

Original language version

# Business Conduct Guidelines

## **Intention:**

These Business Conduct Guidelines are based on our Compliance principle, and are of central importance for realizing our Company's values. They contain the fundamental rules governing the way we act within our Company and in relation to our partners and the general public. They thus form the framework within which we make decisions, both as a corporate entity and as individual employees.

Every Company employee must therefore be familiar with these rules and observe them as binding provisions on a worldwide basis. All managers have a duty to ensure their observance, and to serve as role-models in adhering to the Business Conduct Guidelines. To this end the managers must understand the Business Conduct Guidelines, communicate them to their employees and set a good example.

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## Foreword

At Joint Venture (hereafter "Company"), it is our management policy to contribute to the development of society through strict compliance with all applicable laws, rules and regulations.

These Business Conduct Guidelines are based on our Compliance principles, and are of central importance for realizing our Company's values. They contain the fundamental rules governing the way we act within our Company and in relation to our partners and the general public. They thus form the framework within which we make decisions, both as a corporate entity and as individual employees.

Every Company employee must therefore be familiar with these rules and observe them as binding provisions on a worldwide basis. All managers have a duty to ensure their observance, and to serve as role-models in adhering to the Business Conduct Guidelines. To this end the managers must understand the Business Conduct Guidelines, communicate them to their employees and set a good example.

The Business Conduct Guidelines take their orientation from international and generally accepted conventions on the upholding of human rights, the fight against corruption and other anti-competitive behaviours, as well as statutory provisions.

Our Company stands for fairness and integrity, engineering skills, quality and innovation. Along with sustainability and responsibility, these values will guide how we act, because it is the culture of a company and its values that make the difference.

## **1 Basic Behavioural Requirements**

### **1.1 Behaviour which Complies with Law**

Observing the law and the legal system in every country where we do business is a fundamental principle for the Company. All employees must obey the laws and regulations of the legal systems within which they are operating in addition to applicable Company policies. Violations of the law must be avoided under all circumstances.

Regardless of the sanctions that could be imposed by law, all employees guilty of a violation will be subject to disciplinary consequences because of the violation of their employment duties.

### **1.2 Mutual Respect, Honesty and Integrity**

We respect the personal dignity, privacy, and personal rights of every individual. We work together with individuals of various ethnic backgrounds, cultures, religions, ages, disabilities, races, sexual identity, world view and gender. Consistent with our corporate principles and with the employment laws of numerous countries in which we work, we do not tolerate discrimination against anyone on the basis of any of these characteristics or harassment or offensive behaviour, whether of a sexual or otherwise personal nature.

These principles apply to both internal cooperation and to conduct in dealings with external partners. We make decisions about those we work with – including personnel, suppliers, customers and business partners – based only on appropriate considerations, not on the basis of inappropriate factors such as discrimination or coercion.

We are open, honest and stand by our responsibilities. We are reliable partners and do not make promises that we cannot keep. We expect our employees to act with integrity.

### **1.3 Responsibility for the Reputation of the Company**

To a substantial degree, the reputation of the Company is determined by our actions and by the way each and every one of us presents and conducts him-/herself. Illegal or inappropriate behaviour on the part of even a single employee can cause the Company considerable damage.

Every employee should be concerned with maintaining and promoting the good reputation of the Company and their colleagues in the respective country.

### **1.4 Management, Responsibility and Supervision**

The culture of integrity and compliance in an organization starts at the top.

All managers must fulfil their duties of organization and supervision.

All managers bear responsibility for the employees entrusted to them. All managers must earn respect by exemplary personal behaviour, performance, openness, and social competence. This means, among other things, that each manager must consistently emphasize the importance of ethical conduct and compliance, making them regular topics of everyday business and promoting them through personal leadership and training.

Each manager must also set clear, ambitious and realistic goals and lead by example.

Managers should permit their employees as much individual responsibility as possible, while making it clear that compliance is required under all circumstances and at all times. All managers shall also be

accessible in case employees wish to raise compliance concerns, ask questions or discuss a professional or personal problem.

These responsibilities of managers do not relieve employees of their own responsibilities. We must all work together to comply with applicable laws and Company policies. The specific manager responsibilities are listed here to give employees an idea of the leadership and support they should expect from their superiors.

It is the responsibility of all managers to see to it that there are no violations of laws within their area of responsibility that proper supervision could have prevented. They still remain responsible, even if they delegate particular tasks.

In particular, the following duties apply to managers:

1. The manager must carefully select employees based on their personal and professional qualifications and suitability. The duty of due care increases with the significance of the task the employee must perform (duty of selection).
2. The manager must give precise, complete and binding instructions to employees, especially with regard to compliance with the law (duty to give instructions).
3. The manager must ensure that compliance with the law is continuously monitored (duty of monitoring).
4. The manager must clearly communicate to employees the importance of integrity and compliance in everyday business. He/she must also communicate that violations of the law are unacceptable and will have employment consequences (duty of communication).

## **2 Treatment of Business Partners and Third Parties**

### **2.1 Fair Competition and Antitrust Laws**

Fair competition permits markets to develop freely and benefits society. Accordingly, the principle of fairness also applies to competition for market share.

Every employee is obliged to abide by the rules of fair competition and to avoid any violation of antitrust laws. In particular, employees may not:

- talk to competitors about prices, output, capacities, sales, bids, profits, profit margins, costs, methods of distribution or any other parameter that determines or influences the Company's competitive behaviour with the aim to solicit parallel behaviour from the competitor,
- enter into an agreement with a competitor not to compete, to restrict dealings with suppliers, to submit bogus offers for bidding or to divide up customers, markets, territories or production programs, or
- have any influence on the resale prices charged by our purchasers, or attempt to make them restrict the export or import of goods supplied by the Company.

Employees may not obtain competitive intelligence by using industrial espionage, bribery, theft or electronic eavesdropping, or communicate knowingly false information about a competitor or its products or services.

## 2.2 Anti-Corruption: Offering and Granting Advantages

We compete fairly for orders with the quality and the price of our innovative products and services, not by offering improper benefits to others. No employee may directly or indirectly offer, promise, grant or authorize the giving of money or anything else of value to a public official to influence official action or obtain an improper advantage. The same applies to a private commercial counterparty. Any offer, promise, grant or gift must comply with applicable laws and Company policies, and must not raise an appearance of bad faith or inappropriateness. No such offer, promise, grant or gift may be made if it could reasonably be understood as an effort to improperly influence a public official or as a bribe to a commercial counterparty to grant Company a business advantage.

The term “public official” is defined broadly to include officials or employees of any government or other public body, agency or legal entity, at any level, including officers or employees of state-owned enterprises and public international organizations. It also includes candidates for political office, political party officials and employees as well as political parties.

Employees may not give money or anything of value indirectly (for example, to a consultant, agent, intermediary, business partner or other third party) if the circumstances indicate that all or part of it may be directly or indirectly passed on to a public official to influence official action or obtain an improper advantage or to a private commercial counterparty in consideration for an unfair advantage in a business transaction. Employees responsible for hiring consultants, agents, partners in joint ventures or other business partners must:

- ensure that those third parties understand and will abide by Company anti-corruption policies or comparable equivalents,
- evaluate the qualifications and reputation of such third parties and
- include appropriate provisions in agreements and contracts designed to protect the Company.

Each investment decision made by the Company – whether it is the purchase of a controlling or minority interest in a company or a joint venture arrangement – must be based on a prior compliance check.

## 2.3 Anti-Corruption: Demanding and Accepting Advantages

Employees are not permitted to solicit, demand, accept, obtain or be promised advantages. This does not apply to the acceptance of occasional gifts of purely symbolic value or meals or entertainment reasonable in value that are consistent with local customs and practices and with Company policies. Any other gifts, meals or entertainment must be refused.

## 2.4 Political Contributions, Charitable Donations and Sponsoring

As a responsible member of society the Company makes monetary or product donations for education and science, art and culture and social and humanitarian projects. The Company does not make political contributions (donations to politicians, political parties or political organizations), with the exception of Japan and subject to prior approval. Sponsorships for which the Company receives advertising are not considered donations, nor are contributions to industry associations or fees for memberships in organizations that serve business interests. Some donations are always prohibited, including donations

1. to individuals and for-profit organizations,
2. with payments to private accounts,
3. to organizations whose goals are incompatible with the Company’s corporate principles or

4. to organizations that would damage the Company's reputation.

All donations must be transparent. This means among other things that the recipient's identity and planned use of the donation must be clear and the reason and purpose for the donation must be justifiable and documented. Quasi-donations, meaning donations which appear to be compensation for a service but are substantially larger than the value of the service, are prohibited.

Sponsoring means any contribution in money or in kind by the Company towards an event organized by a third party in return for the opportunity to advertise the Company brands by e.g. displaying the Company logo, being mentioned in the opening or closing addresses, the participation of a speaker on a discussion panel or tickets to the event.

All sponsoring contributions must be transparent, pursuant to written agreement, for legitimate business purposes, and commensurate with the consideration offered by the event host. Contributions may not be promised, offered or made to secure unjustified competitive advantages for the Company or for other improper purposes and they may not be made towards events organized by individuals or organizations that have goals incompatible with the Company's corporate principles or that would damage the Company's reputation.

## **2.5 Public Procurement and Development Banks**

The Company competes for contracts awarded by government entities and government-owned businesses and financed by International Financial Institutions and National Development Banks around the world. In all of the Company's dealings and interactions in that context we act in a manner that is transparent, honest and accurate, and comply with all applicable laws and regulations.

## **2.6 No Dealing with Organized Crime Groups**

We will respond firmly to organized crime, and do not interact with either individuals or organizations, whose goals are incompatible with the Company's corporate principles or which would damage Company's reputation.

## **2.7 Anti-Money Laundering**

Money laundering is the process of disguising the nature and source of money connected with criminal activity – such as terrorism, drug trafficking or bribery – by integrating “dirty money” into the stream of commerce so that it appears legitimate or its true source or owner cannot be identified.

It is the Company's objective to conduct business with reputable customers, consultants and business partners who are involved in lawful business activities and whose funds are derived from legitimate sources. We do not facilitate money laundering. All employees must abide by applicable anti-money laundering laws and Company procedures, designed to detect and deter suspicious forms of payment or customers or other transactions that could involve money laundering. To avoid problems in this area employees must be attentive to and report suspicious behaviour by customers, consultants and business partners. Employees must also follow all accounting, record-keeping and financial reporting requirements applicable to cash and payments in connection with other transactions and contracts.

## **2.8 Trade Controls**

The Company complies with applicable export controls and customs laws and regulations in the countries where it does business. Export controls generally apply to the transfer of goods, services, hardware,

software or technology across certain national borders, including by e-mail. Export control laws may be triggered in connection with direct or indirect exports to or imports from sanctioned countries or parties, who, for example, may be designated based on national security grounds or because of participation in criminal activity. Violations of these laws and regulations may lead to serious penalties, including fines and governmental withdrawal of simplified import and export procedures (interruption of seamless supply chain).

Employees involved in the import and export of goods, services, hardware, software or technology as described above must follow applicable economic sanctions, export control and import laws and regulations and any related policies and procedures established by the business in which they work.

## **2.9 Working with Suppliers**

The Company expects its suppliers to share its values and comply with all applicable laws. Furthermore, the Company expects its suppliers to act in accordance with the following principles, similarly adopted by the Company, concerning responsibilities vis-à-vis stakeholders and the environment:

- Comply with all applicable laws,
- Prohibit corruption,
- Respect basic human rights of employees,
- Comply with laws prohibiting child labour,
- Take responsibility for the health and safety of their employees,
- Act in accordance with applicable statutory and international standards regarding environmental protection and
- Promote compliance among their suppliers

## **3 Avoiding Conflicts of Interest**

It is the duty of Company employees to make business decisions in the best interest of Company, not based on their own personal interests. Conflicts of interest arise when employees engage in activities or advance personal interests at the expense of Company' interests.

Employees must inform their supervisor of any personal interest they could possibly have in connection with the execution of their professional duties.

Employees are not permitted to use for private dealings companies with which they have business dealings within Company if they could derive any advantage therefrom. This is particularly applicable if the employee is in a position to influence the business relation between that company and Company.

A conflict of interest exists also in case of a business relationship with or an interest in a competitor or customer of Company.

The same applies for a participation in sideline activities that prevent employees from fulfilling their responsibilities within Company.

All employees need to be sensitized to recognize and avoid conflicts of interest, or even the appearance of a conflict of interest, as they conduct their professional activities.



### **3.1 Competing with the Company**

An employee may not cooperate with any party that competes with the Company or engage in any competing activities.

### **3.2 Sideline Work**

Employees may not engage in sideline work that competes with the Company. Before employees may engage in other sideline work for remuneration they must notify the Company and seek written permission. Occasional writing activities, lectures, and comparable occasional activities are not considered sideline work. Permission will not be granted if it is detrimental to the interests of the Company. Permission may be refused if employees have dealings with the party in question in the course of their official Company duties. Previously granted permission may be revoked on these grounds as well.

### **3.3 Interests in Third Companies**

Employees who directly or indirectly hold or acquire a stake in a competing company must disclose this fact to their personnel department if this stake gives them the opportunity to exert influence on the management of that company. As a general rule, the possibility of exerting influence on the management is assumed when a stake in that company exceeds 5% of total equity.

Employees who hold or acquire a direct or indirect interest in a business partner or in an affiliated company must disclose this fact to their personnel department. For shares in listed companies this applies only if the interest exceeds 5% of total equity.

Once an interest in a third company has been disclosed, the Company may take suitable measures to eliminate any conflict of interest.

## **4 Company Property**

Any devices and pieces of equipment in the Company offices and workshops such as telephones, copying machines, computers, software, internet/intranet, machines and other tools, including e-mail and answering machine systems are only to be used for Company business and not for personal purposes. Exceptions, and payment if applicable, can be agreed upon by local management, provided that the use of Company property does not:

- relate to any illegal activity,
- cause an actual or perceived conflict of interest,
- lead to significant added costs, disruption of Company business or other adverse effects for the Company or
- interfere with an employee's assigned duties or the assigned duties of other employees.

In no case may information be retrieved or transmitted that furthers or incites racial hatred, glorification of violence or other criminal acts, or contains material which is sexually offensive within the respective culture.

Employees are not permitted without the consent of their supervisor to make records, files, video or audio recordings, or reproductions using Company equipment or facilities if the activity is not directly related to Company business.

## 5 Handling of Information

### 5.1 Records and Financial Integrity

Open and effective communication requires accurate and truthful reporting. This applies equally to relationships with investors, employees, customers and business partners, as well as with the public and all governmental offices.

The Company will appropriately manage accounting and tax affairs in accordance with relevant laws and regulations, accounting standards and corporate regulations.

Improper accounting (judgement) is often caused by ignorance, such as not realizing that one's actions are wrong or wrongly believing that one's actions are in the best interest of the Company. In particular, actions intended as tax saving measures carry the risk of going too far and as a result may lead to tax evasion.

The Company is required to maintain sound processes and controls so that transactions are executed according to management authorization. The Company must also prevent and detect unauthorized use of Company assets. All Company employees are required to make sure that the Company books and records they create or are otherwise responsible for are:

- complete,
- accurate,
- honestly reflecting each transaction or expenditure and
- timely and in accordance with applicable accounting rules and standards,

no matter whether or not the information will be included in a public filing or provided to a government agency. Such books and records include all data, certifications and other written materials provided for financial reporting and disclosure purposes as well as materials collected for other purposes. These also include internal expense records (such as expense account reports).

### 5.2 Confidentiality

Confidentiality must be maintained with regard to Company-internal confidential or proprietary information that has not been made known to the public. Non-public information from or concerning suppliers, customers, employees, agents, consultants and other third parties must also be protected in accordance with legal and contractual requirements.

Confidential or proprietary information may include, in particular:

- details concerning a company's organization and equipment, prices, sales, profits, markets, customers and other matters of business,
- information on manufacturing or research and development and
- internal reporting figures.

The obligation to maintain confidentiality extends beyond the termination of the relevant relationship, since the disclosure of confidential information could cause harm to the Company's business, clients or customers no matter when it is disclosed.

### 5.3 Data Privacy and Data Security

Access to the Intranet and Internet, worldwide electronic information exchange and dialogue, and electronic business dealings are all crucial to the effectiveness of each and every one of us, and for the success of the business as a whole. However, the advantages of electronic communication are tied to risks in terms of personal privacy protection and data security. Effective foresight with regard to these risks is an important component of information technology management, the leadership function, and also the behaviour of each individual.

Personal data may only be collected, processed, or used insofar as it is necessary for pre-determined, clear, and legitimate purposes. Personal data must be maintained in a secure manner and appropriate precautions should be taken when transmitting it. High standards must be ensured with regard to data quality and technical protection against unauthorized access. The use of the data must be transparent for those concerned and the rights of those concerned must be safeguarded with regard to use and correction of information and, if applicable, to objections pertaining to blocking and deletion of information.

In most jurisdictions there are strict laws and regulations pertaining to the collection and use of personal data, including data on others, such as customers or business partners. All employees must abide by such laws, to the extent they are applicable, to protect the privacy of others.

### 5.4 Insider Trading Rules

People who have inside information with regard to the Company or another company, such as parent companies, customers, suppliers or consortium partners whose securities are admitted to trading on a stock exchange or an organized securities market, are not allowed to trade in these companies' securities or in financial instruments the prices of which depend directly or indirectly on these companies' securities (insider securities). Inside information is any specific information which is not public knowledge relating to Company or such other issuer of insider securities, which, if it became publicly known, would likely have a significant effect on the price of the insider security. Such likelihood exists if a reasonable investor would view the information as likely to have an impact on the price of the security. It would also exist if a reasonable investor would take the information into account in making an investment decision.

Inside information may be acquired as a result of an employee's position and responsibilities or inadvertently, and includes non-public information about such things as:

- financial results,
- financial plans or budgets,
- dividend changes,
- significant mergers or acquisitions,
- divestitures,
- particularly important contract awards or strategic plans,
- major developments in litigation,
- technical or product developments,
- major management changes, joint ventures and major business agreements or
- business relationships.

Inside information must not be disclosed or made available to a third party without authority to do so whether inside or outside the Company. Furthermore, employees must always make sure that insider-

relevant information is secured or kept under lock and key so that unauthorized persons cannot gain access to it. In case insider information has become known to any unauthorized person, the local compliance officer must be informed immediately in order to ensure that adequate measures can be taken without delay.

Managers can be held personally liable for damages in some cases if an employee violates insider trading rules and proper supervision could have prevented the violation.

Additional or special insider trading rules and local law have to be complied with, as applicable.

## **6 Environment, Safety and Health**

### **6.1 Environment and Product Safety**

Protecting the environment and conserving natural resources are high priorities for our Company. Through management leadership and employee commitment, the Company strives to conduct its operations in a manner that is safe for the environment and continually improves environmental performance. A worldwide environmental management system has been implemented by the Company to ensure observation of the law and sets high standards for this purpose. Beginning at the product development stage, environmentally compatible design, technical safety and health protection are fixed as targets.

All employees must contribute to these goals through their own behaviour.

### **6.2 Work Safety**

Protecting the health and safety of employees in the workplace is a high priority for the Company. It is the responsibility of everyone to foster Company efforts to conduct its operations in a safe manner. The responsibility vis-à-vis employees requires the best possible accident-prevention measures, and applies to:

- the technical planning of workplaces, equipment and processes,
- safety management and
- personal behaviour in the everyday workplace.

The work environment must conform to the requirements of health-oriented design. All employees must constantly be attentive to work safety.

## **7 Complaints and Comments**

All employees can place complaints with their supervisor, compliance officer, personnel department or other persons/units designated for this purpose or with their workers council.

The Company expects its employees to report circumstances which point to a violation of the Business Conduct Guidelines to their superior, the compliance organization or via the whistleblowing hotline. All complaints and reports can be submitted both confidentially and anonymously and will be investigated. Corrective measures will be implemented if necessary. All documentation will be kept confidential to the extent permitted by law. No retaliation of any kind against complainants or reporters will be tolerated.

## **8 Compliance Implementation and Monitoring**

The Company shall actively foster the global communication and distribution of the Business Conduct Guidelines. Compliance with the law and observance of the Business Conduct Guidelines shall be monitored worldwide on a regular basis. This shall be done in accordance with applicable national procedures and legal provisions.

A compliance organization is established to ensure the implementation and the operation of the compliance system.