



# **KLINGELNBERG GROUP**

## **CODE OF CONDUCT**

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## 1) Introduction

The board of directors of KlingelInberg AG has defined basic values in this code of conduct that determine and apply to the entire corporate activity of KlingelInberg AG and all its subsidiaries ("KlingelInberg Group" or "Group"). This code of conduct is a central element in the KlingelInberg Group's compliance system and assists our employees in fulfilling their obligation to comply with standards and laws in the course of performing their work for our company.

KlingelInberg Group strives to comply with ethical standards and create a work environment that promotes integrity, respect and fair dealing. A strictly law-abiding and principled corporate policy serves the group's long-term interests, protects against legal risks and reputational damage, and encourages fair competition.

All employees of the KlingelInberg Group are bound by the rules of this code of conduct. Likewise, we expect our business partners, particularly our suppliers and contractors, to comply with the basic values defined here or comparable standards.

## 2) Fair Competition

The companies of the KlingelInberg Group conduct their business in a competent, fair manner. In all markets in which they operate, they observe all laws regarding prohibitions on restrictive agreements and other restrictions of competition as well as anti-competitive behaviour. The KlingelInberg Group does not seek to unfairly gain advantages over customers, suppliers, or competitors.

In particular, inadmissible exchanges of sensitive information with competitors are prohib-

ited, as are concerted practices or agreements of any kind with competitors pertaining to prices, conditions, or other competition-related factors. Any sales, licensing, or price agreement must be reviewed to ensure compliance with all applicable laws.

## 3) Social Standards

### a) Equal Treatment / Anti-Discrimination of Employees

All employees of the Group are treated equally. Equal opportunity is guaranteed for all employees. No employee may be discriminated against or given preference on the basis of gender, age, ethnicity, race, language, origin, religion, political views, or sexual orientation, nor may any employee be discriminated against due to a disability.

The companies of the Group, as well as every employee, will protect the personal dignity, privacy, and personal rights of each individual. Any conduct that disrupts the working atmosphere, such as personal harassment or abusive or exploitive behavior toward outside parties or colleagues, will not be tolerated.

### b) Safety and Security of Employees

Work safety and plant safety are firmly established corporate objectives at KlingelInberg Group. Our business activities hinge upon compliance with legal requirements for work safety as well as plant safety. Internal work safety regulations are in place to prevent, in so far as possible, accidents and injuries while performing work and when operating plants and machines.

The applicable employment regulations will be observed, including those governing working time. KlingelInberg Group supports

employees in striving for a balance between work and leisure. We comply with the legal maximum number of working hours and provide vacations to enable employees to rest. The line managers must ensure that the employees, as far as possible, actually take the vacations they are entitled to. To maintain the highest possible safety standards, work safety and plant safety are continuously improved in accordance with legal requirements. The employees of the Klingelberg Group receive appropriate training in matters concerning work safety and accident prevention.

#### c) Prohibition of Child Labor and Forced Labor

Compliance with the prohibition of child labor as well as the prohibition of forced labor in accordance with the applicable legislation and industry standards are self-evident principles of our corporate policy.

#### d) Social Responsibility

The Group takes responsibility towards the environment and the society and for its publicly visible role as a good corporate citizen. Therefore we

- support and respect the protection of human rights;
- promote ecology and health minded behavior; and
- promote the employment of physically and socially disadvantaged individuals.

### 4) Environmental Protection

As a manufacturing business, the Klingelberg Group is aware of its special obligation to sustainable, environmentally friendly business development. For this reason, the Group has established an environmental management system aimed at implementing and

continually improving environmental protection within the Group's business. Our goal is to prevent and reduce environmental impact through preventative measures, to minimize raw material consumption and to develop recycling strategies. The companies of the Group observe all applicable laws for the protection and conservation of the environment and strive to ensure compliance with environmental protection measures beyond the minimum standards and to continually improve their related efforts.

### 5) Prohibition of Corruption and Bribery

The Klingelberg Group expects loyalty on the part of its employees. All employees must avoid situations in which their personal or financial interests come into conflict with those of the Group. It is therefore expressly prohibited to consult with competitors, suppliers, or customers or enter into business relations with them in private, insofar as this may lead to a conflict of interest.

The Klingelberg Group opposes all forms of corruption and bribery. Any contributions, irrespective of their nature, made by employees to customers, sales partners, or authorities for the purpose of obtaining undue advantages are not permitted. It is likewise prohibited to accept such contributions, except in the case of courtesy gifts of negligible value that are common in general business dealings and in accordance with applicable law. In particular, employees may not misuse their position to ask for, accept, or grant undue personal advantages. All lobbying, sponsoring, donations, and memberships must be in compliance with the aforementioned basic principles and anti-corruption laws and must not take place in conjunction with ongoing negotiations.

## 6) Observance of Regulations on Trade Practices and Money Laundering

As an enterprise with international standing, the KlingelInberg Group is committed to observing all applicable export and import laws governing customs, trade sanctions, embargoes, as well as any regulations to prevent money laundering. The employees of the company are obliged to comply with all relevant laws and will be supported with appropriate training on the part of the Group.

All products manufactured by KlingelInberg are intended for peaceful use. However, certain products may also be used for the production of materials for military purposes (so-called dual-use goods). The Group places particular emphasis on complying with all relevant export control regulations for such products and has instituted processes and procedures to ensure such compliance. In case of doubt, employees must contact their superiors or the executive management of the Group, who will to the extent necessary or appropriate contact the regulatory agencies in the individual countries.

## 7) Insider Trading and Market Manipulation

All employees of companies in the KlingelInberg Group are obliged to comply with all applicable regulations on insider trading and market manipulation as further set forth in the Trading Policy and Disclosure Policy of KlingelInberg AG. This pertains especially to employees who have access to non-public information about KlingelInberg AG, its subsidiaries and affiliated companies, or about a company with which the KlingelInberg Group conducts business. Employees who have knowledge of insider information are under

a particular obligation of confidentiality and discretion. The use of such information for personal gain is forbidden, as is its disclosure to third parties, all as further set forth in the Trading Policy of KlingelInberg AG.

## 8) Handling Property of the Group

All employees of the KlingelInberg Group are responsible for properly handling, managing, and caring for, the Group's property. As a rule, property of the Group must only be used for company purposes.

Every employee is required to protect the Group's property against loss, damage, misuse, theft, misappropriation and destruction. Every employee has an obligation to inform his supervisor immediately of any use contrary to the preceding stipulations or otherwise capable of damaging the Group's reputation.

## 9) Data Privacy / Confidentiality Intellectual Propert

All companies of the Group respect and safeguard the interests of their employees, as well as of their customers and sales partners, in accordance with applicable laws. All employees of the Group are obliged to ensure that personal data of customers, sales partners, and colleagues is safeguarded in accordance with applicable provisions for the protection of personal data. Data secrecy must be maintained.

Know-how and operational knowledge form the basis of the Group's economic success. No employee may disclose information, in particular business or industrial secrets, to third parties without authorization. Appropriate protection in the form of a non-disclosure



agreement (NDA) must be established prior to any authorized disclosure of sensitive information.

Klingelberg Group protects its intellectual property such as patents, trademarks, copyrights, designs, trade secrets, samples, models and expertise, and respects the intellectual property of others. All employees must take care to protect the intellectual property of Klingelberg Group. Before disclosing or otherwise making available intellectual property to third parties, appropriate contractual protection must be put in place to safeguard the rights of the Group.

## 10) Finance and Accounting

All the Klingelberg Group's worldwide business transactions must be properly authorized and be completely and accurately recorded in the Group company's books and records in accordance with applicable accounting principles and established financial policy of the Klingelberg Group. The making of false or misleading entries in books and records of any company of the Group or in any governmental filings is expressly prohibited and all employees shall refrain from such actions.

## 11) Final Provisions

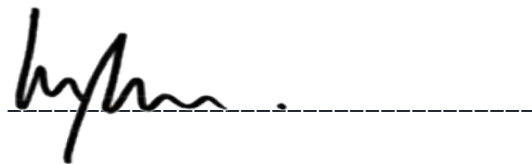
Klingelberg applies "zero tolerance" and will take disciplinary action in case of violation. Disciplinary action may be taken within the framework of applicable legislation, internal regulations of the Klingelberg Group and its companies, the provisions of the relevant (employment contracts or any other applicable rules. Employees are required to observe the ethical and moral principles set down in this code of conduct.

Effective 9 June 2018, this code of conduct is binding for all employees at all companies of the Klingelberg Group.

Every employee will be requested to confirm his/her knowledge of this code of conduct and the obligations contained herein.

For the board of directors of KLINGELNBERG AG

The Chairman



Dr.-Ing. Jörg Wolle

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