

**MIRKA**

 **KWH LOGISTICS**

 **KWH FREEZE**

**PREVEX**

# Anti-corruption Policy

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# 1. General

## 1.1. Introduction

KWH has a zero tolerance towards corruption and bribery and other unethical business practice in any form, whether direct or indirect. This Anti-Corruption Policy ("Policy") applies throughout the KWH Group consisting of its four divisions Mirka specialized in abrasives, KWH Logistics that offers logistic services, KWH Freeze offering frozen storage and KWH Invest that is consisting of strategic holdings and PreveX that manufactures water traps. This Policy outlines our principles, rules and practices to ensure compliance with applicable anti-bribery and corruption laws and international standards.

## 1.2. Scope

This Policy applies to all KWH employees irrespective of their position, responsibilities, and location. We also require all consultants, contractors, suppliers and other third parties doing business with KWH ("Business Partners") to apply principles that are consistent with this Policy. References to "KWH" means KWH Group Ltd including all divisions, subsidiaries, branches and other entities where KWH exercises management control.

This Policy forms an integral part of the KWH Group Code of Conduct and should be interpreted in conjunction with it. Business Partners working with KWH are expected to adhere to principles consistent with those set forth in this Policy which also forms an integral Part of the KWH Group's Business Partner Code of Conduct.

## 1.3. Objective

The objective of this Policy is to ensure that KWH operates in a responsible manner and in compliance with all applicable anti-corruption laws and regulations and ethical principles.

If you have questions about this Policy or are in doubt about its interpretation, do not hesitate to contact your superior or any person in the management at company or division level for guidance. Guidance can also be sought from compliance, risk management or legal functions in the relevant division or at KWH Group. Guidance on the application of this Code can always be sought from the Compliance Team at KWH Group. If anything under this Code is to be reported to, or guidance sought from, a superior or the management, the superior or management shall correspondingly escalate the matter to seek guidance if he, she or they is/are in doubt on how to apply this Code.

## 1.4. Governance

This Policy must be integrated into KWH's business framework and operations. The KWH Group Board is responsible for defining, overseeing, and implementing the principles outlined in this Policy. The CEO is responsible for operational oversight of the implementation in all



divisions. Managers must ensure that employees understand and comply with this Policy. All employees must read, understand and follow the Policy and related guidelines. All employees are equally responsible for the prevention, detection, and reporting of bribery and other forms of corruption.

## 2. Areas of attention

### 2.1. Corruption

Corruption includes a wide variety of activities. It is not only about money but also includes other forms of favours, such as nepotism and favouring friendship. Corruption includes but is not limited to the abuse of a position of trust, influence, or power to gain an undue advantage. Corruption takes different forms, for example bribes, deception, collusion, nepotism, cronyism, embezzlement, abuse of power, fraud, market distortion, money laundering, transfer mispricing, tax evasion or tax avoidance, cartels, unfair competition, and conflicts of interest, but some of the most common ones are described further below.

### 2.2. Bribery

Bribery is a form of corruption, i.e., the offering, promising, giving, accepting, or soliciting of an advantage as an inducement for action, which is illegal or a breach of trust. A bribe is an inducement or reward offered, promised, or provided to gain any commercial, contractual, regulatory, or personal advantage. The promising, offering, or giving is referred to as “active bribery”, as opposed to the act of receiving or soliciting, which is “passive bribery”. Bribes can include money, gifts, hospitality, expenses, reciprocal favours, political or charitable contributions or any other direct or indirect benefit or consideration.

### 2.3. Facilitation payments

Facilitation payments, also known as grease payments, are smaller payments made to secure or expedite an administrative process, e.g., customs clearance, the issuance of permits or approvals or the processing of visa or work permit applications, whether legally a bribe or not.

### 2.4. Kickbacks

Kickbacks are payments of any portion of a contract made to employees of another contracting party or the utilisation of other techniques, such as subcontracts, political parties, party officials or political candidates, purchase orders or consulting agreements, to channel payment to public officials, to employees of another contracting party, or their relatives or business associates.

### 2.5. Fraudulent and corrupt practices

This Policy strictly forbids practices that undermine ethical business standards, fair competition and transparency. Prohibited practices include, but not limited to:



**Collusion:** Secret agreement or cooperation between parties to deceive, defraud or manipulate markets, secure contracts, or inflate prices for personal or mutual benefit.

**Nepotism:** Favoritism shown to relatives, in hiring, promotion, contracts, or benefits, regardless of their qualifications or merit.

**Cronyism:** Preferential treatment of friends or associates at the expense of qualified candidates or other persons.

**Embezzlement:** Misappropriation or theft of funds or assets entrusted to one's care for personal gain.

**Cartels:** Agreements or arrangements between competing businesses to restrict competition to fixing prices, limiting production, dividing markets, or rigging bids.

## 2.6. Personal relationships and conflict of interests

Business decisions must never be motivated or influenced by personal relationships and/or interests. A financial or other business relationship with a partner who contributes to, or risks contributing to, conflict of interest should never be initiated. For both internal and external recruitment, a specification of the desired competencies must be established to ensure that candidates receive the employment based on competence and not on relationships.

A conflict of interest may occur, for example, when:

- (a) a closely related person of an employee is a supplier, customer or competitor of KWH, or an employee of such a company;
- (b) an employee or a closely related person of an employee has an appreciable interest in a company that does business with KWH;
- (c) an employee has outside employment or other activities with a company that competes or does business with KWH;
- (d) an employee has a personal relationship with a colleague in a direct or an indirect managerial or subordinate position; or
- (e) an employee seeks to improperly further the interests of a friend or relative.

Employees must disclose all potential and actual conflicts of interest in writing to their superior who shall secure that the company can determine whether a conflict exists and what proper actions to take. A person with a conflict of interest shall not participate in the decision-making on such matters.

## 2.7. Fair competition

Our Competition Compliance Policy and Manual prohibit discussions, communication, agreements and exchange of information with the intent to prevent competition, such as price fixing, market sharing, customer allocation or other illegal restrictive practices.



KWH is firmly committed to free and fair competition in open markets. KWH respects and complies with all applicable competition laws, and shall not engage in any form of cartels, abuse of power, beneficiary services or market distortion. KWH shall further not engage in activities that may hinder the development of fair competition.

## 2.8. Political and charitable contributions

KWH shall not make political contributions, whether in cash, in kind, or by any other means, to support any political parties or candidates. KWH will remain politically neutral.

KWH shall ensure that a proper due diligence on any charity selected for donations is undertaken and that all charitable donations made are legal and ethical under local laws and practices, do not create real or perceived conflicts of interest, and that donations are not offered or made without the approval of a senior manager or as may be stated in any applicable Policy on sponsorship and charitable donations. Charitable donations and sponsoring cannot be used to circumvent the prohibition for corruption or bribes.

## 2.9. Gifts and hospitality

Business gifts and corporate hospitality can play a positive role in building relationships between parties, provided that they are given in compliance with applicable laws and locally accepted good business practice and cannot reasonably be construed as a bribe so as to secure unfair preferential treatment. Cultural differences in gifting are acknowledged, but inappropriate offers must be declined or, if unavoidable, reported to a superior and the gift shall be at KWH's disposal.

Generally, unsolicited gifts, entertainment and hospitality may be given or taken if all the following requirements are fulfilled:

- (a) They are small, occasional, customary and usual e.g. advertising and promotional materials;
- (b) They have a monetary value of no more than 100 euro per person;
- (c) They are moderate in terms of frequency and quantity;
- (d) Acceptance of the gift does not violate any applicable law; and
- (e) Gifts should never be given or taken in cash or cash equivalents.

Reasonable business-related entertainment and other corporate hospitality is acceptable when customary and lawful. Reasonable hospitality expenses (meals, lodging and entertainment) incurred on behalf of public officials or business associates are generally acceptable if directly related to the promotion, demonstration or explanation of our products or services. In no event can the purpose of any gift, hospitality or other expenditure be to cause the recipient to improperly perform his or her duties. The same principles shall apply if a supplier, service provider or entity seeking to do business with us offers business-related entertainment or other corporate hospitality to a KWH employee. When entertaining our customers, a KWH representative must always be present.



A good test for acceptable gifts and hospitality is to consider whether the employees offering or accepting hospitality or gifts would be comfortable to discuss the case with the company or corporate management or in the public and this would not cause any embarrassment to KWH.

All gifts and hospitality above 100 euro shall be reported to and approved by your superior. If you are in doubt, always ask your superior. If doubt remains, the benefit must not be given or accepted.

Any air fares and other unreasonable or significant costs in the context of otherwise permitted entertainment must be borne by the recipient if offered by you and must be borne by KWH if offered to you.

## 3. Incidents and concerns

This section deals with how to raise a concern, what to do as a victim of bribery or corruption, and what type of protection that is available if such incident were to occur.

### 3.1. How to raise a concern

If an employee suspects activities or instances of bribery or other corrupt activities in relation to KWH, the employee should raise concerns as early as possible. If the employee is uncertain about whether a certain action or behaviour can be considered bribery or corruption, the employee should speak with their superior.

Employees who become aware of, or suspect, violations of laws, regulations, or internal policies ("Breach") must report the matter immediately to their superior. If reporting to a direct supervisor is not feasible (e.g., if the supervisor is involved in the Breach), the employee should escalate the report to the next-level manager or another relevant department (HR, Legal, Compliance).

Employees may also report directly to the KWH Compliance Team via email at: [kwhethics@kwhgroup.com](mailto:kwhethics@kwhgroup.com).

Concerns can also be reported anonymously via KWH's confidential reporting system Ethics Line (links and additional instructions are available at <https://www.kwhgroup.com/en/whistleblowing>).

Ethics Line is a confidential communication channel hosted by a third party, which allows employees and external stakeholders to report alleged misconduct confidentially and anonymously, if allowed by the local laws and regulations.



## 3.2. What to do as a victim of bribery and corruption

Any employee must tell a superior as soon as possible if offered a bribe by anyone, if asked to make one, if received pressure by any party to accept or offer a bribe, or if they have reason to believe that an employee may be or may become a victim of any other corrupt activity.

## 3.3. What type of protection is available

If an employee refuses to accept or offer a bribe or report a concern relating to potential act(s) of bribery or corruption, KWH maintains a strict no-retaliation policy, ensuring that those who report breaches in good faith will not face harassment or adverse consequences. KWH shall fully support anyone who raises concerns in good faith under this Policy, even if an investigation finds that he/she was mistaken. If an employee has reason to believe that they have been subjected to unjust treatment because of a concern or refusal to accept or give a bribe, they should inform their superior, and/or relevant HR function immediately.

# 4. Sanctions for breach

Failure to comply with or instructing or forcing another employee or business partner to breach this Policy require immediate corrective measures and, depending on the gravity of the breach, may result in appropriate disciplinary action, up to and including dismissal, termination of contract and payment of damages. Certain violations of a criminal nature can also lead to criminal sanctions.

# 5. Training

KWH provides anti-corruption training, as appropriate. Employees are expected to attend and complete all anti-corruption related training provided by KWH. Senior managers or other designated employees at functions of risk may be required to confirm their compliance with this Anti-Corruption Policy in writing.