

CODE OF CONDUCT

MESSAGE FROM THE CEO

One of the keys to success in the marketplace is a positive set of values that support the company's objectives and are reflected in the behavior of its employees. A culture based on these values strengthens the internal integration of the organization and promotes flexibility in adaptation to the environment.

Our Code of Conduct sets out the standards of fair business activity and performance expected by the owners of our Company.

Based on our beliefs and values, this policy, applied to situations that arise in the daily life of the company, expresses the commitment of its employees to honesty, integrity and transparency. Complying with the law is necessary, but not sufficient by itself.

It is the personal responsibility of each of us to meet the standards we set for ourselves and to maintain and enhance the reputation of our Company.

By adhering to the principles of the code of conduct, we can all contribute to make Bakony Technical Ceramics Ltd (hereinafter referred to as BTC) not only a successful company, but also a workplace where we are pleased to be a part of and proud to work.

Our core values are as follows:

1. the protection and respect of human rights
2. compliance with the law, fair labor relations,
3. fair competition, conducting business with honesty, integrity and reliability,
4. prohibition of child and forced labor
5. responsible, cooperative behavior
6. equal treatment of staff
7. protection of personal data (GDPR)
8. Health, Safety and Environment (supporting, taking initiative, encouraging)
9. protection of property and proper use of company resources
10. Conflict of interest and anti-corruption.

Employees are welcome to comment on these principles and suggest ways to improve them.

1. PURPOSE OF THE CODE OF CONDUCT

Guidance for all of us in ensuring the legality of our activities and to summarize and systematize the expectations we have of ourselves. We aim to achieve this by setting out the rules that govern our behavior and by providing the support we need to make the right decisions.

BTC's success and recognition are determined not only by economic results, but also by our employees' commitment, positive attitude and identification with the company's goals. The aim is to create and maintain a culture characterized by clear, known and accepted strategy, mission and goals.

We value the contribution of each employee to the achievement of our goals. Two-way communication is essential, with managers communicating results and concerns to all employees in a direct and timely manner and providing a space for feedback and opinions.

The code of conduct is a set of moral requirements imposed on employees, setting out the standards of behavior that are considered to be right and should be followed in accordance with the accepted interests of BTC. It also provides support and guidance to employees so that their behavior and actions meet the expected requirements.

2. PERSONAL SCOPE OF THE CODE

It applies to the following persons:

- Employees,
- apprentices, trainees, students
- temporary workers,
- foreign workers,
- service contractors,

and the relationships established during their work:

- with each other and with the company
- with customers and business partners
- with suppliers and competitors
- with public organizations and authorities
- with the media, which shape public opinion

3. PUBLICATION OF THE CODE OF CONDUCT

- Effective: from 02.04.2024
- Publication: information boards and training by supervisors
- Code of conduct is presented to new entrants by HR, which the entrant accepts by signing

4. COMPANY REPUTATION

We are committed to conducting our business in a trustworthy manner, as the company's reputation is based on its real assets, and it is therefore the responsibility of all our employees:

- to represent and communicate these values.
- to demonstrate fair, honest and decent behavior without discrimination.
- When on assignment abroad or in the country, they must comply with the rules of the country to which they are assigned.
- Avoid negative, unsubstantiated statements or social media comments that could damage the company's reputation.

5. BEHAVIOUR TOWARDS BUSINESS PARTNERS, EXTERNAL BODIES

When representing the Company, the aim is always to present a positive image of the Company, so it is important for us to

- develop and maintain a cooperative relationship,
- treat them fairly and equally,
- that employees who represent the Company should act with due care, flexibility and courtesy to the best of their ability when dealing with business partners,
- declare that it is unethical to make statements or disclose professional information that could reflect negatively on the Company, its employees or the quality of its services,
- declare that it is unethical to enter into a business relationship on behalf of the Company with a company in which the employee has a direct or indirect business interest or in which a close relative has a management role.

6. EXPECTED BEHAVIOUR

- Maintain the integrity and reputation of the Company,
- Conduct working relationships honestly and fairly,
- Respect privacy,
- Use Company equipment, facilities, resources, non-public information and documents for work purposes only,
- Use personal mobile phones only during breaks between working hours,
- Conducting personal business outside working hours,
- Conduct ourselves with dignity, decency, fairness and courtesy.

7. PROHIBITED CONDUCT

- Discrimination,
- Harassment in any form,
- No person shall be discriminated against on the basis of color, religion, sex, age, marital status, disability, maternity, national/ethnic origin, political opinion or membership of an interest group,
- Conflicts of interest that may conflict with the Company's internal rules, the Collective Agreement or the Staff Code, or with the law for the legitimate conduct of business,
- unethical instructions from management,
- retaliation against employees, negative actions against those who act in good faith in the interest of the Company,
- creating competition between employees or departments for personal gain, as it is in the Company's interest that employees work together on the basis of mutual trust,
- Zero tolerance of child labor, forced labor and unfair employment practices.

8. DUTY TO COOPERATE

To achieve common goals:

- Close cooperation between departments,
- two-way communication,
- executive information about larger-scale changes affecting the company and employees in the usual local way (works meeting and in writing),

- seek to resolve specific problems; it is unethical to make negative comments about individuals or departments without seeking to resolve them,
- Strict adherence to deadlines, appropriate use and maintenance of internal and external communication channels.

9. SUSTAINABILITY / HEALTH & SAFETY / ENVIRONMENT

We aim to integrate economic, environmental and social factors into our operations and business decisions for the benefit of future generations.

Our employees will not endanger the physical health and safety of others through their work or behavior. Comply with the company's internal regulations:

- Work safety instructions (protective equipment, clothing)
- Technological instructions,
- Cleaning procedures,
- hygiene regulations,
- Appear and work in a fit state,
- Reporting any changes in health to the company doctor.

Every employee should regard environmental protection as a personal concern, as our company endeavors to do year after year.

We are committed to minimizing the impact we have on the natural environment.

10. CONFLICTS OF INTEREST

Our aim is to prevent conflicts of interest, both inside and outside the Company, in the following cases:

- It is forbidden to gain personal advantage or profit from knowledge of information or data obtained in the context of the Company,
- An employee may not enter into a superior-subordinate relationship with a relative,
- Maintain ethical and fair competition and business practices,
- It is forbidden to acquire or maintain an interest in the business of a competitor or business partner related to the Company for the purpose of profit,
- It is forbidden to be a party to unfair practices and violations of relevant laws in the course of competitive negotiations and bids.

11. CORRUPTION, REPRESENTATION, GIFTS, PUBLIC LIFE AND POLITICS,

We condemn corruption in all its forms, including:

- Misusing the name of, or acting on behalf of, the owners and management of the Company,
- Dishonest marketing and promotional activities are prohibited,
- giving or accepting anything that would constitute an unfair business inducement or result in embarrassment or disgrace,
- The Company has a zero-tolerance policy against bribery,
- It is prohibited to seek, accept or give preferential treatment in return for personal gain.
- The use of influence for personal gain is prohibited,
- Provide material or moral support to political parties and political organizations of any kind or their representatives,
- Accepting small amounts of business courtesies, gifts or entertainment is permitted,

- The company shall not prevent employees from engaging in social and political activities outside the company as private citizens,
- Acceptance of business courtesies, low-value gifts or representation are allowable and may be considered as gifts of promotion or attention.
- **Notification/Registration**

In the cases listed, the gift or representation must be reported in writing to the immediate supervisor, who informs the Managing Director. Approval or rejection is at the discretion of the Manager Director.

Supervisors must keep records of: Who? When? On what occasion? What value? Under what legal title did he/she receive/give a gift or representation that needs to be sent to HR department.
- **Gift, representation:**
 - **Promotion gift**

With regard to the participation in a professional event, with the logo of the company making the gift with a maximum value of HUF 20.000 may be accepted,
 - **Attentiveness gift**

Birthday, name day, child's birth or retirement gifts are accepted up to a maximum value of HUF 50.000,
 - **Obliging gift**

Gifts that the employee would not be able to purchase from his/her income are not acceptable,
 - **Normal hospitality**

Non-committal hospitality provided to all participants as part of a professional program,
Non-committal hospitality provided in connection with an official trip, similar to domestic hospitality practice,
 - **Workplace gifts**

In a subordinate relationship, gifts must be given/received voluntarily and without pressure,
Hospitality offered to colleagues on the occasion of the events listed under the heading "attentiveness gift", with no limit on the value (cakes, soft drinks, sweets, flowers, etc.),
 - **Awards**

With the prior written consent of the Employer, an award may be accepted in recognition of an outstanding achievement in relation to the staff member's legal status, professional and academic activities or public involvement by a person or organization not directly involved in the achievement.
In this case, the employee may accept hospitality and benefits in kind at the award ceremony,

12. ETHICAL DECISION MAKING

In terms of appropriate action, consider the following for ethical decision making:

- Am I comfortable with what I am about to do?

- Is it consistent with the interests and ethics of the company?
- Would my conscience be clear if I had to explain my behavior to management, family and friends?
- Have I done everything possible to avoid unethical behavior?

13. ASSET PROTECTION

We are responsible for the safety, security and economical use of the Company's resources. Our employees are therefore required to comply with the following,

- Security measures,
- Protect the Company's intellectual property and assets.
- Protect and properly manage proprietary (secret and confidential) information,
- Handle personal data appropriately as required by the GDPR,
- Maintain accurate accounting and financial records.

Our employees must not neglect or misuse company assets.

We use technical security solutions, which all employees are required to maintain.

We respect everyone's privacy and are committed to complying with data protection legislation. We take appropriate information security measures to ensure the confidentiality, integrity and availability of personal data.

It is important to us that the audit or any accounting control is fair and unbiased.

14. CONSEQUENCES

An employee who is in violation of the provisions of this Code of Ethics may be subject to adverse action by the employer in accordance with the following procedure:

- Recorded employee consultation,
- Consideration of the case,
- sanctions.

It is the duty and responsibility of the organization's management and leaders to investigate reports, keep their contents confidential and coordinate any necessary corrective action.

Veszprém, 28.03.2024

Ákos János Isztli
Managing director