compliance is carried out mainly at the level of Group members. The basis for monitoring includes regular spot checks, inspections and audits.

➤ **Prevention through contract design**

A significant contribution to the prevention of violations of legislation and regulations can be made by proper contract design.

IV. Correct behaviour during investigations by the authorities or searches - Emergency plan

JUWI gives great importance to dealing with authorities in a responsible and cooperative manner. This includes the timely provision of correct information in an understandable form and to the extent required by law in each case. The scope and form of the information to be provided may vary depending on whether it concerns public notifications to supervisory or other public authorities or information requested by investigating authorities. In the case of searches by investigating authorities or publicly requested audits, it is important to be well prepared.

Any employee who becomes aware of the initiation of an investigation, check or search, whether by means of a telephone announcement, e-mail, written message or in person at the reception desk, must immediately inform the CCO and/or the Corporate Legal (CL) department.

In the case of customs, tax or company audits, the company accounting department (CAT) must also be informed immediately, and in the case of payroll tax audits, the same applies to the HR department.

In such cases, the response to requests for information or the submission/delivery of files and documents must only take place after express consultation with the Legal Department and/or the CCO.

The CL and the CCO are responsible for **engaging external legal defence**, while the CAT manager is responsible for **engaging external tax law professionals**. The CCO, CL and CAT are also responsible for the **involvement of other internal areas, departments or colleagues** (e.g. insurance, purchasing, sales, IT, human resources).

Further information on this topic can be found in the group-wide instructions on “Correct behaviour in case of searches and seizures”. The persons to be contacted and the rules of conduct presented can be found in the country-specific overviews on “Telephone numbers in case of searches and seizures”. The overview “Telephone numbers in case of searches and seizures” must be **displayed** at the reception of the respective



branch and/or handed out or **brought to the attention of** all employees in charge of receiving external persons. The summary "Telephone numbers in case of searches and seizures" must be **adapted to the country specifics** by the person in charge of a JUWI branch or JUWI Group company and submitted to the CCO for approval.

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PART 3: CORPORATE GUIDELINES, INDIVIDUAL AREAS OF REGULATORY COMPLIANCE AND RELATED RULES

I. Prevention of corruption

JUWI supports fairness in business transactions and does not tolerate corruption. Corruption causes damage to the company both economically and reputation-side and is not a trivial matter, but a criminal offence. The reduction, and if possible the complete prevention, of all cases of corruption is an absolute and clear commitment of JUWI and is therefore a fundamental component of JUWI compliance management system. Even the occurrence of individual cases can have devastating consequences for JUWI public reputation and could lead to criminal consequences. There is a considerable risk that each individual case of corruption will be seen as evidence of serious deficiencies, either of a 'deteriorated' corporate culture or, at the very least, the failure of our internal control systems.

It may be considered a general fact that, in the course of **the activity**, it is forbidden to **demand, be promised or accept a benefit** for oneself or for a third party in **exchange for** favouring another party to receive goods or services unfairly during competition. In other words:

There is no doubt that everyone knows that bribery, active or passive, is prohibited, as is extortion and corruption.

Likewise, it can be considered generally known that the prohibition of bribery is not only aimed at public officials, but also at private sector employees. For several years now, bribery of employees is no longer only a criminal offence, but is considered a criminal offence in many countries. It does not point to a lack of standards or knowledge.

The emphasis in the fight against corruption is therefore on designing **business processes in such a way as** to eliminate corruption and establish proper **control and monitoring**.

I.1. Advantage

An **advantage** is any tangible or intangible benefit that **improves the offender's position and to which he/she is not legally entitled**. This includes, but is not limited to:

- > Cash payments without legal grounds.
- > Invitations to trips, congresses and conferences.
- > Fees for collateral activities or consultancy services with no, or disproportionately low, return.
- > The procurement of an otherwise legal secondary activity, i.e. even if the service and the fee match, may constitute a criminal advantage.
- > The use or supply of articles free of charge.

This category also includes so-called third-party advantages, i.e. benefits for third parties; the beneficiaries may also be family members, friends, other companies or associations. It **does not include** mere socially accepted advantages or benefits, provided as a courtesy or favour, and thus **socially accepted and generally approved**. This includes, but is not limited to:

- > Advertising gifts of little value;
- > Birthday and Christmas gifts of appropriate value;

- Symbolic gifts of appreciation of little value for anniversaries and birthdays;
- Adequate hospitality.

I.2. Granting of an advantage and bribery of public officials

In their activities for JUWI, JUWI employees shall not offer, promise or grant an advantage to a public official in exchange for the performance or non-performance of an official act by the public official. The possibility of offering, promising or granting an advantage to a public official may only be decided by the CCO together with the locally competent compliance representative, after exercising due diligence.

- **Bribery:** If the benefit is offered, promised or granted for an official act that the public official has performed or will perform in the future, and if the public official has violated or would violate his or her official duty, the act is punished even more severely.
- **Facilitation payments:** payments to public officials for the purpose of expediting a due action (facilitation payments) are illegal. Other payments to public officials in other countries are lawful only with the consent of the locally competent compliance representative and the CCO and after a legal assessment.
- **Public Officials:** Public Officials within the meaning of **this Compliance Handbook and JUWI requirements** are civil servants, judges, workers and employees in public service, and those who have been entrusted with public administration activities for or on behalf of an authority or other entity. These include, for example:
 - **Employees of administrative authorities** at all levels of government;
 - Ministers, local administrators and mayors;
 - **Members of political or administrative bodies** or other persons entrusted with the exercise of administrative functions;
 - **Members, or directors** of other bodies, of public or mixed companies and business structures legally independent;
 - Members of parliament, senators or political representatives at all levels: local and central;

As a precautionary measure, the rules contained herein also apply to municipal elected representatives.

- **With the exception of benefits provided as a matter of common courtesy, all gifts to public officials are illegal.** Benefits that fall within the scope of common courtesy include, among others:
 - **Coffee and cakes/biscuits at the conference table,**
 - **Invitations to lunch in the company canteen,**
 - **Invitations to events as a representative of the respective official body.**

I.3. Bribery in business relations

It is illegal to offer, promise or give an advantage to an employee or representative of a company, with the intent that this third party unfairly favours JUWI over another company in business decisions.

In business dealings, the granting of an advantage to which the beneficiary is not entitled is fundamentally considered unfair, provided that such a grant has not been expressly approved, either in general or in the individual case, by the locally competent compliance representative or by the CCO after exercising due diligence.

All JUWI staff members are strictly prohibited from making business decisions in favour of a person who has offered, promised or granted an advantage to them, or to a third party, in exchange for such a decision. The same applies to the acceptance of such advantages.

I.4. Slush Funds

It is strictly forbidden to establish funds or set aside corporate assets that are beyond the control of JUWI and that are not included in the accounts.

I.5. Fees for fake services

Third parties are not allowed to receive compensation for fake services or inappropriately high fees for otherwise legitimate services.

I.6. Consequences for work

The prohibitions presented, applicable to all employees, have consequences for day-to-day work. It is imperative to prevent any imminent deliberate or unintentional attempt at bribery from the outset.

> No corruption of customer employees

Decision makers of customers, who are responsible for concluding a contract with JUWI, must not be treated favourably in any way. For example, the following behaviour is illegal:

- **High value gifts;**
- **Invitations to expensive meals;**
- **Sponsorship of associations/events, where the decision-maker is privately engaged.**

> No corruption of supplier employees

Supplier decision makers, who are responsible for the price or conditions of a service for JUWI, shall not be treated favourably in any way. These rules apply accordingly.

> No acceptance of benefits

JUWI employees are prohibited from accepting or allowing any kind of advantage or benefit from third parties, if they exceed the limits set out in Part 3, Section III, Gifts, Hospitality and Invitations (so-called "soft" bribery). The CCO must be consulted in case of doubts and when granting authorizations.

I.7. Training courses

Preventing corruption requires JUWI staff to recognise corrupt practices and know the line between legal and illegal actions. For this reason, online training is available, as well as on-site training to be held regularly.

I.8. Consultants, agents, brokers and other commercial agents

JUWI Group companies may use external third parties that do not belong to the JUWI Group, such as sales agents (intermediaries), consultants or other service providers.

The appointment of a third party in the area of sales and/or services requires the prior approval of the Legal Department. Such approval may not be granted for a period exceeding three years.

I.8.1. The requirements for approval are:

> Written report by the specialist department with the following content:

- Description of the services expected from the third party and presentation of the operational reasons for appointing the third party;
 - Justification for the selection of the third party;
 - Statement whether the third party has been contracted in the past and, if so, when and for what purpose. What results have been achieved by this activity and documentation thereof;
 - Qualification and performance capacity of the third party;
 - Justification of fair remuneration;
 - Explanations on the envisaged contract: does it correspond to the standard and, if not, which deviations have to be agreed upon and for what reasons.
- **Personal interview with the third party, in which the following should be explained/clarified**
- The core values of JUWI business conduct;
 - The compliance requirements to be met by the third party;
 - Legal situation of the third party;
 - Clarification of any past investigations of third parties due to malpractices or breaches of corruption rules and/or whether a penalty/sanction has been issued against the third party;
 - The third party's membership of local associations or committees, district and/or federal level committees or political groups;
 - With regard to the presence of alleged conflicts of interest, a written record of the conversation must be created.

I.8.2. Contractual regulations

- Business with third parties may only be concluded on the basis of a written contract. This must include at least the following:
- Name of the third party;
 - Tasks and description of activities (objective, location, results);
 - Obligation to provide activity reports;
 - Prohibition of bribery clause;
 - Termination options in the event of compliance violations;
 - Duration of the contract and ordinary termination option;
 - Prohibition of assignment of rights to third parties;
 - Indication of the third party's bank details;
- The principle of double control must be observed when signing the contract with a third party. Addenda and/or supplements require a new consent by the respective authorized signatories.

I.8.3. Payments to external intermediaries, consultants and service providers

Commission payments must correspond to the agreed payments. Credits or advance payments are not permitted. Payments to third parties may only be made without the use of cash and to the account of the third party. Cash or cheque payments to third parties are not permitted.

Payments to companies that legally exist but are commercially inactive ("letter-box" companies) or to accounts that are at the direct or indirect disposal of JUWI employees and that, however, do not appear in the JUWI Group accounting records, are prohibited without exception.

II. Gifts, hospitality and invitations (*soft corruption*)

Relationships with business partners, suppliers and customers are part of our business and require our attention and care. In many cultures, the exchange of gifts, hospitality and invitations is an acceptable form of social contact and a customary means of maintaining a relationship. The expense, timing and frequency of gifts, hospitality and invitations must, however, be reasonably proportionate to local conditions and the customer location.

Based on numerous corruption scandals in the recent past, it has become clear how rigorously criminal courts and prosecutors deal with these matters. In individual cases, 'large sums' are no longer necessary for the prosecutor to get involved. **Even 'soft' corruption cases - free gifts - are severely punished.**

As soon as material gifts, invitations to meals and invitations to other events (collectively, "gifts") exceed the socially acceptable level, such gifts lead to the application of bribery as a criminal offence. This also applies to gifts that JUWI offers to its employees, as they may give rise to considerations of breach of trust.

The provisions of this section serve as a guideline for proper business conduct and to raise awareness among all staff members when interacting with customers, business partners, suppliers, public officials and elected officials. In all such interactions, not only customary business practices must be observed, but also legal and tax regulations. All employees must observe the following principles when giving and accepting gifts, hospitality and invitations:

II.1. Prohibition of requesting gifts

The solicitation of gifts of any kind is strictly prohibited, without exception.

II.2. Prohibition of monetary gifts (active and passive)

Donations in the form of money are categorically not permitted. Deferrals, waivers of claims and the granting of loans or securities are categorically not permitted without a legitimate and reasonable return service. Gifts in kind that contain monetary value or convey the possibility of winning money, such as vouchers, lottery tickets and lottery entries, are also treated as gifts in the form of money. Also included are gifts in kind that can be exchanged for money without further modification, such as precious metals. Donations or sponsorships are exempt from this obligation, provided they are made lawfully and taking into account the Guidelines for Group-wide Donations and Sponsorships.

II.3. Presence of private companions

Inviting or bringing private companions to business lunches, business trips or other company-related events are subject to particularly strict requirements and, as a rule, are not allowed. Employees thinking of inviting or bringing a private companion must always obtain **prior consent, which can only be provided by the CCO**. Furthermore, the costs for the presence of private escorts are not covered by the JUWI and must be settled separately.

II.4. Conditions for gifts

Gifts may only be accepted, offered or granted if:

- the gift, in view of the expense, timing and frequency and in consideration of the recipient's standard of

living and status, is appropriate, i.e. remains within the limits of social acceptability;

- acceptance of the gift is not likely to influence business decisions;
- does not give, nor does it intend to give, the impression that the recipient may feel obliged to offer something in return;
- takes place in the course of the usual customer loyalty practices and
- can be granted in an open and transparent manner;
- does not constitute a violation of a JUWI regulation/guideline and such gifts fall within the JUWI **value limits** set for the respective country.

II.5. Events

Invitations to events may, in principle, be extended and accepted, provided that there is a demonstrable **connection to the business conducted and that** the JUWI **value limits** set for each country are respected. The lawfulness of an invitation depends in each individual case essentially on the **occasion of the invitation and the other circumstances**. If the lawfulness appears doubtful, the employee must ask the CCO.

II.6. Favourable conditions/use of operational materials for/by employees at no cost

The sale of goods and products on favourable terms to JUWI employees is categorically prohibited. Likewise, the use of operational materials by JUWI staff for private purposes is prohibited. Decisions on exceptions are **always made in advance by the CCO**.

II.7. Special case: public official

The following applies in relation to public officials and elected officials:

- In principle, no gifts can be given to public officials and elected officials.
- **If business contact exists**, public officials and elected officials may only be entertained within the scope of general courtesy and customary business cooperation, and the hospitality offered must remain appropriate and restrained. They will only be invited to events if the event has a professional nature.
- The conditions for offering such gifts are that the gift does **not affect or influence the performance of official duties**, that the gift does not give the impression of expecting something in return, and that the JUWI **value limits** set for each country are respected.
- Exceptions to the specified principles always require the consent of the CCO.

II.8. Documentation

All gifts provided by JUWI - whether to external third parties or internal staff - must be documented.

Any **disbursements** for material gifts, hospitality and invitations to events must be recorded in full. Gifts from JUWI to JUWI employees (internal gifts) must be documented by the accounting department, if legal requirements apply. Gifts from JUWI to third parties **and gifts from third parties to JUWI** employees (external gift) may be documented by the CCO. Gifts from **third parties to JUWI** employees must only be documented if they exceed a value of more than € 25.00. All gifts that are not documented via CAT must be made using the completed gift registration form (Gift Registration (CGG_TL_EN)) - to gifts@juwi.de. The report must be made by an employee of the respective company/business unit making the gift.

Violations of the documentation obligation established herein will be prosecuted and punished without exception.

II.9. Country-specific regulations and JUWI value limits

II.9.1. Country-specific value limits

The country-specific value limits specified by JUWI apply both to gifts to third parties and to gifts made by JUWI to its internal employees and can be consulted in the country-specific gift guidelines. Special value limits and regulations must be determined according to the country in which they are found:

- Promotional items (free gifts);
- Material gifts / presentation gifts;
- Hospitality;
- Events;
- Travel;
- Annual exhibition.

Prior consent of the COO must be obtained (e-mail is sufficient) each time the value limits set for the respective country are exceeded.

If no specific value limits have been determined for the countries in which a JUWI company operates, the applicable value limit is 0.00/country currency.

II.9.2. Local expectations of hospitality

Occasionally there may be business relationships where the exchange of gifts of higher value is customary, i.e. when this corresponds to country-specific expectations in terms of hospitality. In such cases, employees are authorised to accept these gifts without consulting the CCO in advance. However, the gift is subject to the reservation that the accepted gift is immediately reported and, if necessary, handed over to the CCO, to be used, for example, for internal purposes, for the general use of all staff or as a donation for a good cause.

II.10. Tax treatment

The processing of gifts in accordance with legal requirements can only be guaranteed if the respective tax regulations are complied with.

II.11. Special rules during the awarding of contracts and during the solicitation of contracts, long-term contracts and committee meetings.

Employees involved in the awarding of contracts must observe the following rules in particular:

- When competing for contracts, suppliers must not be favoured, disadvantaged or hindered unfairly or for irrelevant reasons.
- Invitations from business partners can only be accepted if they are within the value limits set for the respective country.
- Gifts from business partners must be refused and returned, unless it is an occasional gift of little value.
- Employees must inform their supervisor of any possible personal interest that could have an effect on the performance of their official duties.
- No employee may enforce personal contracts on companies or firms with which he works in his capacity as a contractor, if this may lead to an advantage for him.

When tendering or awarding a site by private clients and public companies, such as communities and districts,

the utmost restraint must be exercised in relation to gifts to staff or officials.

Any impression that the decision on the award of a contract is influenced by non-material means must be avoided.

During the period, generally of three months, preceding and following the awarding of ongoing contracts, such as contracts for the securing of a site, general contractor services and EPC contracts, or commercial or technical operational management, the invitation of the office holder dealing with such matters is only permitted with the prior written consent of the CCO.

Even if it is a single case with a small contribution, it must be assumed that whenever the specific value limits of the geographical area are exceeded, one falls within the scope of corruption as a criminal offence and risks the initiation of investigative proceedings by the public prosecutor and a potential criminal sanction.

III. Sponsorships and donations

In line with its commitment to social responsibility, JUWI supports external projects, events and facilities in the sporting, cultural and humanitarian fields. This can take place through the granting of donations or the promise of sponsorship. JUWI attaches great importance to the fact that donations and sponsorships are granted in accordance with legal provisions, in a transparent manner and according to comprehensible rules.

A sponsorship or donation exists if a benefit (in particular money or in kind) is provided without expectation of a material service in return. The mention of a sponsorship for promotional purposes does not constitute a material service in return in this sense. **All matters relating to donations and sponsorship must be handled exclusively in accordance with the guidelines on donations and sponsorship, which apply worldwide. No donations or sponsorships of any kind may be provided without the approval of the CCO;** see the Group-wide Guideline on Donations and Sponsorships.

All donations and sponsorships must **match the criteria listed here** and refer to the JUWI Group company providing the donation or sponsorship:

- The purpose of the financing must, as far as possible, be linked to the business objective.
- The amount of the donation shall be adjusted to the economic situation of the respective JUWI Group company and the JUWI Group as a whole.
- The donation or sponsorship must be clearly explained internally and implemented transparently within an approved and earmarked budget.
- Responsible persons may not pursue their personal preferences. The affiliations of the responsible persons to the receiving institution must be specified and communicated to the CCO without being requested.
- A commercial advantage should be sought, e.g. by increasing the company's reputation, social responsibility or through advertising measures.
- Support for education and science, art and culture and social and humanitarian concerns prevail over sport and other issues. As far as sporting activities are concerned, priority should be given to popular sports.

Sponsorship or donations must **categorically not be** granted in connection with:

- a project that is currently in the planning and development phase and for which decisions are awaited

from the authorities;

- a project that is in progress and for which decisions are awaited from the authorities. By 'connection' in this context is meant a temporal connection, which means, in principle;
- 6 months prior to the commencement of the securing of a site, the conclusion of a design and construction contract (EPC contract) or the start of the authorization procedure;
- up to 3 years after the project has become operational. A donation after a project has become operational, as a further condition, only comes into play if the project remains in the inventory of a JUWI company; in the event that the project is sold to a third party, donations to the community, associations and institutions in the community or in the community are ordinarily not permitted, even when some time has elapsed since the project was implemented.

The following are also excluded without exception:

- Donations to political parties and organisations affiliated with such parties, including foundations, institutions and associations, their organs and elected officials,
- Donations to individuals,
- Donation payments to private accounts.

In case of doubt, clarification should be sought in advance from the CCO.

Any impression of potential influence on official decisions or acts must be excluded. None of JUWI's business units are authorised to provide donations or sponsorship of any kind without the prior involvement of the BL, UK and the CCO.

Further and specific rules on donations and sponsorships by the JUWI Group, as well as the process and description of the approval procedure, can be found in the Guideline on Donations and Sponsorships.

IV. Compliance in the Procurement Process - Procurement and Awards

Procurement and contracting offer a possible platform for unfair deals and corruption, regardless of the individual company or industry. For this reason, corruption control must play a special role especially in procurement.

Corruption-based services can be an indication of corruption:

- Notification of information by or through third-party bidders in view of tenders;
- Settlement of services that were not provided;
- Tolerance of poor quality provided by suppliers/service providers;
- Knowingly accepting or tolerating price-fixing;
- Manipulation of service lists;
- Unauthorised exclusion of bidders;
- Speculative prices.

All superiors must follow up any indications that suggest acts of corruption. If the suspicion cannot be dispelled, the CCO must be informed.

JUWI Group companies may regulate their own processes for purchasing goods and other services on their own initiative according to these specifications - insofar as these processes have not already been established by the Group Purchasing Division of JUWI GmbH.

Particular attention must be paid to:

- Cost-effectiveness of procurement - cost and quality;
- Reliability of supply;
- Avoiding addictions;
- Regulatory Compliance - Internal Monitoring System and Transparency.

The requirements specified here serve to safeguard the principles of compliance in the procurement process. They take precedence over other procurement guidelines or process descriptions.

The following principles, requirements and measures are to be observed during the procurement of goods and other services by every superior in the organisation and in the procurement/procurement process and at every stage thereof:

IV.1 Selection of Suppliers

The tendering, selection and qualification of suppliers must be determined by applying a process.

IV.2. Purchasing Processes

Procurement processes for goods and services must be defined in writing in separate guidelines and work instructions. If there are no concrete reasons for another structure, the purchasing processes must be broken down as follows:

- **Master data processing:** Initiation, collection (creation of new data, changes and deletions), approval and management of master data. Review of master data, such as supplier account data, delivery terms and conditions and configurations.
- **Processing of requests:** Collection (creation of new data, changes and deletions) and approval of requests.
- **Processing of orders and contracts:** Compilation (new data creation, modification and deletion) and approval of orders and contracts, if necessary involving the corporate legal department or, where appropriate, legal advisers on site or at the relevant regional organisation.
- **Processing of incoming goods and services:** Confirmation and registration of incoming goods and receipt of services.
- **Processing of invoices and credits/debts:** Initiation, collection (new data creation, modification and deletion), approval and publication of invoices and credits/debts, with the involvement of the corporate legal department or, if appropriate, the on-site accounting department.
- **Processing of payments:** Collection (creation of new data, changes and deletions) and approval as well as implementation and recording of payments.
- **Review and follow-up:** review and follow-up of purchasing processes.

IV.3. Approvals

The approval concepts and the monitoring process must be designed and defined within the respective purchasing organisations, in particular **which persons involved in the purchasing process can make**

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Capitale Sociale nominale Euro
100.000,00 (Euro centomila) interamente
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decisions within which value limits. In principle, the principle of double control should always be used; any exceptions must be specified and justified.

IV.4. Separation of functions

It must be established how to ensure that decisions in the purchasing process are cost-effective and reduce the risk that the purchasing process may be influenced by improper decisions rather than decisions oriented to the welfare of the entire JUWI Group company, through a separation of functions, which **means that these decisions are made by at least two persons from different functional areas.**

The following functional separations must be provided:

➤ **Needs assessment and purchase request**

The purchasing manager is, if necessary in consultation with the company management or other departments, responsible for controlling and monitoring the **procurement needs in his area**, within the scope of his budget responsibility. He/she assumes direct responsibility for making correct and cost-effective purchases in his/her area of responsibility (purchase request).

➤ **Supplier selection and ordering**

The selection of suppliers and ensuring a diligent process is, in principle, the task of the specialist area performing the procurement, together with the respective purchasing department. The actual order is issued by the respective purchasing department, which prepares an ordering process for this purpose. If, in exceptional cases, the specialist area performing the procurement issues the order itself, this exception must be justified to the purchasing department.

The responsibility for confirming receipt of the supply or service lies with the specialised procurement department.

➤ **Auditing and Recording in the Accounting System**

After having successfully examined the invoice for the ordered goods and services, the specialised procurement department gives its objective approval. Orders without a proper ordering process cannot be approved by the specialist department performing the procurement. In such cases, the superior is responsible for approval after consultation with the CCO. Proof of payment of the invoice is provided by the accounting department.

IV.5. Transparency through documentation

Every detail of procurement processes must be documented; this not only improves verifiability and clarity, but also prevents corruption in a preventive manner.

IV.6. Participation in tenders

IV.6.1. Anti-competitive agreements

Anyone who submits a bid in a tender, based on an illegal agreement to induce the customer to accept a certain bid, is often punishable under an 'anti-competitive agreement in tenders'. JUWI persons submitting bids must therefore take great care to ensure that this is not violated. Such an agreement is always considered to exist if, between at least two competing bidders, an agreement is made to submit one or more specific bids. Such an agreement is illegal if it aims at or accomplishes the prevention, restriction or distortion of competition. Violations can be prosecuted with heavy fines or imprisonment.

IV.6.2. Participation in third-party competitions/prizes

Similarly, JUWI employees who initiate tenders must be careful not to support criminal conduct, so that they too are not prosecuted as participants in a criminal offence. If a JUWI employee becomes aware of criminal offences, he/she must immediately inform the CCO and exclude the respective bidders from the tender.

IV.6.3. Avoiding conflicts of interest

A conflict of interest is a situation in which a person or company is involved in mutually exclusive obligations, commitments or objectives and, as a result, can no longer remain objective. **Personal interests and the interests of third parties may converge.** Conflicts of interest may consist of personal advantages or advantages for one's own company or arise from contact with several contracting entities that are themselves in competition with each other. A conflict of interest may also arise in relation to close persons (family members, persons with whom you have a personal relationship and persons living in the same household count as a 'close person') or friends. Making objective judgments or decisions or taking actions when a conflict of interest exists can be difficult and may even lead to legal and regulatory consequences.

Priority must be given to the protection of the JUWI Group's economic interests and the exclusion of significant compliance risks, such as the initiation of criminal proceedings due to illegal conduct of individual employees in connection with competition or corruption.

All JUWI employees are required to recognise when they have a conflict of interest or could potentially have one. Employees must consult their supervisor if they are unsure what situations constitute or may constitute a conflict of interest.

Further explanations on this subject, in particular on the prevention and management of conflicts of interest, can be found in the Group Guideline on Conflicts of Interest.

To avoid financial and criminal risks, certain considerations and steps must be taken **before and in connection with the awarding of external services and the hiring of internal employees** in order to rule out the presence of a conflict of interest. Furthermore, **prior to any awarding/ commissioning of design or other services**, it must always be checked whether JUWI employees have personal or financial relationships with potential bidders/contractors.

IV.7. Awareness-raising and staff training

Only with comprehensive and continuous information and training can we create an awareness of values that eliminate corruption from the ground up. This must be done through anti-corruption training, the continuous transmission of values and good example by managers.

IV.8. No dependence on individual suppliers

All JUWI Group companies endeavour to avoid dependence on individual suppliers as far as possible.

IV.9. Other measures to contrast corruption

- > Qualified and product-independent task/service description;
- > Avoid required and alternative articles;
- > Clear determination of award/contract criteria;
- > Widest possible competition by modifying bidder lists, using new suppliers, joint selection of suppliers by specialised areas and the purchasing department;
- > Sufficient deadlines for the calculation of bids;
- > Confidential treatment of bidder lists and bid details;

- No evaluation of late bids in the case of formal tenders;
- Functional separation of planning and construction management;
- Central purchasing responsibility for the entire procurement process;
- Job rotation within procurement areas;
- Systematic monitoring of supplements and subsequent calculations.

IV.10. Regulatory compliance by suppliers

JUWI expects its suppliers to comply with all applicable laws and regulations, as well as customary standards:

- **Human Rights:** JUWI expects its suppliers to respect human rights, including respective labour rights and the right to fair and equal treatment. This also applies to supplier supply chains.
- **Commercial integrity:** JUWI expects its suppliers to behave fairly and competitively and to protect internal and confidential information.
- **Health and Safety:** JUWI expects all products manufactured by its suppliers to comply with quality and safety standards specified by applicable laws.
- **Sustainability:** JUWI expects its suppliers to act in a sustainable and socially responsible manner, to contribute to the continuous improvement of the environment and to comply with all applicable environmental requirements.

All suppliers that do not or only partially comply with the standards listed here should be marked as 'blocked' in the JUWI supplier database.

V. Compliance in the sales process - *business integrity*

The JUWI Group companies regulate their sales processes independently. They pay attention to economic success, sustainable development and the maintenance of customer relations, as well as corporate integrity. In addition, the following compliance guidelines and sections of this Compliance Handbook apply:

- Prevention of Corruption Part 3, Section I;
- Gifts, hospitality and invitations (so-called soft corruption) Part 3, Section II;
- Sponsorships and donations Part 3, Section III;
- The rules on relations with consultants, agents and other commercial agents contained in this Compliance Handbook, and
- Checking the list of government sanctions.

V.1. Distribution - operational

The processes and structures of operational distribution must comply with the **following principles**:

- **The distribution processes are to be divided into the following steps, taking into account the tasks of the central areas of JUWI GmbH:**
 - Processing of master data: new data creation, modification and deletion of master data, as well as their revision and approval.
 - Contract processing: new data creation, modification and deletion of orders and contracts, as well

- as their revision and approval.
 - Provision of services and deliveries, as well as their posting.
 - Inclusion, implementation and control of guarantees and complaints.
 - Creation of new data, modification and deletion of invoices, receivables and payables, as well as their revision and approval.
 - Creation of new data, modification and deletion of incoming payments and registrations, as well as their revision and approval.
- **Approval concepts, monitoring processes, value limitation rules, verification of business partners and double**

The control principle must be illustrated.

- **The principle of functional separation - the organisational principle of double control - must be applied.** Decisions must always be made by at least two people from different functional areas. This is the only way to ensure that decisions made are economically favourable and oriented towards the welfare of JUWI.

The following functional separations must be provided:

- Preparation of tenders;
 - Pricing, conditions and contractual agreements;
 - Checking the underlying calculation;
 - Monitoring the delivery and service provision and complaints;
 - Review and recording in the accounts;
 - Payment transactions;
- Monitoring and control of contract and service calculations;
- Introducing uniform and adequate documentation requirements and ensuring compliance;
- The principle of data protection, the confidentiality of sensitive data must be guaranteed, it must be possible to track changes to data, and the management of master data must be entrusted only to a selected group of persons.

V.2. Customer Side: Obligations and Payments

- Deliveries and services to customers shall only be provided within the scope of the respectively agreed and due services - **no services without contract**. Any extension of the scope of delivery and services must be agreed in writing.
- All deliveries and services must be evidenced in **writing** in the form of delivery notes or acceptance reports.
- All transactions are subject to an approval procedure, the **principle of double checking** applies categorically.
- The customer must prepare an **invoice** for the services provided and for claims.
- Payments to the customer may only be made **without the use of cash and to an** account belonging to

the customer and listed in the master data file. **Cash payments are not permitted.** This also applies to payments by cheque, unless it is customary at the location of the customer's business.

- Payments to be made to **accounts outside a customer's place of business or country of origin** must be transparent and justified so that they can be traced.
- **Payments to third parties** are permitted only upon presentation of an effective assignment agreement.

Securing payments and ensuring their regularity is the responsibility of the respective managers, who also bear full responsibility for the existing approval rules, as well as for monitoring the principles laid down here.

Over-invoicing, return payments, i.e. the return of part of the invoice amount to the customer, an employee, an entity or another representative of the customer, shareholder or owner, or a third person commissioned by the customer, is never permitted.

VI. Export Control

All JUWI Group companies have a duty to observe the orders and prohibitions of the Export Control Act and to comply with the respective specifications required when exporting/transferring goods.

VII. Capital Market Act, Securities Prospectus Act and Stock Exchange Act

As a listed company, our majority shareholder MVV Energie AG is subject to the rules of the Capital Market Act, the Securities Prospectus Act and the Stock Exchange Act. In particular, the **Capital Market Act entails rules of conduct** not only for MVV Energie AG itself, but also for its group companies, such as JUWI, and the individual employees of these group companies. Transgressions are prosecuted very severely and are often also subject to mandatory publication. Recipients of the Compliance Handbook are obliged to comply with the applicable regulations on **information obligations, prohibition of market manipulation and prohibition of insider trading.**

VIII. EU anti-terrorism regulation - check list of sanctioned parties

Trade in goods, services, capital, payments and other commercial transactions between states is free within the framework of legal provisions. However, foreign policy and security interests and international conventions place restrictions on foreign trade. Restrictions arise mainly from the objective of combating terrorism and **preventing the spread of weapons of mass destruction.**

To this end, the European Community has adopted regulations (EC No. 881/2002 and EC No. 2580/2001) on the basis of UN Security Council resolutions, which serve to combat terrorism. These regulations are called embargo regulations and must be observed directly by all member states. The embargo regulations contain a ban on providing economic goods or funds to specific persons, organizations and associations, which are listed as terrorists, terrorist groups or associations in so-called sanctions lists. They also contain sanctions lists that can be used to control persons with whom one wishes to establish business contact or with whom one has already established business contact. In practice, this means that, **in principle, every business contact must be checked to see whether it corresponds to the names of persons, organizations or other structures specified in the annexes to the embargo regulations; this check must be carried out before contracts are concluded and before the direct business transaction.**

If JUWI violates this prohibition and provides economic goods or funds to listed persons, organizations and

associations, one must expect - within the EU - imprisonment of the acting employees and/or fines.

Intentional violations may be punished by imprisonment from six months to five years. In particularly serious cases, violations may be punished by a prison sentence of not less than two years. Attempt alone is punishable. In cases of negligence, a prison sentence of up to three years or a fine may be imposed.

All companies of JUWI Group have a duty to observe these prohibitions and to verify the names and identities of natural and legal persons with whom JUWI wishes to do business or with whom JUWI already has a business relationship, using the sanctions lists (scanning of government sanctions lists). This also applies to JUWI companies based outside the EU.

How all business contacts are to be checked against the government sanctions list and how correspondence is to be handled is regulated in detail by the guideline on scanning the government sanctions list, which is applicable to the whole group.

IX. Recycling

Money laundering is the process of channelling illegally obtained money or assets into the legal financial and economic system. Since the money to be 'laundered' comes from illegal activities such as corruption, bribery, robbery, extortion, drug dealing, arms trafficking or tax fraud, it is necessary to conceal its origins.

Money laundering is a criminal offence.

For this reason, it is necessary to observe the **due diligence obligations** specified by JUWI for relations with our customers and business partners and to put in place **internal security measures**. These measures will also serve to protect our companies and employees from misuse for money laundering, terrorist financing or criminal acts.

The difficulty with money laundering processes is that they are usually difficult to identify and are disguised as day-to-day business operations or transactions. The CCO is available at any time for questions on money laundering.

The most important, most effective and most cost-efficient tool to combat money laundering is the application of formal quality standards on the documentation of legal transactions and the prevention of their concealment (e.g. through shell companies, tax havens, backdating of contracts, blank signatures, false identities).

In the fight against money laundering, a concerted effort is also being made to create national registers in which companies must disclose their true owners who receive financial benefits. In Germany and Italy, this has already been done with the introduction of the Transparency Register.

In the fight against money laundering, the following **regulations, controls and principles of conduct** were initiated:

➤ **Acceptance of cash**

Cash payments, whether made or received, are fundamentally not permitted. If cash payments are to be made, the consent of the respective Compliance Representative or the CCO must be obtained in advance. Cash transactions exceeding the threshold amount permitted by applicable law are prohibited without exception.

➤ **Customer identification**

Specific processes have been defined that should lead to the correct identification of a contractual partner. In addition, payments to companies that do not legally exist and/or to economically inactive

companies (shell companies) are prohibited. In the case of legal persons and institutions, the 'real' economic beneficiary must be identified.

➤ **Check the list of government sanctions**

All data of our customers and business partners have to be regularly electronically reconciled with the various national and international lists of restricted and anti-terrorist persons.

➤ **The following guidelines apply to all employees involved in the execution of business transactions and the initiation and establishment of business relationships:**

- if facts are identified that justify a suspicion of money laundering or terrorist financing,
- if there are doubts about the customer's identification data or the beneficial owner,
- if you deal with transactions exceeding €10,000.00 outside business relations, you must comply with the following obligations:
 - The respective Compliance Representative or CCO must be immediately and fully informed of the transaction.
 - The identity of the contractual partner must be verified and a complete check of the business partner must be carried out.
 - It is necessary to obtain information on the purpose and intended nature of the business relationship where this is not already and undoubtedly apparent from the business relationship in the individual case.
 - It must be established whether the contracting partner is acting on behalf of another economic beneficiary and, if so, the identity of the economic beneficiary must be obtained.
 - The **business relationship must be constantly monitored** and the CCO must be informed or kept informed of changes (content, contractual *partner*, economic beneficiary) on an ongoing and timely basis.

➤ **All information collected shall be recorded in writing, electronically or otherwise in an appropriate manner and retained until transmission to the CCO.**

JUWI undertakes to investigate circumstances and suspicious transactions that suggest money laundering or the financing of terrorism or other criminal acts, and to inform the relevant authorities if specific facts are discovered.

Such a report shall be made exclusively by the CCO. After the report has been made, the contracting partner or other third parties shall under **no circumstances** be made aware of the suspicion or the report. The CCO shall instruct employees involved in the training and execution of transactions on money laundering practices during employee training.