



Code of Conduct



OTTO FUCHS KG

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Foreword

Compliance @ OTTO FUCHS

Dear Employees,

The activities of our family-owned enterprise have always been characterised by a combination of business thinking and social responsibility. We have earned ourselves a leading position with our high-quality products. In more than 100 years of our existence we have grown to become a globally operating group which fosters a spirit of cooperation and collaboration with its employees, its customers and its partners.

In addition to technical capability, innovative strength, know-how and quality, our successful development is also based on responsible and ethnically correct conduct. These firmly anchored components of our value system will continue to characterise our actions in the future as well. At the same time, we must comply with the statutory and social requirements that are imposed on the company.

To do so, it is essential that every employee¹ takes responsibility: for correct behaviour, fairness towards others, and for the external effects of his or her actions. This Code of Conduct lays down binding rules in this regard and creates a common basis² for all employees. Its contents are built on proven principles. The core issues are integrity, honesty and respect. These, above all, are the values we want to live by and pass on to others. For that reason, we have firmly embedded them in our Code of Conduct.

The Code of Conduct is also the basis for the OTTO FUCHS Compliance Programme. For us, compliance means more than just obeying rules, but also supporting and enabling our employees to keep the rules. This is why we provide persons to contact, and why we conduct training programmes to make compliance easy to understand. Compliance should be a source of guidance in everyday work.

All of us - employees, managers and shareholders - must be aware that the future success of OTTO FUCHS is also dependent on our reputation as a partner worthy of trust. Let's keep working on this, together.



Your Dr. Hinrich Mählmann
(personally liable partner)

1 Words imputing a particular gender include other genders. The term 'employees' denotes persons or groups of persons of whatever gender. 'He' or 'she' is used merely to keep the text simple.

2 Schüco International KG has implemented its own, largely identical Compliance Programme.



Our demands

I. Integrity

We expect all employees to comply with statutory regulations, with agreements and with internal directives. To that end, it is important that everyone knows the rules pertaining to his or her field of work. Every employee must also be aware that any breach of these rules may have penal, liability and appropriate disciplinary consequences and may jeopardise the reputation of the company.

II. Honesty

Honesty is an essential foundation for our actions. Every employee shall report honestly and shall work with others in an open and efficient manner. Relationships with customers and partners are governed in equal measure by the requirement to provide truthful information at all times. Confidential information must nevertheless be treated in strict confidence.

III. Respect

We treat each other with respect. Discrimination, harassment, coercion and verbal attacks, in whatever form, will not be tolerated, nor will any kind of intimidating or insulting behaviour. We are actively committed to tolerance and fairness.

OTTO FUCHS respects the universally acknowledged human rights and strictly rejects any form of forced labour or child labour.

IV. Responsibility

Every employee shall give due consideration to the reputation of OTTO FUCHS. Above all, our managers must act as role models for others to emulate. They are responsible for prompt and appropriate implementation of all the rules relevant for their sphere of responsibility and for ensuring that there is no breaking of laws which could have been prevented by duly providing information and exercising oversight.

V. Social awareness

OTTO FUCHS is aware of its responsibility for common welfare, for education and science, and for social affairs. Donations and sponsoring are governed by the principle of transparency and compliance with the applicable laws. Every donation and every case of sponsoring must be approved beforehand by the top management. No donations are given to persons or organisations that may damage the reputation of OTTO FUCHS.

VI. Esteem

Highly skilled and motivated employees are safeguards of a company's success. For that reason, OTTO FUCHS follows the perception that quality and productivity rise when job satisfaction is high. We apply a management philosophy based on fairness and trust, which fosters genuine partnership between shareholders, managers and employees.

VII. Openness

Every employee has the right to draw attention to circumstances indicating that laws or internal rules have been broken. This option is to be used in the interest of employees and the company. OTTO FUCHS has nominated contact persons on Compliance matters and has appointed an external lawyer of trust (Vertrauensanwalt) whom employees and business partners can approach in confidence. Any indications of non-compliance shall be investigated with greatest care, while respecting the rights of all involved parties.

Our principles

I. Fair competition

We adhere to the rules of fair and unimpeded competition. Any contact with other companies aiming at or resulting in competition being obstructed, restricted or distorted is therefore prohibited. Employees who are contacted by competitors, business partners or third parties for such purposes must inform the Compliance Team or the lawyer of trust without undue delay.

Infringements of antitrust law may be prosecuted as administrative offences or even as criminal offences. Heavy fines are incurred as a result. Even seemingly harmless contact can be interpreted as an attempt to signal to a competitor that one is willing to engage in anti-competitive behaviour. For that reason, every employee who comes into contact with competitors, customers or business partners must be sufficiently sensitised to these issues.

II. Anti-corruption

OTTO FUCHS will not tolerate corruption in any form. For us, paying bribes is not an acceptable way of acquiring business. We would rather forego a business opportunity or achieving our internal objectives than break laws.

However, courteous and respectful treatment of partners in business relationships may include invitations or the exchange of gifts. If the latter are an attempt to influence the recipient's decision-making unfairly, they may constitute criminal conduct.

Given this difficult context, we have established rules governing gifts and invitations, which aim to protect employees against any appearance of corruptibility. As a basic principle, gifts or other favours may be accepted or given only on condition that they do not exceed a "socially adequate" value. Invitations to customary forms of business hospitality that are kept within reasonable limits may be accepted and given.



III. Sensitive acting towards officials

Public officials must be handled with particular sensitivity, due to the strict regulations that apply in this regard. Even the offering of benefits for performing their duty is a punishable offence. Public officials include not only civil servants, but any persons who are appointed to perform tasks within public administration, such as experts working for the Technical Control Board (TÜV).

The principle applying to employees of OTTO FUCHS is that no benefits are offered, promised or granted to public officials, as a rule. Conversely, no benefits may be requested or accepted from public officials. Exceptions are possible within very narrow limits and often require the consent of the public official's employer.

IV. No conflicts of interest

OTTO FUCHS respects the privacy of its employees and is not interested in their private affairs outside the workplace. On the other hand, we expect all our employees to identify with and be loyal to the company. It is therefore important to ensure a separation between work interests and private interests. Personal relations with a business partner may not result in preferential treatment of that business partner, and one's position at work may not be exploited for personal aims. Transparency is crucial – having a conflict of interest is not necessarily a problem per se, but having a conflict of interest and doing nothing about it may cause a major problem.

V. Appearances in the media and in public

Given the increasing prevalence of media, it is imperative that they be handled with sensitivity. Communication with the public is therefore a matter for management and for employees responsible for public relations. With regard to conduct in social media, such as Facebook or Twitter, or on Internet forums and blogs, it is essential to ensure that respect is shown towards one's own company, colleagues, customers, business partners and competitors. Our values remain the same no matter what the medium.

VI. Constructive cooperation with workforce representatives

For OTTO FUCHS, constructive cooperation with workforce representatives has always been an essential element and a proven cornerstone of our company policy. We consider open dialogue, in a spirit of mutual respect, as the basis for a constructive cooperation of our cooperation.

Our safeguards

I. Corporate assets

1. Resources

Every employee is responsible for protecting company facilities, for using them in a proper and non-wasteful manner. Information and documents may be reproduced for work purposes only. It is not permitted to take documents or other company property out of the company unless required by work.

2. Business trips

Business trips must be organised so that OTTO FUCHS funds are used in a cost-conscious manner. Every employee is responsible for documenting work expenses fully and truthfully.

II. Business transactions

1. Clearances

Important decisions and actions with financial impacts must be approved in accordance with internal rules (e.g. signature rules and “multiple eyes principle”).

2. Documentation

Every transaction must be recorded fully, truthfully, promptly and comprehensibly, in accordance with the applicable laws. Knowledge relevant to the activity may not be distorted, or withheld from other authorised employees unless other interests take precedence (e.g. duty to maintain confidentiality and secrecy, copyright provisions or data protection rules). This requires that information be documented or archived in such a way that every authorised employee is able to find the relevant information within a reasonable time.

3. Payments

OTTO FUCHS receives payments only from validated sources. Payments made by OTTO FUCHS to business partners are conditional on the receipt of goods or services. They are generally made cashlessly, after receipt of a proper invoice, onto a business account of the respective partner.

4. Prevention of money laundering

OTTO FUCHS complies with its statutory duties to prevent money laundering. Every employee is called upon to report any unusual financial transactions which may provide reasons to suspect money laundering, in particular transactions involving cash, to the Compliance Team for review.

III. Information and data

1. Confidentiality

Confidential information must be treated as such. Confidentiality must likewise be maintained in respect of confidential information relating to our business partners, unless disclosure of such information is expressly permitted. The duty to maintain confidentiality continues to apply after employment or the business relationship has ended.

2. Data protection and information security

Personal data may only be collected, processed or used to the extent that this is permitted. The rights of data subjects to information, to rectification of personal data and, where relevant, their right to object, to blocking of data and to erasure must be protected. Every employee is responsible for handling his or her access data in a proper manner.

IV. Health, environment and safety at work

1. Health

The health of our employees is extremely important. Smoking, alcohol and other drugs are strictly forbidden at all workplaces. Employees are not permitted to perform any hazardous work if their capacities are impaired by medication. OTTO FUCHS actively promotes the health of its employees with programmes and campaigns within its in-house health management system.

2. Protection of the environment and the climate

Protection of the environment and conservation of natural resources are absolute imperatives for a manufacturing company like OTTO FUCHS. For that reason, we continuously endeavour to minimise impacts on the environment by handling raw materials responsibly and by reducing waste output and emissions. Every employee bears responsibility for treating natural resources wisely and for contributing with his or her individual behaviour to the protection of the environment and the climate. This also includes minimising energy consumption within one's own sphere of influence.

3. Health and safety at work

Health and safety at work is an integral part of all operational procedures and must be included in technical, economic and social analyses from the planning phase onwards. We want to prevent hazards, accidents and personal injury as far as possible. In accordance with statutory requirements, we regularly conduct industrial safety training, hazard assessments and preventive health care measures. In order to continue meeting these requirements and to optimise procedures, all employees are called upon to submit suggestions for improvement to the Health and Safety at Work Officer.

Scope of application / Persons to contact

The Code of Conduct applies to all employees throughout the OTTO FUCHS Group, regardless of their job description or position in the hierarchy. The only exception is Schüco International KG, which has implemented its own compliance programme. Any previous rules and regulations which do not conflict with the Code of Conduct shall continue to apply. In the event of discrepancies, the stricter rule shall apply.

Individual provisions may be modified if and insofar as the Code of Conduct conflicts with country-specific regulations, but there may be no departure from the essential content and purpose of the respective provision. These and any other exceptions must be subjected to legal review and legally substantiated and require consultation and agreement with the Chief Compliance Officer and the written consent of top management.

OTTO FUCHS encourages all employees to raise in a direct manner any topics or issues they wish to discuss. Any employee with questions or suggestions concerning the Code of Conduct can contact the Compliance Team directly or address them to compliance@otto-fuchs.com.