



# **HÄRTER Group**

## **Compliance Guidelines**

Date: 25/2/2020

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## **I. Preliminary Remark**

We are an internationally active corporate group and manufacture progressive dies, precision stampings, moulds, plastic composite products and assemblies for almost all well-known companies in the mobility, industry and electronics sectors.

We have been successfully active on the market for over 50 years and, with around 1,500 employees in the HÄRTER Group, we are one of the leading companies in our industry.

We have a global presence and in addition to our headquarters in Königsbach-Stein, we are represented by Karl-Heinz Müller in Bahlingen, HÄRTER Stamping LLC in Grand Rapids/USA, HÄRTER Asia Dongguan Limited in Dongguan/China, and HÄRTER Technika Wyłączania Sp. Z.o.o Sp.k. in Legnica/Poland.

We offer dedicated people attractive jobs in an appealing and state-of-the-art working environment. With these Compliance Guidelines, we aim to create binding and tangible guidelines for the conduct of the company and its employees<sup>1</sup>, which is characterised by consistent adherence to all legal regulations and also represents the goals, values and standards of conduct of our corporate group.

Compliance Guidelines cannot replace the personal responsibility of the individual employee. However, they provide a clear framework on how to ensure that the actions of all representatives of the company are not adversely affected by violations of the law, loss of reputation, or negative developments in relationships with business partners.

By publishing these Compliance Guidelines for customers, suppliers, partners and other interested parties, we would like to underline the importance of these guidelines for our corporate group and at the same time promote their binding nature. The actions of all representatives (each individual employee) of our corporate group can and must be measured against these guidelines.

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<sup>1</sup> This document will refer to all persons in the masculine form. This also applies all gender-specific designations. The language choice is purely used for editorial reasons and does not imply any other meaning.

## **II. Our mission statement**

### **The customer determines our actions**

Outstanding customer benefits are our goal. Our success depends on the satisfaction of our customers.

### **Our innovations shape the future**

With new ideas we create new products, take on services, and thus offer greater customer benefits.

### **We measure ourselves against the best in the world**

Oriented to the market, we recognise new opportunities and adapt our solutions, organisation and conduct accordingly. We courageously and resolutely drive necessary changes forward.

### **We are a reliable partner**

Honesty, reliability and predictability in dealing with customers, employees and suppliers. We strive for long-term partnerships.

### **Responsible use of resources**

The preservation of our natural environment and the basis of life for future generations is part of our social responsibility. A consistent and detailed environmental management system ensures that this is translated into concrete goals and rules of conduct.

### **III. Our corporate values**

#### **People and the environment**

- Safety and health for our employees
- Respect for our environment

#### **Customer orientation**

- Long-term and value-oriented partnerships
- Customer satisfaction through our expertise and the quality of our work

#### **Credibility**

- We keep our promises and stand by our word
- We are fair in all relationships through our courage to face the truth

#### **Trust**

- Trust and respect towards customers, employees and partners
- Good leadership for balance in transferring responsibility and control

#### **Tolerance**

- Lived multi-nationality through mutual respect and exchange of experiences
- Enrichment of the company through international positioning and cooperation with different cultures

#### **Sustainability**

- Promoting entrepreneurial thinking by rewarding courage and creativity for a common future
- Handling of CO<sub>2</sub> resources; environmental protection

## **IV. Objectives and scope**

In order to meet our demands for compliant conduct, a responsible approach to laws, standards, and internal guidelines is indispensable. This is the prerequisite for avoiding risks to the financial situation and reputation of the company and for being perceived as a reliable business partner operating in a sustainable manner.

Our Compliance Guidelines apply to all employees (employees of affiliated companies, agents and sales representatives; hereinafter referred to collectively as "employees") of the HÄRTER Group (HÄRTER Stanztechnik GmbH & Co. KGaA and its affiliated companies). It is hereby the duty of all employees of the HÄRTER Group to adhere to the principles listed here as well as the individual regulations referred to in this document in their business dealings.

These Compliance Guidelines have unlimited validity for all employees within the various companies, locations, divisions, and processes of the HÄRTER Group – in each case taking into account the corresponding national legislation at the location. The guidelines must not be undermined by individual instructions.

We adhere to these guidelines. No deviation from these guidelines is permitted under any circumstances – not even on the grounds of arising economic options or advantages.

The present Compliance Guidelines are to be made available to all managers, employees and business partners of the HÄRTER Group. In addition, the Compliance Guidelines must be made publicly available to interested parties.

## **V. Laws and regulations**

### **Work safety**

In order to ensure the health and safety of all employees and visitors, every employee of the HÄRTER Group has to comply with the applicable laws, regulations and standards for occupational safety at his workplace.

With regard to occupational safety, we have defined generally applicable regulations regarding the necessary compliance with safety instructions and the use of specific work clothing. These are specified in the operational guidelines and must be observed by all of us.

It is the responsibility of all managers to ensure that they have general knowledge of the regulations in their area and to monitor compliance with them.

Employees must immediately report any deviations from these guidelines or identified sources of danger to their direct superior.

In addition, we also employ a company doctor to provide support in the areas of occupational health and safety and accident prevention. This doctor is available to employees for occupational medical examinations and advice on all questions relating to their health in connection with their workplace and tasks.

### **Country specific laws**

The binding legal regulations in individual countries may differ from our Compliance Guidelines. In these cases, the stricter regulation shall generally apply to us.

### **Antitrust law**

The laws, guidelines and regulations of national and international antitrust law determine our competitive actions. The risk of penalties due to conduct in violation of antitrust law arises both from interaction with competitors and from agreements with suppliers or customers. Illegal and/or criminally relevant practices, such as unlawful bid rigging, price fixing, or the inadmissible division of regional markets or of customers, must therefore be strictly prohibited. The responsible managers and employees must therefore continuously inform themselves about possible practices relevant to antitrust law in their area of responsibility and, in doubt, refrain from drafting contracts or verbal agreements.

### **Travel guidelines**

The HÄRTER Group has specified travel guidelines. These expense and travel guidelines are valid for all salaried employees with limited and unlimited contracts and, if applicable, temporary staff. These guidelines define the basics of business trips and the booking process. In addition, there are corresponding specifications regarding means of transport, accommodation and means of communication. The specifications and payment modalities for travel and entertainment expenses, differentiated according to possible places of employment, are also broken down in detail. The detailed regulations can be found in the "Travel Guidelines" document, which is updated regularly and which we all must consult and comply with.

## **Supplier selection**

We as the HÄRTER Group place high demands on ourselves. The demands on our partners are just as high, and we check and select them according to the "Supplier Quality Assignments" standard. For this we require a supplier self-disclosure, a confidentiality declaration, corresponding quality certificates and access to the IMDS (International Material Data System). We also evaluate all our suppliers once or twice a year. In addition, our supplier base is evaluated at regular intervals according to the applicable QS standards. Through trustful cooperation, honesty and an always open and fair way of dealing with each other, we create the foundation for the highest quality.

## **VI. Conduct**

### **Cooperation**

We respect and protect the dignity of our colleagues, customers, suppliers and partners. Discrimination, harassment and other violations of human dignity are subject to sanctions. We comply with the relevant legal regulations without exception. Managers act as role models here. Our cooperation is characterised by mutual respect and appreciation. This also means that we call for and allow different opinions, discuss problems openly and seek solutions together. In this way we promote trust, tolerance and fairness within our organisation.

Good cooperation arises from mutual and open information and support and lived trust. We keep each other fully informed about facts and operational contexts, thus enabling decision-making and actions in line with our values and goals.

## **Management guidelines**

Every manager has a duty of supervision with regard to compliant conduct in his or her area of responsibility. Managers encourage the initiative and development of their employees and place importance on a culture of mutual respect and appreciation. This applies in particular to communication inside the company, as well as to the contact with our customers, suppliers and partners.

We have specific management guidelines which all managers are expected and required to comply with and monitor.

In assessing the performance of employees, all managers are required to act fairly and responsibly, particularly with consideration of the guiding principles of equal treatment set out in these guidelines.

## **Health protection and promotion**

Maintaining the health of all employees is the responsibility of the corporate group and, in particular, of the managers responsible. We see the promotion of the health of all employees as the foundation for our corporate and social responsibility, the smooth running of all business processes and long-term employee loyalty. For this reason, we are all required to comply with regulations regarding the ergonomic use of our workplace and to discuss possible optimisation approaches with our respective supervisors.

## **Company property**

Employees may only use the property of the HÄRTER Group for business purposes unless special regulations permit private use. In addition, we treat the property of the corporate group properly and carefully and protect it from damage and loss.

## **VII. Corruption**

We only win our contracts in a fair and legal manner. We do not tolerate any illegal, corrupt or immoral behaviour from our employees and business partners. Violations of laws and standards for the prevention of corruption can cause us enormous financial damage in the form of fines and lost orders, as well as long-term damage to the company's reputation among employees, customers, partners and other stakeholders. Possible sources of risk of corruption can be found, for example, in contact with political parties, domestic and foreign authorities, and public officials. In particular, payments, benefits or other monetary advantages to civil servants, public sector employees, and employees of publicly owned companies are to be avoided. The same applies to improper payments which influence concrete business transactions with private companies.

We are all required to strictly separate our private interests from the interests of the HÄRTER Group. Even the appearance of a conflict of interest can cause enormous damage to the reputation of our Group. The causes of such conflicts of interest include:

- Invitations and gifts
- Payment of travel and accommodation expenses
- Business relations with relatives or affiliated persons
- Financial interests in competitors
- Secondary activities for competitors

## **VIII. Equal treatment**

The HÄRTER Group considers the diversity among the employees to be a source of innovation and the basis of our cooperation in the company. To make this possible, it is our task and obligation to ensure that no one in the company is disadvantaged on the basis of their gender, origin, culture, religion, sexual orientation or physical condition. This applies to the hiring process, the promotion of employees, as well as to any necessary dismissals.

The HÄRTER Group's representation of severely disabled people promotes the integration of severely disabled people, represents their interests in the company and is available to them in an advisory and supportive capacity. This refers to all matters concerning individual people with severe disabilities as well as severely disabled people as a group.

## **IX. Secondary employment**

The employees of the HÄRTER Group may not manage a company or work for a company which is in competition with the HÄRTER Group and may not pursue any activities which compete with the HÄRTER Group. This applies in particular to side jobs that could constitute a competitive situation. In any case, the taking up of a secondary job against payment must be notified to the respective responsible manager and requires prior written approval.

Secondary employment may be prohibited if the employee has business dealings with the company concerned or if there is a corresponding competitive situation.

## **X. Internal control**

### **Data protection**

All employees must maintain secrecy about the business secrets of the HÄRTER Group during and after their work for the HÄRTER Group. This includes confidential or proprietary information about our organisation and its facilities, business variables such as prices, sales, profits, markets and customers, and information about research and development activities. All information about customers, employees, suppliers, consultants or other third parties will be treated confidentially.

In addition, we always ensure that an appropriate level of data protection is implemented and maintained in the company in accordance with the General Data Protection Regulation (GDPR). An integrated data protection management system obliges all employees to handle personal data responsibly and sensitively. The obligation to maintain secrecy shall continue to apply beyond the end of the employment relationship.

Regular face-to-face and online training courses are held for employees and regular monitoring and internal auditing by external data protection officers are carried out.

The data protection officer of the HÄRTER Group is available as a contact person to clarify questions and to point out possible legal risks.

## **Quality management**

The HÄRTER Group has a quality management system certified according to DIN ISO 9001. Compliance with the quality guidelines and corresponding improvement processes are monitored and controlled by a dedicated quality officer.

We have been certified by TÜV Süd according to the following

standards: Internationally valid certificates

- ISO 9001: International quality management
- IATF 16949: Quality management automotive
- ISO 14001: Environmental

management Certificates specifically valid

in Germany:

- ISO 50001: Energy management

## **Risk management**

Risk management in the HÄRTER Group creates the necessary conditions to recognise risk factors in good time and to take them into consideration in management decisions. Identifying relevant risks leads to the design and implementation of appropriate measures. When analysing risks, the focus is on both the internal structures and processes of the HÄRTER Group as well as developments outside the company. This applies in particular to developments in competition, technology and relevant laws and standards, but also to general economic and social developments. However, risk management at the HÄRTER Group is not the exclusive task of one staff unit, it is the responsibility of all managers and employees.

A risk reporting system informs the management, the executives and selected external addressees about the risk situation of the HÄRTER Group. All those involved are required to integrate risk management in their daily activities. This policy is of equal importance to the quality and environmental policy. Risk management was established on the basis of our own convictions; the corresponding risk management system is updated and further developed continuously, and at least once a year.

In addition to general risk management at the level of the corporate group and the individual subsidiaries, risk management systems and measures are also provided and maintained for the following areas:

- Data security/data protection
- Occupational safety
- Confidentiality
- Contingency planning
- Access control
- Product liability
- Protection of patents/licences

The management of HÄRTER Werkzeugbau GmbH, HÄRTER Stanztechnik GmbH & Co KGaA, Stamping LLC, HÄRTER Asia and HÄRTER Technika Wytłaczania Sp.zo.o.k. is responsible for risk management. It will ensure that risk management is understood and implemented at all levels of the company's organisation and is behind the measures derived from it. The monitoring of individual risks and the implementation of specific measures is the task of the managers assigned to this task, the "risk owners". All divisional representatives are responsible for the upholding of risk management. The effectiveness is monitored by means of regular internal audits (audit plan).

## **Controlling**

An integrated controlling system that combines planning, control and information processes is an essential prerequisite for proactively dealing with external developments as well as a permanent and effective internal control of success. The HÄRTER Group has an implemented controlling system, i.e. the maxims regarding the implementation of planning and controlling are known to all managers and are lived by them. The management demands an active implementation of controlling and all current controlling instruments are available to the managers for obtaining information regarding the current situation of the company.

The planning process of the HÄRTER Group is defined. The process covers all planning aspects of the company, i.e. strategy, performance and functional areas, activities and drivers, as well as the integration of all planning in the form of P&L, balance sheet and cash flow statements. All employees involved in the planning process can review this at any time in the planning manual. The company management is responsible for all planning and ensures the necessary selection and delegation of planning measures as well as the monitoring of their implementation.

The main responsibility for the controlling system and its maintenance is assigned to the Controlling division, which reports directly to the company's CFO.

## **XI. Social responsibility**

As an internationally active corporate group we recognise our responsibility with regard to legally compliant and above all humane treatment of all persons affected by the actions of the HÄRTER Group. In this respect, we consider full recognition of human rights to be a basic prerequisite for our actions and those of our partners and suppliers.

We therefore conduct our business in a manner that prevents any violation of national and international standards regarding principles and rights at work. This also includes a ban on all forms of forced labour and exploitative child labour.

As a corporate group, we are also judged by how we behave outside our immediate working environment. We are therefore all encouraged to respect the local culture and show understanding for the societies and communities we are active in.

We comply with the legislation of the labour law of the respective locations and expect the same from our suppliers and partners. In addition to the legal requirements, we have our own internal standards and guidelines for internal and external cooperation, which are bundled within these Compliance Guidelines.

## **XII. Environmental protection**

The preservation of a viable and liveable environment is the basic prerequisite for the long-term viability of our corporate group. Therefore, the long-term avoidance of harmful treatment of our natural resources and the ecosystem surrounding them is not only to be justified by our ethical and ecological principles, but is the basis of the strategic orientation of the HÄRTER Group and part of our social responsibility.

The main starting points for us are the use of natural resources as well as the handling of any waste and hazardous materials that arise from it. The environmental policy of the HÄRTER Group lays the foundations for this. A consistent and detailed environmental and energy management system ensures that this is translated into concrete goals and rules of conduct. For this reason HÄRTER has been certified according to the environmental management standard ISO 14001 and the energy management standard ISO 50001.

Every employee is involved in our management system and has the right and duty to work towards eliminating circumstances that cause unnecessary energy consumption. By providing information and training, we promote energy-conscious behaviour among our employees both inside and outside the company. Through their responsible behaviour, each employee contributes to ensuring that natural resources such as air, water and energy are not wasted unnecessarily, but are used optimally.

## **XIII. Monitoring**

### **Compliance officer**

The management of the HÄRTER Group appoints a compliance officer. The compliance officer is responsible for drawing up and updating the Compliance Guidelines and coordinating the corresponding controls and improvement measures. However, monitoring that actions within a given department comply with the rules is primarily the responsibility of the relevant manager.

### **Obligation to notify**

The compliance officer serves as the first point of contact for suspicion or documentation of actions that are in conflict with the present compliance regulations. All employees of the HÄRTER Group are obliged to inform the compliance officer of any justified suspicion via the relevant procedure.

### **Consequences of compliance violations**

We cannot tolerate any identified violations of these Compliance Guidelines. We comply with the relevant laws, regulations and internal rules in our respective working environment and base our actions on the values and guidelines of our corporate group.

Any employee who does not behave in accordance with the regulations can expect corresponding consequences within the framework of company and legal regulations, which can extend to termination of the employment relationship and claims for damages.

Date: 25.02.2020

The Management Board

The Compliance Officer