

# CODE OF CONDUCT

of the Handtmann Group of  
Companies

## Foreword

Dear fellow employees,

In the Handtmann Group of Companies, we not only want to provide outstanding products and services. Our conduct should also be without reproach at all times. But what exactly does this mean? How do we conduct ourselves correctly, especially in tricky situations? To help you with this, we have summarised the most important rules in the "Handtmann Code of Conduct". It applies to all employees throughout the world.

The Handtmann Code of Conduct is based on the values of the Handtmann family and of the Handtmann Group of Companies, as well as on already existing regulations. We have restricted the code to the fundamental points. For further information, see the existing guidelines or procedures.

A key factor for us was the guiding principle of the proper actions of a businessman. The Code of Conduct stipulates concrete patterns of conduct based on this guiding principle.

With this code, we aim to provide you with guidelines which will help you even in the event of difficult cases and to heighten your awareness of potentially problematic conduct. If you view a situation that you come across as not being clearly governed please discuss the issue with your manager or the Human Resources department.

The conduct of every member of staff in the Handtmann Group of Companies has a significant impact on the reputation of our company. We therefore expect you to be aware of this responsibility and to act in accordance with this Code of Conduct at all times. In this way, you can not only avert damage to the company but you are also protected from unpleasant consequences yourself.

Kind regards,



Thomas Handtmann

July 2018

## 1. Law-abiding conduct

We abide by the laws of the countries which we operate in. This is in line with our fundamental values and applies irrespectively of the penalties that may be imposed by law.

Unlawful actions put the interests of our company at risk as they can result in serious damage to our reputation, criminal proceedings, compensation and the loss of orders.

Employees who act unlawfully are in danger of being subject to criminal proceedings. Law-abiding conduct therefore helps to protect staff as well as the company. This applies above all also in countries in which criminal proceedings do not always comply with constitutional principles.

All employees are obliged to find out the required information about the laws and in-house regulations valid in their area of responsibility and to comply with them.

In the case of doubt, consult the department responsible or your manager.

## 2. Fair treatment of employees and business partners

As a global company, we operate in an international market and a multicultural environment. We view diversity amongst people as an enrichment. We respect and protect the personal dignity and personal rights of each individual person. We insist upon interaction with each other which is characterised by respect, honesty and trust. Management executives, employee representatives and employees are aware of their responsibility and their impact as role models.

For the Handtmann Group of Companies, respect for internationally recognised human rights is the basis of all business relations. We are also committed to the basic principles of the core labour standards of the International Labour Organisation (ILO).

We are committed to equal opportunities. We do not tolerate discrimination or degradation on the basis of gender, nationality, ethnic origin, culture, religion or ideology, sexual identity, age, physical ability, appearance or other grounds covered by Article 14 of the European Convention on Human Rights.

We have a working relationship with the employee representatives that is based on trust.

The ban on forced labour of any kind and child labour is complied with. All work performed within the Group of Companies must be voluntary.

Our employees have the right to freedom of association and the right to collective bargaining.

We ensure appropriate remuneration for our employees, guarantee the legally stipulated national minimum wage and observe the maximum working hours stipulated by law in the respective country. We adhere to the principle of equal pay for men and women for work of equal value and identical time.

We expect our business partners to comply with the principles of this Code of Conduct and our "Sustainability Standard for Suppliers" and to comply with all legal requirements.

### 3. Ensuring fair competition

We comply with the laws for protecting fair competition and do not come to any agreements with competitors concerning our competitive conduct.

The following are forbidden in particular: agreeing on prices and terms and conditions, dividing up markets and regions, allocating customers and agreeing on quote preparation strategies or production strategies. In this respect, it is not only explicit agreements which are prohibited but also agreed conduct. Even simply sharing information which could form the basis of agreed conduct of this nature (e.g. prices, costs, margins, terms and conditions, customers, production capacities etc.) with competitors is prohibited. Infringements of these prohibited actions will be prosecuted systematically by the competition authorities and may result in sanctions which put the company in jeopardy and in personal punishments for the employee concerned.

Corrupt conduct is prohibited and punishable. Such conduct exists when personal advantages are requested, accepted, offered or granted for being given priority in the initiation, award or processing of an order. Corrupt conduct is to be avoided in all circumstances. We do not offer our partners any unlawful gains and do not accept or receive any ourselves.

We act with caution when it comes to accepting and giving gifts and other benefits that are socially customary, in accordance with local customs and are not made for the purpose of improper influence. Under no circumstances should they be inappropriate or designed in such a way as to give the impression that the recipient has been influenced in his decision making. In the case of doubt, consult your superior.

Particular caution is to be shown in connection with holders of official posts. The very strict legal stipulations throughout the world are to be complied with at all costs.

Commission and remuneration received by dealers, agents or consultants may only be paid for authorised services which have actually been provided and must be in suitable proportion to these services.

Business-related secondary employment on the part of an employee are permitted only after notifying the company in writing and insofar as they do not violate the company's legitimate interests. This applies in particular in relation to secondary employment with competitors, customers or suppliers or a financial interest in the above. If close relatives are involved in employment or financial interests such as this, this must be reported to the central Human Resources department. Undisclosed conflicts of interest can cause damage to the company and lead to consequences under labour law for the respective employee.

We keep business and private interests strictly separate and do not use our employment with the Handtmann Group of Companies for private gain. Business partners must not be favoured due to reasons of private interest.

#### 4. Trade controls, taxes and subsidies

We comply with the regulations applicable to cross-border trade. This applies, first and foremost, to complying with existing import and export restrictions, obtaining necessary authorisations and paying the stipulated customs fees and taxes. In the event of uncertainty, the export officers are to be consulted. Compliance with these stipulations is subject to regular checks on the part of the authorities. In the event of infringements, the responsible parties and the company are at risk of significant sanctions.

We comply with all the legal stipulations with respect to taxes and subsidies and also do not aid and abet tax evasion or subsidy fraud.

All employees must be aware that the risk of being detected is particularly high with tax offences due to regular and thorough checks on the part of the tax authorities.

Suspicious circumstances very quickly lead to the involvement of the law enforcement authorities.

If customers or suppliers are involved disclosures are sent to the tax authorities responsible for them and vice versa.

The assessment of circumstances in accordance with tax/subsidy law is often difficult. In the case of doubt, your superior must become involved and/or the central Finance department must clarify the situation.

#### 5. Health and safety at work, environmental protection

We provide a safe working environment. Safety regulations are to be strictly complied with and are to be subject to continual checks to ensure that they are effective. Accidents, grievances or possible dangers or burdens are to be reported and rectified immediately. Every manager is responsible for the protection of his employees and must instruct, train and supervise them accordingly.

We employ measures for health and safety in the workplace in line with the national and in-house directives.

We use natural resources sparingly and also aim to achieve this with our products.

#### 6. Product safety

We demand extremely high standards with respect to the quality and safety of our products and services.

All parties involved in development, procurement, production, sales, service and administration must ensure that all processes comply with the company's internal quality specifications and at least meet the standards laid down in international or local laws and regulations.

We check our products thoroughly and help the customer to avoid risks. We inform our customers and take remedial action if we become aware of any risks emanating from our products.

## **7. Protection of company property and trade secrets**

We protect the intellectual and tangible property of the Handtmann Group of Companies.

We use supplies and equipment carefully and in accordance with their intended purpose.

Company property, in particular machines and tools as well as information and communication systems, including PCs, laptops, landline and mobile telephones, may not be used for private purposes or removed from the company's premises without the express consent of the competent authority.

After completion of the project, employment or similar, the company's property is to be returned to the company's area of control.

We treat the property of the Handtmann Group of Companies in a responsible way. Unnecessary costs are to be avoided.

We make business decisions on the basis of commercially accountable analyses of opportunities and risks. In doing so, we also respect the integrity of our business partner.

As a technology company with a high level of investment in research and development, we are particularly reliant upon protecting our inventions and our know-how. We are therefore extremely careful with trade secrets. Confidential information must not be accessed by unauthorised third parties. This also applies to confidential information we receive from our business partners.

## **8. Documentation of business transactions and data protection**

Internal and external reports must be correct and complete in order that the recipient is given an accurate picture. We restrict ourselves to representing the facts and an objective mode of expression.

Documents which are required for ongoing or expected internal enquiries or investigations by authorities must not be destroyed, removed or changed.

We use personal data concerning our staff and contractual partners solely for the purposes for which it was provided and we treat it with confidentiality. Personal data will be used only in accordance with local laws and regulations.

According to applicable law, violations of data protection regulations will be punished with high fines.

## 9. Ethics escalation – scope and implementation

This Code of Conduct is binding for all employees of the Handtmann Group of Companies throughout the world. In the event of a violation of this Code, laws or internal guidelines, employees must expect appropriate consequences, including measures under labour law and disciplinary measures. Such violations can also result in consequences under criminal and liability law which can endanger the existence of the company as well as its employees. In order to comply with our voluntary commitment to ethical conduct, we are dependent on every employee – including interns, people in training, external and holiday workers – and all stakeholders (e.g. customers or suppliers) who identify a potential violation of this Code of Conduct, reporting it immediately.

The responsibilities and procedures for dealing with and protecting persons who provide information on violations of the Code of Conduct (hereinafter referred to as “whistleblowers”) are regulated as follows: The first point of contact for every employee in the event of questions or uncertainty about the principles of conduct is their superior. Every employee can also contact the works council or the compliance officer. In addition, an external lawyer is available as a contact for further inquiries and for reporting material violations of the Code of Conduct at [compliance@handtmann.de](mailto:compliance@handtmann.de). Feedback on the next steps will be given according to the situation, at the latest within three months.

Anonymous messages cannot be processed in a targeted manner. For possible queries and information on further action, the name of the whistleblower of the first reference person is to be named. The contact persons and compliance officers must treat all contacts confidentially and follow them up immediately. Upon request, the identity will hereafter be treated anonymously.

Any employee who asks for advice in good faith or provides evidence of misconduct thus fulfils his obligation under the Code of Conduct; no employee has to fear disadvantages – subject to sanctions for a violation of the Code of Conduct.

Each company in the Handtmann Group of Companies and each corporate division is responsible for compliance with the Code of Conduct and all internally-stipulated regulations.

The relevant Handtmann management companies such as Albert Handtmann Holding GmbH & Co. KG or Handtmann Auslands-Beteiligungen GmbH have unrestricted information and auditing rights, provided that there are no statutory regulations which oppose this.

Biberach, 11th July 2018

Company Management, Human Resources Manager,  
Group Works Council

\*In the interest of better legibility, no explicit distinction is made between gender-specific denominations of persons. The male form chosen shall include an adequate female form on an equal footing.”