

ETHERMA - Code of Conduct

The ETHERMA Code of Conduct

The ETHERMA Group consists of almost 100 family members who have committed themselves to living the three binding values - team-oriented, responsible and entrepreneurial - every day anew.

Foreword by Thomas Reiter

"We create living spaces for generations to come." Our Purpose describes why we exist and what the entire global ETHERMA family stands for: That we differentiate our products and offerings through digital technologies in order to design and preserve all living spaces - whether home, city or planet - for the generations of today and tomorrow.

To achieve the Purpose, we want to make a significant contribution to the global reduction of climate-damaging emissions and greenhouse gases through our CO₂-neutral solutions, together with our partners. We want to improve the quality of living and life indoors as well as outdoors and provide safety from ice and snow. In doing so, we and our partners benefit from more than 40 years of extremely successful company history and the DNA of a 2nd generation family business.

But we are not only a family business in terms of the owners. The ETHERMA Group consists of almost 100 family members who are committed to living our three values every day. Thus, the triad "Responsible - Team-oriented - Entrepreneurial" forms the contract among all members of the ETHERMA family.

The Code of Conduct is another important compass that points all family members in the right direction. The most important rules and guidelines for conduct towards our partners and the public are summarized here.

Thomas Reiter
Managing Director

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ETHERMA is the company of the future for efficient electric heating and is constantly pushing forward the vision of CO₂-free heating. With over 40 years of experience and nearly 100 employees at four locations in Europe, ETHERMA is one of the market leaders.

Topic Overview

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I. Ethical principles and core values

In recent years, we - the ETHERMA family - have succeeded in changing the culture within the company and aligning it with the future. Our values help us to further drive and establish the new culture throughout the ETHERMA Group.

Each of the three corporate values - Responsible, Team-oriented and Entrepreneurial - is broken down into three additional adjectives to make it easier for our family members to interpret them correctly.

But what do the values mean in concrete terms? How do I live them, and what impact does that have on everyday work? An overview:

Responsible

- Reliable - I make binding commitments, act on them and ensure honest and sincere cooperation.
- Success-oriented - I can name my contribution to the company's success and make it in the required quality.
- Sustainable - I act in a resource-efficient, ecologically and socially competent manner.

Team-oriented

- Fair - I act in an appreciative and respectful manner.
- Transparent - I share decisions and information that are important for mutual success.
- Agile - I act quickly, flexibly and in a solution-oriented manner.

Entrepreneurial

- Customer-focused - I identify the needs of our partners and end customers and create solutions.
- Innovative - I look ahead and create the necessary space for ideas to work out tomorrow's success.

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- Solution Oriented - I don't waste our time rehashing problems, our focus is on what can be done to improve the situation.

II. ETHERMA and our family members

A. Anti-discrimination

We respect differences and treat each family member with respect. Diversity, equal opportunity and tolerance are paramount to us, and we respect the personal dignity, privacy and personal rights of each individual. Each of us is entitled to fair, dignified and respectful treatment.

For this reason, we do not tolerate discrimination in the workplace and want to ensure that no one in our ETHERMA family is discriminated against. Discrimination on the basis of ethnic origin, nationality, religion, ideology, gender, sexual orientation, disability, pregnancy or parenthood, marital status, age or any other grounds covered by the prohibition of discrimination is strictly prohibited.

This applies to dealings with colleagues, customers and business partners as well as to personnel-related decisions such as hiring, promoting or dismissing employees.

Discrimination, discriminatory insults, harassment of any kind and bullying will not be tolerated and will result in appropriate sanctions.

B. Anti-bullying

ETHERMA has a zero-tolerance policy toward bullying.

We are an attractive employer and provide a pleasant working environment. We treat all family members, customers, business partners and other stakeholders fairly and with dignity and respect at all times.

Bullying, which can take many forms, creates an intimidating, humiliating or hostile work environment. Because of the foregoing, any form of bullying, including physical, sexual, verbal or other harassment, is prohibited and will not be tolerated. We are all responsible for avoiding actions or behaviors that are or could be considered bullying.

For this reason, we take all incidents of bullying very seriously and encourage our family members to report any incident to their supervisor, Human Resources or the Compliance Officer.

C. Conflicts of Interest

We are expected to act in the best interests of the company, which means that business decisions of our ETHERMA family should be made free of any conflict of interest. This is because even the appearance of a conflict can be damaging to the reputation of the individual and/or the company.

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Situations may arise for each family member in which ETHERMA's interests are not (fully) aligned with his or her personal interests. We want to avoid such situations so that decisions can be made impartially in the best interest of the company.

In order to achieve this, there are procedures that may only be carried out if they have been approved in advance by the relevant Managing Director.

Family members who are affected by a potential or actual conflict of interest must inform their supervisor or management immediately in order to resolve the matter quickly. We have set out details in our policies and instructions in this regard.

D. Protection and proper use of the company's assets.

We respect the company's property and the property of third parties such as our customers and business partners. For this reason, we treat all property with care. Everyone in the company is personally responsible for protecting our company assets from loss, destruction, misuse, theft, waste or other damage. It should be noted that the protection of property refers not only to tangible assets, but also to intellectual property such as copyrights and trade secrets, which we also use in accordance with applicable law and within the scope of permitted use. Our corporate assets also include proprietary information, corporate opportunities, corporate capital and equipment.

Generally, we use Company property only for business purposes. Company assets may not be used for private or illegal purposes. Appropriate control measures are in place to prevent any type of financial crime such as fraud, embezzlement, theft, tax evasion or money laundering. Each supervisor must establish an organization within his or her area of responsibility to protect company assets from loss and improper use.

In addition, the purchase and sale of company assets must be transparent, understandable, cost-effective and at fair market conditions. Personal interests of individual employees must not influence decisions and business transactions.

III. ETHERMA and our external partners

A. Combating Corruption and Bribery

Corruption is the abuse of one's position, of any kind, for one's own benefit or the benefit of another person. Corruption includes, but is not limited to, bribery, extortion, protection payments and nepotism. Corruption is not in line with our corporate values. It harms competition, impedes fair play and exposes the ETHERMA Group and each family member to unnecessary liability risk.

For this reason, we have a zero tolerance policy towards bribery and corruption in any form. We do not take bribes from anyone, and we do not bribe anyone else, which means that we must not give or receive anything of value if doing so could create the impression that we intend to give or receive improper benefits.

This prohibition applies not only to government officials, employees of regulatory agencies and other public officials, but also to employees of business partners in Austria, Germany and abroad, as well as to our colleagues.

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Prevention of corruption is the duty of every employee. We reject all forms of corruption and ensure that applicable anti-corruption laws are complied with at all times and wherever we do business. We promote anti-bribery and anti-corruption practices among everyone who works for our company. We neither knowingly allow nor ignore evidence that someone is acting on our behalf and paying or receiving bribes or kickbacks. If anyone solicits or offers a bribe or kickback, it must be refused and reported immediately. Transactions, especially in unusual circumstances, must be assessed and documented in detail. This is to ensure full transparency and traceability, enabling a knowledgeable third party to understand the facts and their legality within a reasonable period of time.

In addition, we observe and respect the local legal provisions in the country of the respective ETHERMA company.

B. Invitations, Gifts & Benefits

In many countries, it is a normal business practice and a sign of respect to exchange gifts. However, the giving and receiving of invitations, gifts and other favors may also give rise to suspicion of corruption. In this context, it is necessary to prevent the appearance and suspicion of such an offense.

We are confident that our family members will be guided by common sense and judgment when giving or receiving gifts or invitations, and that they will never make gifts with the aim of gaining a competitive advantage.

C. Donations, grants and sponsoring

As a responsible member of society, we are not afraid to assume social responsibility. Therefore, the promotion of education, science, environmental protection, art, culture, social issues and sports is an important concern for us. This support is provided through monetary and in-kind donations for non-commercial and charitable purposes. ETHERMA also acts as a sponsor of events and projects for the above purposes.

However, we never give donations or other contributions to obtain business or other improper benefits for ETHERMA, that is, benefits that cannot be obtained honestly or legally, or if they create the appearance of bribery. Sponsorships and donations are only granted in accordance with applicable laws and regulations to prevent corruption and conflicts of interest.

D. Compliance with competition law regulations

1. fair competition and antitrust law

We place great emphasis on free and fair competition and help combat practices prohibited by competition and antitrust laws. We strive to compete fairly and ethically under all applicable competition laws because anti-competitive practices can harm the Company's business and reputation.

In almost all countries, competition and antitrust laws prohibit all forms of written or oral agreements or concerted practices with competitors, suppliers, distributors and dealers that impede fair competition. This includes price fixing, sharing customers or sales territories among competitors, anti-competitive boycotts and other unfair competitive practices. Accordingly, we never discuss prices or price components such as discounts or payment terms with competitors.

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2. Foreign trade and export control

The ETHERMA Group plays its role as an internationally active group and operates foreign trade and exports. As an international company, we comply with the relevant national and international legal standards for export controls. We also ensure that embargo regulations are adhered to.

For this reason, we strictly adhere to the licensing regulations for the export of our products. Export and support bans are adhered to and the applicable customs regulations are observed both when exporting and importing goods.

We check customers and business partners with regard to applicable sanctions lists.

3. subsidy fraud and incitement to subsidy fraud

In order to ensure free and fair competition, our contribution to combating prohibited practices under competition law also requires us to take strict action against fraudulent practices, particularly subsidy fraud.

Subsidy fraud involves the misrepresentation of subsidy-relevant facts to the subsidy provider through false information or certification, or the use of material or monetary subsidies in contradiction to subsidy conditions.

4. prevention of money laundering

As already mentioned, the cross-border exchange of services is an important component of our success as an internationally active company. We comply with all legal requirements in this regard without exception. In addition to the rules for import, export, domestic trade, international sanctions and trade restrictions already mentioned, we ensure that we also comply with the legal requirements for the prevention of money laundering.

Money laundering occurs when assets of criminal origin are concealed (i.e., "laundered") through legitimate transactions and business activities, or when legitimate funds are used to support criminal activities.

Each family member must comply with money laundering laws and immediately report any suspected case of money laundering (by employees, customers and business partners) to the respective head of accounting and the compliance officer.

The ETHERMA Group only works with reputable business partners who act within the framework of the law and do not use illegal financial means.

5. insider trading

We comply with the regulations on insider trading.

It is prohibited to use insider information, including from other companies, when trading in securities or other tradable financial instruments, and to pass on insider information to others for such purposes.

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Insider information is concrete information about circumstances that are not publicly known and which, if they became known to the public, could significantly influence the price of securities or similar financial instruments. Examples of such circumstances include increases and decreases in profits, major orders, plans to merge or acquire a company, significant new products or changes in management.

E. Transparency in the supply chain

Our risk management identifies, assesses and prioritizes human rights and environmental risks within our own company and in the supply chains in which it operates. The primary goal of this risk management approach is to increase transparency in ETHERMA's value and supply chain. From the results of the risk analysis, ETHERMA derives appropriate preventive and remedial measures to avoid or stop actions that harm people or the environment as early as possible. The more we work with our suppliers to increase transparency in our supply chains, the more effectively we can identify potential risks in a timely manner that need to be addressed.

We expect our suppliers to conduct their own analysis to identify potential human rights and environmental risks within their own business or supply chain. We have described our expectations of our suppliers in a separate Supplier Code of Conduct.

IV. Handling of data

A. Privacy, Confidentiality, Data Protection and Data Security

As an international company, ETHERMA Group considers the use of modern information and communication technology to be an essential part of our business processes. We protect the right of family members and others to privacy and data protection and maintain the confidentiality of all information worthy of protection, regardless of whether it concerns our colleagues, customers, business partners or other involved parties.

We handle company-related and personal data in a confidential and professional manner in accordance with national and international data protection laws. Personal data may only be collected, used and stored in accordance with applicable laws. This means that we exercise great care and strict confidentiality when collecting, storing, processing or transmitting personal data (e.g. name, address, telephone number, date of birth, health information) from family members, customers, suppliers, competitors or other third parties. In particular, data processing may only take place with the prior consent of the data subject or if otherwise permitted by law. Confidential information also includes any non-public strategic, financial, technical or business information of ETHERMA as well as any trade or business secrets of our business partners.

For this reason, the Company and its extended family do not disclose private and personally identifiable information and securely store all personally identifiable information, marking it as confidential and retaining it only as long as it is needed for the purpose for which it was collected. When providing personal information, employees limit access to those who clearly need the information for business purposes. In addition, family members are required to report any breach of privacy, including loss, theft or unauthorized access to personal information, to their supervisor or members of the Privacy Organization.

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In this regard, all family members sign an agreement that includes provisions for privacy, confidentiality, and non-disclosure of information.

To ensure effective data protection, ETHERMA Group has established a data protection organization with data protection officers or contact persons on site.

B. Information technology and Internet use

In connection with our use of modern information and communications technology, we regularly use IT systems in our day-to-day operations.

This requires appropriate security measures (passwords, including 2-factor authentication for critical systems, approved technologies and licensed software) to ensure the protection of intellectual property and personal data. Failure to comply with necessary security measures can have serious consequences, such as data loss, theft of personal data, or violation of legal regulations, such as copyright.

For this reason, our employees are expected to assist the company in protecting the entire computer system infrastructure and data against intentional malicious acts by individuals inside or outside the company. We take great care with the content of emails, attachments, downloaded files, and stored voice resources. We ensure the security of our passwords and do not share them with other employees or third parties under any circumstances. We are also mindful when using our communication media as well as social media channels.

V. ETHERMA and the Company

A. Communication & Documentation

1. external communication

Open communication and honesty towards our customers and business partners is very important for a successful cooperation and therefore for us. For this reason, we communicate our financial, social and environmental results in an honest as well as transparent manner. All requests for information or interviews are therefore forwarded by family members to the communications department.

In social media channels, we treat ETHERMA, our products and our colleagues as well as our customers and business partners with respect and formulate public expressions of opinion in such a way that it is recognizable that they are the private opinion and not the opinion of the company.

2. handling of records

With regard to our documentation, we are committed to ensuring that information, data and documents are always complete and that the documentation is truthful. In particular, our business records must meet the highest standards of accuracy and reliability and always comply with applicable regulations.

It goes without saying that we also comply with the statutory obligations to retain, delete and document records.

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Manipulations of any kind are strictly prohibited and must be reported immediately to the executive or the Compliance Officer.

B. Social responsibility

In our view, every company has a social responsibility towards people and nature. For us at ETHERMA, it is of such fundamental importance that it is formulated in our Purpose "We create living spaces for generations to come". Our aspiration is to be a leader in the field of corporate responsibility towards society. As a family-owned company with global operations, we base our actions on international agreements and guidelines. These include the United Nations Declaration of Human Rights, the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. Further information can be found at <https://www.etherma.com/de/ecare>.

1. Towards people

With this in mind, it is very important to us to provide a safe and healthy working environment where family members do not have to fear injury or illness.

For this reason, we reject any form of exploitation or discrimination and ensure strict compliance with the relevant laws. We also ensure that all legal and technical requirements and standards for occupational health and safety are complied with. We comply with legal requirements to ensure fair working conditions, including regulations on remuneration, working hours and privacy. In addition, we are committed to acting in accordance with human rights and in compliance with the rules against child labor.

a) Fair and competitive wages.

We compensate our employees with fair and competitive wages.

Employees are compensated fairly and at least at the minimum wage level under applicable laws or, if no such national law exists, i.e., a state has not established a minimum wage, ILO Convention 131 on Minimum Wages is followed. Information on this can be found at <https://www.etherma.com/de/ecare>.

b) Collective bargaining and works councils

We respect the right of our family members to form and join representative bodies and to participate in collective bargaining. ETHERMA fosters a culture of trust where constructive dialogue and cooperation are welcome and no one is favored or disadvantaged for participating.

We recognize the right of our family members to freedom of association and the right under national laws to choose a representative for collective bargaining if they so choose.

c) Occupational Health and Safety

At ETHERMA, protecting and promoting the occupational health and safety of our family members is a top priority.

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In accordance with applicable laws, policies and standards, we take all necessary measures to protect the health and safety of our employees, including creating safe and healthy working conditions.

ETHERMA follows legal requirements to create safe and healthy workplaces by preventing work-related injuries and illnesses. In the event of an increased risk of workplace injury or work-related illness, ETHERMA ensures the following:

Appropriate safety standards in the provision and maintenance of the workplace and work equipment. Appropriate protective measures to prevent exposure to chemical, physical or biological agents. Measures to prevent excessive physical and mental fatigue, in particular through appropriate work organization in terms of working hours and rest breaks. Appropriate training and instruction of our employees.

In the interest of the health and safety of all our family members and visitors, each employee must comply with applicable laws, regulations and standards regarding workplace safety. In particular, it is the responsibility of managers to ensure that appropriate procedures and safeguards are in place to ensure health and safety in the workplace. For more information, visit <https://www.etherma.com/de/ecare>.

d) No child or forced labor

We do not tolerate child labor of any kind.

We condemn all forms of child labor and do not employ any child below the minimum working age in the countries in which we operate, and in no case below the age limit of 15 years. Although some exceptions to this rule are accepted in accordance with ILO Convention No. 138 on the minimum age, we are actively committed to ensuring that children can exercise their right to education. For more information, visit <https://www.etherma.com/de/ecare>.

The worst forms of child labor that may harm the health, safety or morals of children and include, for example, child trafficking and the involvement of children in illegal activities are prohibited in all cases and must be excluded from our business activities.

e) No harm to the livelihoods and health of people.

We respect the natural resources of our livelihoods and the health of people.

ETHERMA does not threaten livelihoods or harm people's health through environmental pollution that causes the following:

Threaten natural conditions for food conservation and production. Deny people access to safe and clean drinking water. ETHERMA pays special attention to this aspect when the company operates in regions with acute water shortages and extracts large amounts of water. Impede access to sanitary facilities. Any contamination of groundwater or extraction of excessive amounts of water that jeopardizes access to sanitary facilities. Adversely affecting the health of any person.

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f) No unlawful clearance and expropriation of land, no improper use of force

We prohibit any unlawful clearance, illegal appropriation of lands, forests or waters in the course of our business or development. We strive to always respect the lands, forests and waters that belong to and/or support the livelihoods of the people.

ETHERMA will not use private or public security forces if the security forces are not adequately trained or controlled and/or pose a threat to the health or lives of people through torture or cruel, inhuman or degrading treatment. Security forces must also not interfere with our family members' right to freedom of association.

2. towards our environment

Today, the energy consumption of our buildings is responsible for up to 40% of global greenhouse gas emissions. With its climate strategy "LEAP to Net Zero", ETHERMA has taken the first steps to lead the urgently needed system change. This plan is based on four pillars: lead, empower, advocate and partner ("LEAP"). Together with our partners and stakeholders, we want to take a leap, a giant step forward, to achieve net zero in our own operations and in the systems in which we are involved. To develop such a strategy, we have used scientific frameworks such as the Greenhouse Gas Protocol and the Science Based Targets Initiative. With this climate strategy, we are fulfilling our responsibility as a family business to lead a system change toward net-zero buildings.

a) No harmful contamination of soil and water or pollution in general.

ETHERMA respects the natural resources on which we live.

We strive not to cause or contribute to harmful soil degradation, water pollution, air pollution, noise emissions and excessive water consumption.

b) No use and production of harmful materials.

Our goal is to eliminate any mercury or mercury compounds and hazardous chemicals from our production and use. ETHERMA respects the ban on the production of mercury-containing products, the ban on the use of mercury and mercury compounds, and the ban on the processing of mercury waste.

We comply with the prohibition on the manufacture and use of hazardous chemicals that pose a risk if released into the environment, as listed in the Stockholm Convention on Persistent Organic Pollutants. Chemicals and other related materials that pose a hazard if released into the environment are identified and managed to ensure their safe handling and transport.

c) Environmentally sound storage and disposal of waste.

We place great emphasis on environmentally sound storage and disposal of all hazardous materials and chemicals. ETHERMA labels hazardous materials and chemicals and ensures their safe handling, storage, transportation and disposal. We comply with product safety regulations and prohibit the non-environmentally sound handling, collection, storage, recycling, reuse and disposal of waste.

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ETHERMA does not export or import hazardous waste as defined by the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. For more information, please visit <https://www.etherma.com/de/ecare>.

VI. Reporting and whistleblowing procedures

At ETHERMA we live the “speak-up” culture. Questions can and should be asked and concerns about possible misconduct expressed at any time. Our interactions should be characterized by mutual respect and trust. We want to discuss misconduct in an open and constructive dialogue.

In order to ensure that the behavior of all employees complies with this Code of Conduct, the applicable laws and regulations as well as our internal guidelines and organizational instructions, we rely on the support of every family member, but also of our business partners or third parties.

Family members, business partners and third parties can always contact their direct supervisor or other managers directly if they have concerns about possible misconduct. We expressly encourage direct, open discussions. Contact with the Compliance Officer, via email or telephone (anonymously), is of course always open.

Regardless of the channels on which violations are reported, ETHERMA ensures that whistleblowers are protected from retaliation. ETHERMA ensures that family members who report possible violations in good faith and without malicious intent do not suffer any disadvantages. In addition, ETHERMA will not subject anyone to retaliation for participating or honestly cooperating in the subsequent investigation. Any actual or threatened retaliation will be considered a serious violation of this Code of Conduct and will result in consequences.

Each report is investigated in a fair and unbiased manner by a neutral team using a predefined process and in accordance with the law. If the report turns out to be justified, we will take appropriate measures in accordance with the law to remedy and/or punish the misconduct in the future.

VII. Contact person and possible consequences

A. Contact person and compliance officer

If you have any concerns or questions about this Code of Conduct, talking to people in your immediate work environment, such as your supervisor, can help. In addition, each family member can contact the relevant department, for example the human resources department, if they have questions about employment contracts.

If clarification is not possible with the superior or the responsible department, or if concerns continue to exist, the Compliance Officer is always available as a contact person. If desired, the Compliance Officer can be contacted directly at any time, confidentially and anonymously.

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If violations of the Code of Conduct become known, there is even an obligation to inform the Compliance Officer immediately.

Contact details of the Compliance Officer:
ETHERMA Elektrowärme GmbH
MMag. Catherine Reiter
Landesstraße 16
5302 Henndorf am Wallersee
c.reiter@etherma.com
+43 6214 7677

B. Consequences in the event of policy violations

As part of our family members' employment relationships, everyone is expected to follow the Code of Conduct and to abide by our principles and the law while conducting business on behalf of ETHERMA. Violations of the Code of Conduct, our principles or the law can lead to a loss of ETHERMA's image. In addition, the following personal consequences are possible:

Disciplinary action, including termination of employment, depending on the nature and severity of the policy violation. Violations of the law may result in civil and/or criminal penalties by a government agency or court.