

Anti-Corruption Policy

1. Preamble

In most countries, gifts and entertainment are a matter of business courtesy and a common means to support and maintain a good business relationship. However, granting excessive benefits or creating immoderate expectations by the recipient may be meant to improperly influence a business decision, or at least appear to be done with corruptive intent.

Corruption is punishable by law all over the world. In most countries, individuals convicted of corruption face imprisonment or severe fines and companies are being held liable for not having prevented corruption by their employees.

This Anti-Corruption Policy provides guidance with regard to granting and accepting tangible and intangible benefits while conducting business on behalf of SGL Carbon. The purpose of the Policy is to prevent not only corruption, but also the appearance of corruption through establishing clear and transparent regulations for any kinds of benefits.

2. Bribery

Corruption can take many forms. Bribery is the most common type of corruption. SGL does not offer or accept bribes in any form, to/from any person or entity, for any reason.

A **bribe** is to give, offer, promise directly or indirectly, money or anything of value to any person or entity in order to obtain or keep business or secure an improper advantage.

Anything of value can be anything of tangible or intangible value, this includes cash, cash equivalents, gifts, meals, travel and hospitality, entertainment; it can also include providing business opportunities, access to decision makers, jobs, favorable contracts, donations etc..

Improper advantage relates to a wide variety of matters, can be commercial, contractual or personal, such as obtaining/retaining a contract, preventing a detrimental action by a government authority, obtaining a competitor's bid information etc.

Kickback is a type of bribery and usually occurs through an overcharged offer or fictional bill and the amount is partly or completely returned to the contract awarding employee or company as a reward from a third party. The third party may be requesting information, a discount, or a favor. Kickbacks may be in the form of cash or the equivalent, gifts, meals and entertainment.

Side agreements or contractual prepayments may be used to disguise improper payments. Check with a member of Group Legal & Compliance if proposed contractual obligations seem unusual.

3. Facilitation Payments

Facilitation Payments are petty payments to government officials to initiate or speed up performance of routine administrative actions which the government is already legally obligated to address, e.g. customs clearance, visa applications or the issuance of work permits etc. Facilitation Payments are not legal in most countries.

Facilitation Payments are not permissible, except in exceptional circumstances to avoid or prevent an imminent threat to the health, safety or welfare of an SGL employee. In such cases, the SGL employee may provide a payment to avoid immediate harm and then must disclose these payments to the Chief Compliance Officer or Head of Group Compliance without unreasonable delay to enable future preventive measures to be taken and such payments can be transparently disclosed and booked.

4. Sales intermediaries

SGL expects from its sales intermediaries (e.g. sales agents, distributors) to commit to SGL's compliance and anti-corruption standards.

SGL's sales intermediaries help support SGL's reputation in the marketplace. However, SGL may be held liable for actions and breaches of the law committed by sales intermediaries in connection with SGL's business while acting on SGL's behalf. Therefore sales intermediaries always have to be carefully checked through due diligence to determine if the sales intermediary is suitable from a business ethical perspective before entering into a business relationship. The sales intermediaries need to undergo the Business Partner Compliance (BPC) process before any contractual engagement.

SGL must only engage a sales intermediary if there is a legitimate need for its services. The engagement of the sales intermediaries must never be used with the intention to circumvent the laws or this Policy, or to reward or to secure any improper business advantage for SGL. Willful ignorance is not a defense.

5. Suppliers and Subcontractors

SGL expects from its suppliers and subcontractors that they are equally committed to legal, ethical and sustainable business conduct. Therefore, SGL only does business with suppliers and subcontractors who abide the Compliance standards set forth by [SGL's Supplier Code of Conduct](#) under which the supplier commits to such ethical behavior, including fighting any form of corruption and bribery in its own company.

6. Public Officials

Public Official is defined in the broadest possible sense and includes:

judges, civil servants and other public sector employees (government officials);
persons holding a political office or mandate or being a candidate thereof.
officers, directors or employees of companies which are directly or indirectly owned by a governmental entity or controlled through a government's majority share; and
corresponding employees of international or nongovernmental institutions such as chambers of commerce or the World Bank who are, due to their status and according to locally applicable law, treated like Public Officials.

It is important to recognize that Public Officials are often subject to stricter rules and restrictions than the personnel in private sector.

7. Benefits (Gifts, Entertainment, Hospitality)

Benefits includes Gifts, Entertainment and Hospitality. Benefits are a matter of business courtesy and a common means to support and maintain a good business relationship, but they shall be reasonable and provided for a legitimate business purpose.

Granting or accepting Benefits must avoid any appearance of corruptive intent and must not give the impression that they serve as a reward for current or future decisions.

Gifts are usually anything of value (regardless of form), a gift, money, service, goods, a specialized favor (e.g. internships).

Hospitality generally includes refreshments, meals, and accommodations.

Entertainment generally includes cultural, sporting and other entertainment events (such as attendance at plays, concerts, a trade fair's entertainment program) accompanied by an SGL employee or Third Party.

7.1 Principles for granting and accepting Benefits

Adequacy: All Benefits must be modest, reasonable and infrequent so far as any individual recipient is concerned. Modest means the value of the Benefits is appropriate for the SGL employee's or Third Party standard of living and conform to acceptable local custom.

Good Faith: All Benefits must always be given in good faith and should always be granted or accepted outside the context of a business or administrative decision of the recipient.

Transparency: All Benefits, regardless of whether they are granted or accepted, must be open and not made in secret. Benefits must always be sent or communicated to the business address of the recipient. Overly generous Benefits granted to SGL employees should be directly returned to the giver or rejected. Should the rejection be considered rude according to local custom, the employee shall immediately report to his Local Compliance Representative to disclose the granted Benefit, who shall make the decision how to handle the situation.

Personal Responsibility:

While handling Benefits employees are required to exercise a high degree of personal responsibility in judging the moderate reasonableness. If by taking into consideration all factors, doubts remain about the lawfulness or transparency, the employee should always refrain from granting or accepting a Benefit. Hospitality Spending Policy must be also followed.

7.2 Permitted Benefits (DO's):

Permitted Benefits are generally those which are both reasonable and moderate for the specific circumstance.

In the normal course of business and depending upon the circumstances, the following Benefits are acceptable to give or receive and are good examples, provided that the values as stated in the [Hospitality Spending Policy](#) are not exceeded, e.g.

- a) working meals (shall also be in compliance with the provisions of the Hospitality Spending Policy);
- b) gifts delivered in connection with birthdays or other special occasions or during illness, e.g. in connection with a complimentary call, provided that the gifts are of a modest nature in the overall context of the particular case;
- c) minor samples, presented in connection with company visits or similar occasions;

d) ornaments of little market value and equivalent, moderate souvenir gifts to guests, e.g. in connection with company anniversary celebrations or similar events; and

e) entertainment, if linked to any business meetings and the host is present.

In cases where SGL employees receive a reasonable benefit which is acceptable according to the general principles of section 7.1. but exceeds the given threshold, the approval of the responsible supervisor and the respective BU or CorpF Compliance Representative must be obtained. If the recipient is a member of the Board of Management, approval is required from the other respective Board Member and the Chief Compliance Officer.

7.3 Granting Benefits to Public Officials

Interacting with Public Officials requires a higher degree of attention because most legal systems have stricter rules and higher punishment for violations regarding granting Benefits to Public Officials and related actions which have potential corrupt intent.

- Benefits to Public Officials are not permissible in principle.
- Under very exceptional circumstances, if proven to be justified, prior to offering a Benefit to Public Officials, the SGL employee must request written approval of the BU or CorpF Compliance Representative or Regional Compliance Representative who may only approve any Benefit falling under categories a) - e) mentioned in Section 7.2 above.

Always respect the internal compliance guidelines and rules of the Public Officials.

7.4 Prohibited Benefits (DON'Ts)

- A Benefit must never be granted or accepted if it is given with corrupt intent, or with the purpose of improperly influencing a business decision or an administrative act.
- Benefits granted or accepted must never be in violation of recipient's local law.
- SGL employees granting Benefits must never violate Third Party internal compliance guidelines and it is the responsibility of the SGL employee to make such inquiry of the recipient.
- SGL employees must never request a Benefit, nor grant a Benefit upon request from a Third Party.
- Cash or cash equivalents, such as bank transfers, vouchers, cheques, loans, lottery tickets are strictly prohibited.
- Granted benefits which exceed the defined value thresholds.
- Gifts of substantial value.
- Lavish or disreputable Entertainment.
- Multiple Benefits granted to the same recipient in a given year are not allowed, as a high total value of multiple Benefits may be seen as having corrupt intent.
- Granting or accepting accommodation and travel costs from or to Third Parties are not allowed.

8. Cash Benefit

While generally forbidden, local customs may permit small monetary Gifts in countries where such Gifts are customary and socially expected in connection with certain occasions (e.g.,

marriage, funeral). Such exceptions require the prior approval of the Chief Compliance Officer only and must not be in any relation to a business or administrative decision of the recipient.

9. Documentation

All benefits which need specific approval need to be documented. The employee must follow the defined approval process for received benefits or benefits in relation with Public Officials on [Sharepoint](#).

All documentation must be stored for a period of 5 years.

10. Trade Fairs, seminars, site visits and comparable events

When inviting Third Parties to trade fairs, seminars, site visits or comparable events, if additional Hospitality measures beyond complimentary catering are included, such as individual business meals or Entertainment, the rules set in this Policy shall apply.

Invitation of SGL employees to trade fairs, conferences, industry association events, seminars, educational trainings are generally acceptable independent of thresholds for Benefits if a subject relation to the job is given and no contract negotiations are ongoing. All such invitations need to be approved by the manager unless it is an open invitation. An open invitation means that a Third Party attendee or sponsor at a trade fair or seminar or other comparable situation is hosting an event for informational or educational/training purpose to which most or all of their clients/business partners were invited to attend without the intent to target any one specific recipient for the invitation (e.g. a customer hosts a supplier day open to all suppliers or a professional services firm hosts a seminar open to all of its clients). Cost for accommodation and travel must be paid by SGL unless there are reasonable grounds (e.g. official representation of the company, doing a speech, etc.) for having it paid by the inviting party.

11. Rebates and comparable gratuities

SGL employees are prohibited from accepting rebates, preferential rates or comparable Benefits of Business Partners if they are granted due to the status as SGL employee, granted individually and granted in connection with a business decision by the SGL employee.

12. Donation, Sponsoring

One way SGL Carbon and its legal entities fulfill their social responsibility is through donations and sponsorships as well as individual contributions to social, cultural and sporting institutions.

Any such activity must follow legal and ethical standards and must not give rise to intended illegal influence on business or administrative decisions for the benefit of SGL or individual SGL employees.

Donations and Sponsoring must always be legal and transparently documented. Furthermore, they must be in compliance with the SGL's [Sponsoring and Social Spend Policy](#). Donations to political parties on behalf of or as a representative of SGL are not allowed.

13. Breach of this Policy

Breaches of this Policy will lead to disciplinary and other actions up to and including termination of employment

In most countries, individuals convicted of corruption face imprisonment or severe fines and companies are being held liable for not having prevented corruption by their employees. SGL reserves the right to:

- Take judicial action against any employee involved in a violation; and
- Assist in any resulting criminal investigation.

14. Reporting violations or potential violations of this Policy

If an employee suspects or becomes aware of any violation of this Policy, they should immediately report the situation to their supervisor, Local Compliance Representative or other representative of the Compliance Network, or make a written submission by mail to confidential-compliance@sglcarbon.com. SGL will ensure that any form of sanction, retaliation, retribution or discrimination against an employee as a consequence of their submission of a report in good faith under this Policy, or for their cooperation with an investigation, will not be tolerated. This applies regardless of whether or not the matter reported ultimately proves to be a violation.