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Compliance Manual

Welser Profile Group



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1. Preamble

The Welser Profile Group is a family company that operates on a global scale and consists of three production sites and numerous international sales offices.

We attach great importance to dealing responsibly and fairly with our customers, suppliers, employees and other business partners. To this end, we promote moral, ethical and legally correct practices by all our employees and have therefore introduced a Compliance Management System (CMS) to support these efforts.

This compliance manual describes what compliance means in the Welser Profile Group, how our CMS is structured and which rules and guidelines have to be followed.

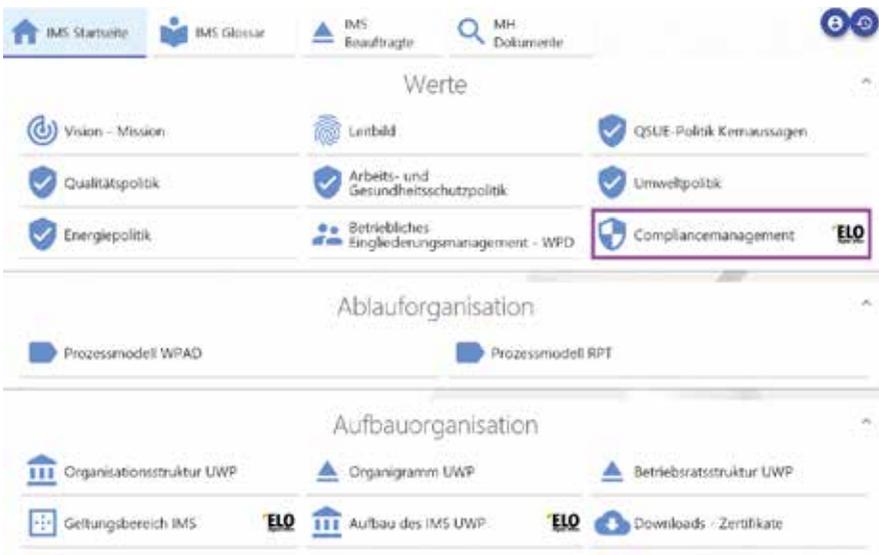


¹ In the interests of better readability, this text does not use gender-specific terms. The word "employee", for example, refers to both males and females.

2. Compliance

in the Integrated Management System

For the Welser Profile Group, compliance means observing all national, European and international laws, regulations and directives, as well as all internal codes of conduct and guidelines. Compliance is anchored in the Integrated Management System as one of our key governance functions.



This Integrated Management System enables the Compliance Management Team (CM team) to collaborate closely and efficiently with the other business units in the Group.

3. Compliance culture

Since the second half of the 20th century, the Welser Profile Group has developed from being a small family firm with five employees to an international industrial concern. Its technical and commercial development has been accompanied by the development of our values. Sustainability, innovation and continuous improvement are among the values that define our daily activities. However, these values can only be maintained and lived each day through clear, moral and legal conduct.

The company's management has set itself the task of implementing strategies that enable us to adhere to our values in everyday working life. This is why a Compliance Management System was introduced, which is updated and monitored by the CM team on a regular basis.

Management is committed to the CMS, to the code of conduct, the regulations and guidelines, and to all rules of conduct across the Group. This commitment to compliance is practised each day by management and all executives. Misconduct is not tolerated and will be sanctioned appropriately. Employees are regularly informed about the compliance programme and can access all documents and information on the intranet at any time.

Every employee demonstrates adherence to the compliance guidelines on a daily basis.

4. Compliance targets



Management, in conjunction with the CM team and in accordance with the corporate objectives of the Welser Profile Group, specifies the compliance targets. This is done taking staff and financial resources into account and is monitored and checked at regular intervals by our compliance officers.

Our main objectives include:

- ensuring adherence to all statutory requirements, directives and regulations, plus internal rules and guidelines;
- identifying risk areas and devising suitable measures to minimise them;
- reducing and avoiding liability risks;
- reducing financial or criminal risks;
- establishing, promoting and further developing a compliance culture;
- promoting open communication within the Group;
- promoting and raising the awareness of employees to the integration of legal behaviour and the observance of internal rules;
- identifying compliance violations and implementing appropriate sanctions to prevent similar misconduct in future

The monitoring and continuous assessment of whether the compliance targets are being achieved is the responsibility of our compliance officers. Only through the regular assessment of target achievement can the compliance targets of the Group continue to develop.

5. Risk analysis

A risk analysis is carried out to identify and provide a breakdown of compliance risk areas and potential risks for the Welser Profile Group. The risk analysis is repeated at regular intervals and is the responsibility of our compliance officers in collaboration with the CM team. The compliance officers evaluate the results of the risk analysis and use these to confirm or modify the compliance targets.

The risk analysis conducted thus far has identified the following areas at risk of infringements by employees:

- Data protection
- Antitrust law
- Anti-corruption
- Contract law
- Internal audit system
- Trade licences/assessments
- Personnel and labour law
- Employee protection, environmental protection, energy law
- Integrated Management System

The compliance officers and management use the results of the risk analysis to define internal compliance procedures and the compliance programme.

6. Compliance organisation

The compliance organisation of the Welser Profile Group consists of the CM team, which is structured as follows:



The individual business units work across divisions and together form the CM team.

7. Compliance programme

The compliance programme of the Welser Profile Group includes all policies and guidelines issued by the CM team in collaboration with management. The key directives here are:



The code of conduct:

This forms the basis for all business dealings and decisions of the Group. It is the basis for the moral, ethical and legally correct conduct of all employees in our company.



Anti-corruption policy:

This policy serves to orientate and assist all employees in the company. It is intended to ensure correct and legal conduct with regard to bribery and attempted bribery and so prevent violations of the law.



Antitrust law guidelines:

These guidelines set out the key tenets of antitrust law. They are intended to ensure the transparent and fair conduct of all employees of the Welser Profile Group on the market.



Data protection guidelines:

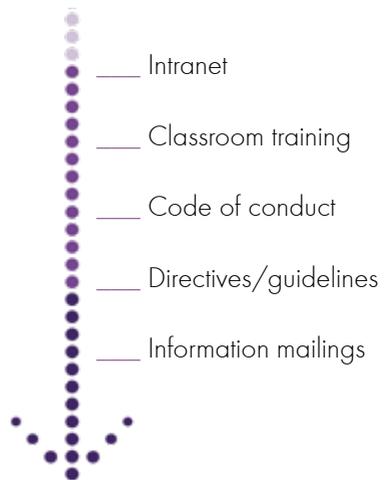
These guidelines set out the key tenets of data protection law and are intended to assist employees with the correct handling of personal data.

All documents and further information can be found on the intranet at any time. Various training courses also form part of the compliance programme in Austria and Germany. Ongoing information events on compliance are held in Austria and Germany. These are being expanded and further developed.

8. Communication

A CMS can only be efficient and totally effective if all employees are aware of and familiar with the regulations, directives, guidelines and implemented measures. Communication is therefore an important pillar of the CMS.

The Welser Profile Group uses various media and tools to ensure the most comprehensive communication possible. The main communication media are shown in the figure on the right.



In addition, the CM team regularly provides details of the latest requirements and developments on compliance-related topics and on corresponding occasions. This is also about communicating identified and/or suspected compliance violations. If Welser Profile Group employees suspect or observe a violation of this kind or any misconduct, they should notify their line manager, the management of the subsidiary concerned or one of the compliance officers.

There is also a whistle-blower system in place for all employees of the Welser Profile Group (compliance@welser.at). This is managed by the compliance officers, who handle all issues confidentially and with the utmost care.

9. Monitoring and improvement

The continuous and sustainable improvement of the CMS represents an important aspect for the CM team of the Welser Profile Group. The procedures implemented are checked regularly and, if necessary, gaps closed and certain procedures and measures incorporated or optimised. Internal Audit also conducts regular standard checks of compliance procedures.

The CM-Team draws up an annual compliance report, which is presented to management and covers all compliance activities and measures.





We take responsibility
for our employees

