

# Code of Conduct of the Dürr Group

**DÜRR** GROUP.

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DEAR COLLEAGUES,

It is part of our corporate culture at Dürr to act ethically in our day-to-day business life and to comply with prevailing laws. Rules of conduct have been defined in individual Group procedures and manuals for years. We have concentrated these corporate principles and grouped by theme in this Dürr Code of Conduct. All the principles stated here are of equal importance and apply worldwide.

Dürr's Code of Conduct offers you guidance for your daily activities as employees. Examples are given to illustrate the essence and implications of the corporate principles.

We are confident that you will support the further successful development of the Dürr Group also by observing the principles of this Code of Conduct on your own initiative. Managerial staff at all levels and in all countries have a responsibility to ensure that the rules of the Code are complied with.

If you have any suggestions or questions regarding the Dürr Code of Conduct, please contact the Compliance Helpdesk.

Bietigheim-Bissingen, August 2019



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## SCOPE OF APPLICATION

Dürr's Code of Conduct applies to all companies of the Dürr Group. At affiliated companies which, by virtue of their corporate structure, are not managed or controlled by Dürr alone (such as joint ventures), it is Dürr's policy to seek general application of the Code of Conduct or the introduction of comparable rules of conduct.

Where local law at Dürr locations gives rise to specific requirements, those requirements apply; in such cases, the Code of Conduct applies complementarily.

Dürr uses its best efforts to see that the principles of this Code of Conduct prevail in the cooperation with its business partners, especially its customers and suppliers.



#### LEGALITY PRINCIPLE

Dürr and every individual employee comply with prevailing laws and internal rules. Dürr's Code of Conduct and the rules of ethical conduct defined therein are the guiding principles governing all business activities of the Dürr Group. The "argument" that it is permissible to deviate from the prevailing rules in individual instances for the purposes of business successes, and thus ultimately in the company's interest, is not accepted.

## CONDUCT TOWARDS SHAREHOLDERS AND CAPITAL MARKET REPRESENTATIVES, INSIDER RULES

Dürr ensures that its financial reporting is soundly based, correct, transparent, and timely.

Shareholders, financial analysts, lenders, creditors, and others interested in Dürr receive reliable information on the business activities of the Dürr Group. Enquiries from media representatives and other interested parties are answered by Corporate Communications with due care and diligence.

Dürr and every Dürr employee comply with the statutory regulations for preventing insider dealing. Dürr employees can access the latest version of the Insider Trading Policy of the Dürr Group at any time on DÜRRnet.

### **Example:**

A good friend tells you that his Dürr shares have risen in value since he bought them and that he intends to sell them in order to buy his wife an expensive gift with the proceeds. You know Dürr is about to announce an important acquisition in a few days' time and this event is likely to have a positive effect on the share price. As a good friend you would like to say: "If I were you I'd wait a few days before you sell; then you'll be able to buy yourself a nice treat, too!"

You may not use this insider knowledge yourself or divulge it to others. By breaching the rules of securities trading law, you are committing a criminal offence. In this example, your friend would also commit a criminal offence. This conduct would harm Dürr, too.



#### RECORDS AND REPORTS

All business transactions must be recorded completely, correctly, in a timely manner and in accordance with the specified procedures.

All records, reports and entries in documents and books of the Dürr corporation must conform to the principles of proper bookkeeping and balancing.

#### RELATIONS TO SOCIETY AND THE PUBLIC, CORPORATE RESPONSIBILITY

Dürr is aware of its responsibility to society and therefore seeks to play an active role as partner in the community. Dürr has a long tradition of supporting local social institutions and organisations. Dürr's activities are also consistent with the Global Compact<sup>1</sup>, in which the United Nations has formulated principles for fair working conditions and responsible business.

<sup>1</sup> More information on the United Nations Global Compact can be found at [www.unglobalcompact.org](http://www.unglobalcompact.org)



## DONATIONS

Donations are only made if the recipient and purpose are known. Payments to private accounts are not permitted.

No direct or indirect political donations may be made to election candidates, office-holders, or political parties in Dürr's name.

Dürr does not involve itself in party political activities. However employees are free to pursue lawful political activities in their own time. Dürr welcomes civic, charitable, and social commitment by its employees.

## CONDUCT TOWARDS BUSINESS PARTNERS, COMPETITORS AND THIRD PARTIES

### Fair competition

Dürr supports fair competition and complies with competition and antitrust regulations.

#### Example:

As a long-serving sales employee at Dürr you have got to know colleagues from competitor firms at customers and trade fairs over the years. The sales manager of a competitor firm approaches you and suggests that it would be beneficial for Dürr and for the competitor to offer the products at a 5% higher price from a given time onwards.

On no account may you engage in talks of this kind. Price collusion and any other interference in the free play of market forces is a criminal offence. The fines that the companies involved have to pay are considerable, especially in Europe and in the USA, and can even jeopardise a company's existence. Such conduct can also lead to criminal proceedings and employment consequences for the persons colluding.



Any form of direct or indirect bribery or favours, whether accepting or making payments, gifts or favours of any kind beyond the lawfully permitted framework and customary scale, is prohibited.

**Examples:**

In your job at Dürr you are responsible for purchasing materials and services. A potential supplier promises you a season ticket for your favourite soccer club if you consider him for future orders.

You must refuse such approaches. Accepting bribes in industry is a criminal offence in Germany and many other countries. Demanding a personal favour for placing orders with this supplier is equally prohibited.

You are abroad as a project engineer and are not all that familiar with the local customs and practices in that country. You are invited by an employee of a customer or supplier to a dinner party and are concerned that it might be considered impolite if you do not accept the invitation.

You should discuss this situation with your superior. It must be ruled out that your attending the dinner will create the impression that you would be influenced in your future business decisions, or that it will violate local law.

**Note:**

Details on the subject of "purchasing" can also be found in the relevant valid Organisational Instructions "Purchasing".

Our policy is to promote Dürr products fairly, honestly, and lawfully. False or misleading representations or deceptive marketing practices are not tolerated. In the interest of presenting a uniform global corporate identity marketing activities are to be coordinated with the Dürr Global Marketing Team.



### Money laundering prevention

Dürr complies with its legal obligations for money laundering prevention and does not participate in money laundering activities. Money laundering is the channeling of assets (not only cash) which result from criminal activity into regular financial and economic circulation.

### Commissions, consultants

Dürr employs consultants and intermediaries only in conformity with the legal framework conditions and the guidelines of the corporation-wide organizational instructions, "Contractual Arrangement of Sales-Related Services". This ensures that remunerations are paid only for consulting and mediation services actually performed and the remunerations are in an appropriate ratio to the performed service.

#### Example:

Dürr participates in an invitation to tender. An intermediary approaches you and informs you that, for an additional commission fee, he can ensure that the order will be assigned to Dürr.

You can be liable to prosecution if you approve the additional commission fee and the intermediary uses this fee as a bribe to ensure that the order will be assigned to Dürr. In addition, such legal infringements by consultants also harm Dürr's reputation and can even lead to liability of the company vis a vis third parties, and to very high penalties. In order to exclude these risks, you must examine the integrity of consultants and intermediaries based on the guidelines of the organizational instructions, "Contractual Arrangement of Sales-Related Services".

#### Note:

Details on the subject of "Remuneration for consultants and intermediaries" can be found in the corporation-wide organizational instructions, "Contractual Arrangement of Sales-Related Services".



### INTERNATIONAL BUSINESS RELATIONS (EXPORT CONTROLS)

Dürr complies with laws and regulations that regulate the way in which companies may export and import products, services and information, and settle payments.

Business activities with countries, persons, or organisations on which sanctions have been imposed are subject to restrictions and can be illegal as a whole. Infringements can result in heavy fines and, for natural persons, also prison sentences.

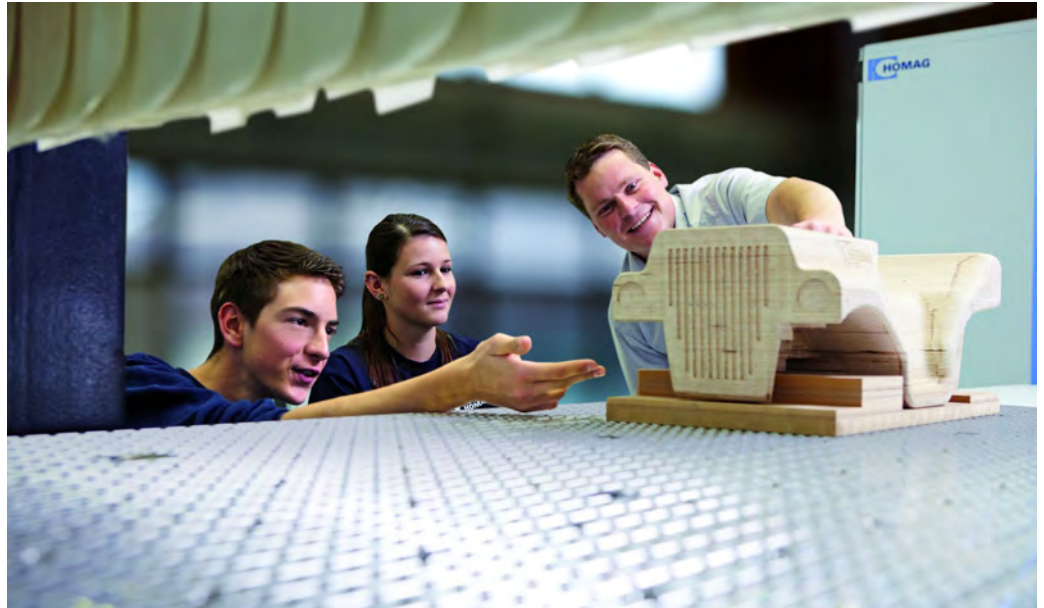
#### Example:

You are approached by a business partner who wants to export components to a country that is subject to a UN embargo. Because of time constraints the business partner wants the order to be executed with a minimum of documentation. What should you do?

UN embargos can stipulate that an export license must be obtained before shipment or that shipment is banned altogether. You should therefore consult the departments within the Dürr organisation that are responsible for export controls before replying to your potential business partner.

#### Note:

Organisational Instructions, leaflets, and forms on the subject of “export controls” are available on DÜRRnet.



#### CONDUCT TOWARDS EMPLOYEES AND AMONGST COLLEAGUES

Every employee has a right to fair treatment, courtesy, and respect. Discrimination and harassment are not tolerated at any of Dürr's locations worldwide. In particular, no discrimination on grounds of a person's ethnic-cultural background, disability, gender, religious faith, age, or sexual orientation is tolerated. Child labour<sup>2</sup> and forced labour are prohibited, opposed without exception, and actively avoided.

Dürr employees are free to join labour interest groups permitted by law. It is expected from every Dürr employee that they will not become involved in criminal proceedings (for instance because of residence, tax, customs, or currency offences) in their working and private lives. Any criminal investigation can have negative repercussions for the company, especially as Dürr is a listed company and therefore has a high public exposure.

<sup>2</sup> according to ILO Convention No. 138 and No. 182

## CONFLICTS OF INTEREST

Business and private interests are strictly separated at Dürr. The individual's own position within the company may not be abused for their own personal gain or that of their family or friends. Preference may not be given to business partners out of personal interests.

Employees are requested to disclose any suspected or actual conflict of interests to their superior and to collaborate with the superior to resolve this conflict.

### **Example:**

You are the project manager on site and are suddenly faced with the dilemma that a contractor can no longer finish the work it has begun. In order to meet the deadline a suitable replacement has to be found as quickly as possible. As chance would have it, your brother-in-law runs a business that is known for its fast and reliable work. Can you – with the involvement of Purchasing – engage your brother-in-law?

If you engage your brother-in-law, this might create the impression that you are doing so solely for family reasons. You should inform your superior about all the circumstances of the case and ask to be released from the decision on which replacement contractor to hire. In this way it is possible to avoid the appearance of a conflict of interests.



### TREATMENT OF DÜRR PROPERTY

Company property, whether tangible or intangible, is intended to assist employees in performing the duties Dürr assigns them. It may only be used for lawful business purposes and not for personal gain. Dürr employees ensure that company property is protected against loss, theft, and improper use.

Know-how, patents, and property rights are of utmost importance for Dürr as a technology group. Superiors and employees know that and handle intellectual property with special care and responsibility.

### DATA PROTECTION, CONFIDENTIALITY

Personal data on Dürr's employees and business partners are only stored, processed, and used in compliance with legal regulations.

Confidential information supplied by business partners is treated confidentially and used only for the agreed purpose. Conversely, Dürr trusts that Dürr documents are handled with due care. Obligations or agreements for particular secrecy are observed at all times. Dürr takes appropriate measures to ensure that confidential information is protected.



## PRODUCT QUALITY AND SAFETY

Dürr develops innovative solutions and manufactures products of high technological standard that guarantee safe operation. Energy efficiency and the economical use of materials are at the forefront of Dürr's R&D work.

It is the mission of every individual Dürr employee to see that Dürr products meet the highest demands in terms of safety, health, environmental protection and quality, and that they also conform to the respective legal requirements.

Dürr's production facilities are certified to ISO 9001 standards. Dürr's aim is to have these facilities certified to ISO 14001 standards. In individual instances, certifications are conducted according to additional or specific quality management systems such as VDA<sup>3</sup> 6.4.

<sup>3</sup> VDA = Verband der Automobilindustrie e.V., Berlin (German Automotive Industry Association)



## SUSTAINABILITY, OCCUPATIONAL SAFETY AND HEALTH, ENVIRONMENTAL PROTECTION

Dürr is constantly striving to reduce the consumption of energy, materials, and resources, and thus further the sustainability standards, at all its locations. This contributes to the company's successful long-term performance. Compliance with the laws for the protection of the environment is matter-of-course.

Dürr is dedicated to using a responsible supply chain. Our goal is to ensure that our products and materials are free from so-called conflict minerals (tin, tantalum, tungsten, their ores and gold from areas of conflict or high risk). These conflict minerals contribute to the direct or indirect financing of armed groups, forced labor and other human rights violations.

If our suppliers procure any minerals (particularly tantalum, tin, tungsten and gold) from areas of conflict or high risk, we expect them to obtain the minerals only from audited, conflict-free smelting plants and refineries. We decline to work with any suppliers that do not exercise due diligence with regard to upholding human rights. If goods or materials contain conflict materials, the supplier will be obligated to provide transparency about the entire supply chain, including the industrial processors (foundries/smelting plants), on request.

Dürr is committed to creating and assuring a safe, protected, and healthy working environment. Safety regulations and practices are complied with.

### Note:

For details see the relevant valid Organisational Instructions "Health and Safety". You will also find more information on this subject on DÜRRnet.





## IMPLEMENTATION AND COMPLIANCE

These rules of conduct are central to the corporate values we live by at Dürr. Uniform, Group-wide adherence to these principles is vital – this is the responsibility of each and every employee.

Superiors have a special responsibility to convey the essence of this Code of Conduct to employees through their own exemplary behaviour. Dürr employees are instructed with the aid of an Intranet-based e-Learning program, which helps to make the rules of conduct easier to understand and assimilate.

Implementing and supervising compliance with these principles is supported and overseen by the Compliance organisation set up by the Board of Management of Dürr AG.

### Note:

The Organisational Instruction Compliance Management System is available on DÜRRnet.

## REMARKS AND CONTACTS

Any Dürr employees who have questions about the Code of Conduct or are concerned about possible breaches of the Code of Conduct can raise these issues at any time with their superiors or can contact the Compliance Help Desk:

Phone: +49 7142 78 3328

E-mail: [compliance.officer@durr.com](mailto:compliance.officer@durr.com)

All matters, concerns, and questions raised in connection with the Code of Conduct will be taken seriously and will be dealt with confidentially and swiftly.