



# Code of Conduct





Dear employees,

Customer-oriented. Family-oriented. Innovative. Success-oriented. These are the values upon which the LAPP Group is built and that have made us strong as a company. As a family business, we know that it is only through our joint efforts – through teamwork within our company and with our business partners – that we will be successful.

This success is built on our values. If we behave in line with these values every day, and treat each other and our business partners fairly and with respect, we will perpetuate the LAPP Group's success story as a leading manufacturer of system solutions for cabling and connection technology.

This value-based approach is the task and responsibility of each and every employee. Managers have a special duty to act as role models in this respect. In this Code of Conduct, we try to describe more precisely what our values mean for our day-to-day work. At this point, we would like to point out that the Board does not tolerate

any form of bribery, corruption, discrimination, or any other contravention of our fundamental values. We will therefore pursue and take action against these contraventions with the utmost severity.

Board of LAPP Holding AG





Questions or concerns relating to any aspect of the Code of Conduct can be addressed to us at any time by calling **+49711-7838-8888**, or emailing **compliance@lappgroup.com**.



Additional useful information, together with the most frequently asked questions, can be found in the LAPPNet community **Global: Code of Conduct**.

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## Preamble



Absolute compliance with all legal requirements is a top priority for our company, and is also an integral part of our core values. Implementation and compliance are regulated in numerous internal guidelines and directives.

The key elements are summarised in this Code of Conduct, in order to make it easier for employees to comply with the requirements. The Code of Conduct is valid for all employees of the LAPP Group worldwide. However, LAPP also expects all other persons working for the company (e.g. interns and consultants) to comply with this Code of Conduct.

The rules contained within this Code of Conduct apply directly to the relationship between the respective LAPP Group company and its employees, and additionally serve as a mission statement for cooperation with our suppliers and business partners. No rights in favour of third parties are created by this Code.

## 1. Lawful conduct

All actions, measures, contracts and other transactions of the LAPP Group are undertaken within the law. We endorse the principle of acting solely within the confines of the law, regardless of whether the LAPP Group derives any benefit from this.

All our employees are personally responsible for adhering to the law within their own field of work. It is forbidden to induce third parties to act unlawfully or to knowingly contribute to any such unlawful acts. Acting against the law is not in the company's interest and may result in prosecution, damages, or lost orders.

We always act within the law.



## 2. Dealings with one another and employment principles

The LAPP Group acknowledges its social responsibility as a globally operating business group. The following principles apply based on a value-oriented corporate management and in consideration of internationally recognised human rights, the basic principles of the International Labour Organisation (ILO) and the applicable laws and cultural aspects of the various countries and locations:

### **a. Conduct towards each other**

Our management culture is characterised by appreciation and trust. We respect and protect the personal dignity of each individual. Discrimination, harassment or disparagement will not be tolerated at any LAPP Group location. In particular, discrimination on grounds of ethnic or cultural characteristics, disability, gender, religious beliefs, age, or sexual orientation will not be tolerated. All our employees have the right to be treated fairly, politely and with respect. We also recognise the right of every employee to form unions and employee representative bodies on a democratic basis within legal frameworks.



### **b. Child labour and forced labour**

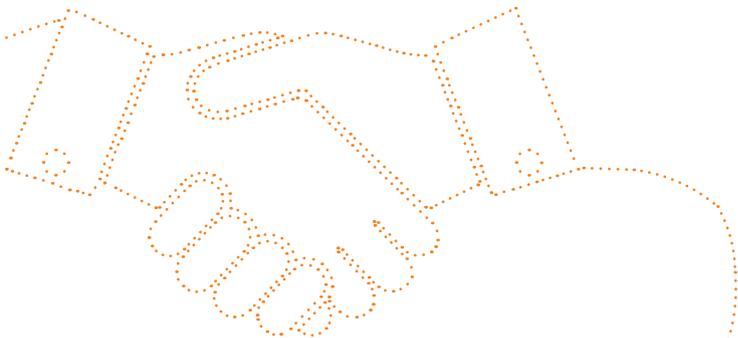
Child labour and forced labour will not be tolerated and will be opposed without exception, even in the case of our business partners. If child labour or forced labour in direct or indirect connection with the company is detected – for example at a supplier – it must be reported without delay so that the consequences can be identified.

### **c. Qualifications and remuneration**

In the LAPP Group, employees are always selected, hired and promoted on the basis of their qualifications, their skills and their personality. The company supports the purposeful, continuous and needs-based training of its employees, in order to facilitate high performance levels and high-quality work.

The right to reasonable remuneration is recognised for all employees. Wages and other benefits are at least in line with the relevant national and local statutory provisions or at the level of national industry sectors and regions.

We act with fairness and respect.



### 3. Avoiding conflicts of interest

Business and private interests should always be strictly separated. A conflict of interest may occur if employees take measures or have personal interests that could collide with their work for the LAPP Group. In this event, harm can only be prevented through open communication and full transparency. If there is any uncertainty as to whether a given situation might create a conflict of interest, it should be discussed with the employee's superior.

#### **a. Secondary activities**

Secondary activities are only permissible with the prior written consent of the company. Consent will be granted if there is no risk of any negative impact on work performance. Employees will only be permitted to invest in or carry out secondary activities for competing firms, suppliers or customers if they have prior written approval from the respective local subsidiary. Decisions will be taken on a case-by-case basis.

**b. Business relationships**

Employees may only enter into transactions with companies in which they, their spouse or partner, or a close family member holds an interest or serves in a senior position with the prior written consent of the respective local subsidiary, if the employee is able to influence the business relationship and a conflict of interest could occur.

**c. Engaging business partners for private purposes**

Employees may only engage a business partner of the LAPP Group for private purposes with the prior written consent of the respective local subsidiary if their work entails direct involvement in the awarding or settlement of orders, and there is therefore a potential for a conflict of interest. This provision does not apply to goods and services that are generally available.



Always consult a superior in the event of conflicts of interest.

## 4. Handling information

Information and the processing of information are key elements, and are critical to the success of each and every business activity. When handling information, particular attention should be paid to precision and accuracy, the relevant degree of confidentiality, and data protection.

### **a. Reporting**

All our records, reports and statements must be accurate and truthful. The generally accepted accounting principles should be adhered to. Records, files, etc. for which confidential company information is used may only be created if this directly serves the interests of the LAPP Group and all data protection standards are complied with.

### **b. Confidentiality**

Confidential information belonging to the company must be kept secret.

### **c. Data protection and information security**

Data protection cannot be delegated and is ultimately the responsibility of the relevant management team. Our focus here is particularly on complying with the principles of legality, purpose limitation, data avoidance and minimisation, and transparency. We aim to process data accurately, in good faith, and to limit its storage, while ensuring data integrity and confidentiality. We hold ourselves properly accountable for this, for upholding the rights of data subjects, and for all other provisions of corresponding data protection legislation.

When developing and processing all (IT-supported) business processes, the right to privacy and to a private life must be protected and information security guaranteed. This occurs on the basis of and in compliance with the applicable statutory requirements regarding data protection, data security and IT security.

If, in connection with business processes, personal data (pertaining to customers, suppliers, employees or other affected persons) is collected, processed and/or transmitted, the LAPP Group will observe the European data protection regulations within the EU (European Union) and the EEA (European Economic Area).

Protecting company information is an utmost priority.



## 5. Conduct, toward business partners and third parties

When dealing with business partners (customers, suppliers, service providers, etc.) and state officials, a clear line must be drawn between the usual scope of a business relationship and private interests. Business relations with our business partners are defined by ethical conduct. LAPP observes the rules of fair competition and supports all efforts to enforce a free market and open competition, both nationally and internationally. LAPP will therefore not pursue any contract that can only be acquired by violating the law.

### **a. Agreements, cartels and competition waivers**

All employees have a duty to observe the rules of fair competition as defined by applicable law. In particular, it is not permitted to demarcate sales areas or divide up customers with a competitor, nor may there be any agreements or exchanges of information with competitors concerning prices/price components, supply relations and the conditions governing them, production capacities, or bidding approaches. The same applies to the exchange of information concerning market strategies and investment



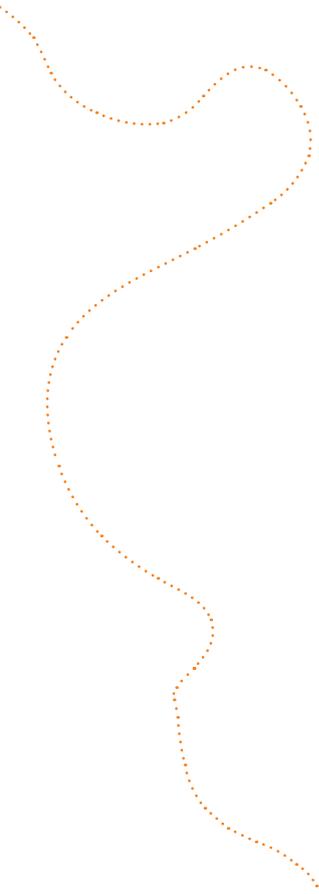
strategies. This prohibition applies not only to written agreements, but also to oral agreements or tacit collusion (conscious parallel behaviour).

**b. Selection of business partners**

Agreements with customers, suppliers, and service providers must be concluded solely in the interests of the company. All employees must comply with the company's internal control regulations (e.g. 4-eyes-principle). Suppliers must be selected solely on competitive merit, based on a comparison of the price, quality, performance and suitability of the products or services offered. In addition, we also expect our business partners to comply with the principles of this policy.

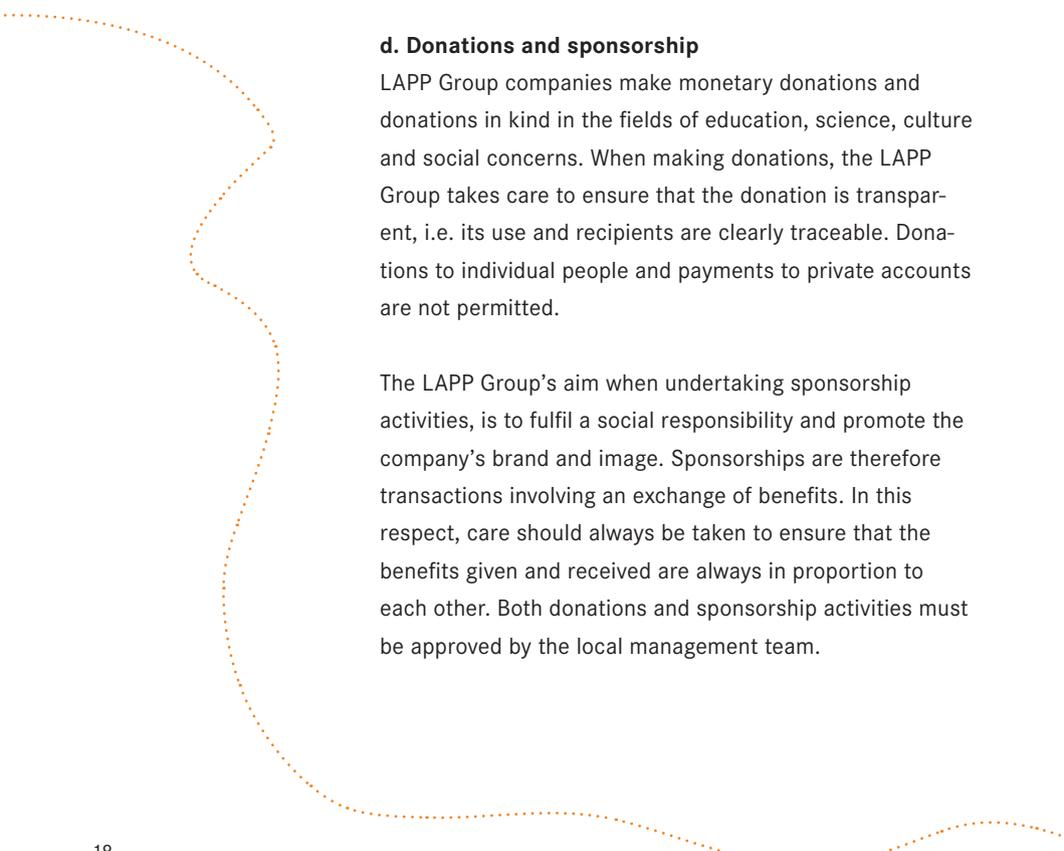
**c. Bribery, corruption and other inducements**

LAPP does not tolerate any form of bribery, corruption, or any other illegal granting of undue advantage. Any attempts by suppliers or customers to exert an unfair influence on the decisions of LAPP employees must be reported to the managers responsible.



An extremely restrictive approach must be taken with regard to exchanging gifts or invitations with business partners. The financial scope of these gifts or benefits must be assessed on the basis that it should not be necessary for the recipient to conceal their acceptance, and they should not make the recipient feel indebted. In case of doubt, approval should be obtained from the relevant superior.

Invitations from business partners to events of a generally social nature (e.g. sporting or cultural events) are permissible if they are in line with normal business practice, have no unreasonably high value, and are also proportionate to the normal standard of living of the people involved. If any doubt exists as to the appropriateness of gifts, donations, or invitations, the employee's superior or the Compliance division should be consulted in advance.



#### **d. Donations and sponsorship**

LAPP Group companies make monetary donations and donations in kind in the fields of education, science, culture and social concerns. When making donations, the LAPP Group takes care to ensure that the donation is transparent, i.e. its use and recipients are clearly traceable. Donations to individual people and payments to private accounts are not permitted.

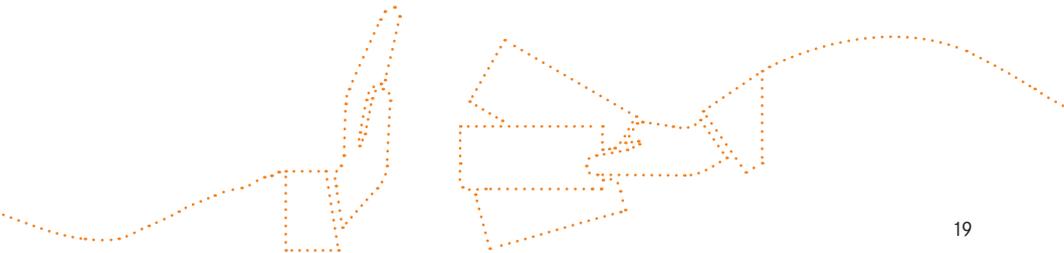
The LAPP Group's aim when undertaking sponsorship activities, is to fulfil a social responsibility and promote the company's brand and image. Sponsorships are therefore transactions involving an exchange of benefits. In this respect, care should always be taken to ensure that the benefits given and received are always in proportion to each other. Both donations and sponsorship activities must be approved by the local management team.

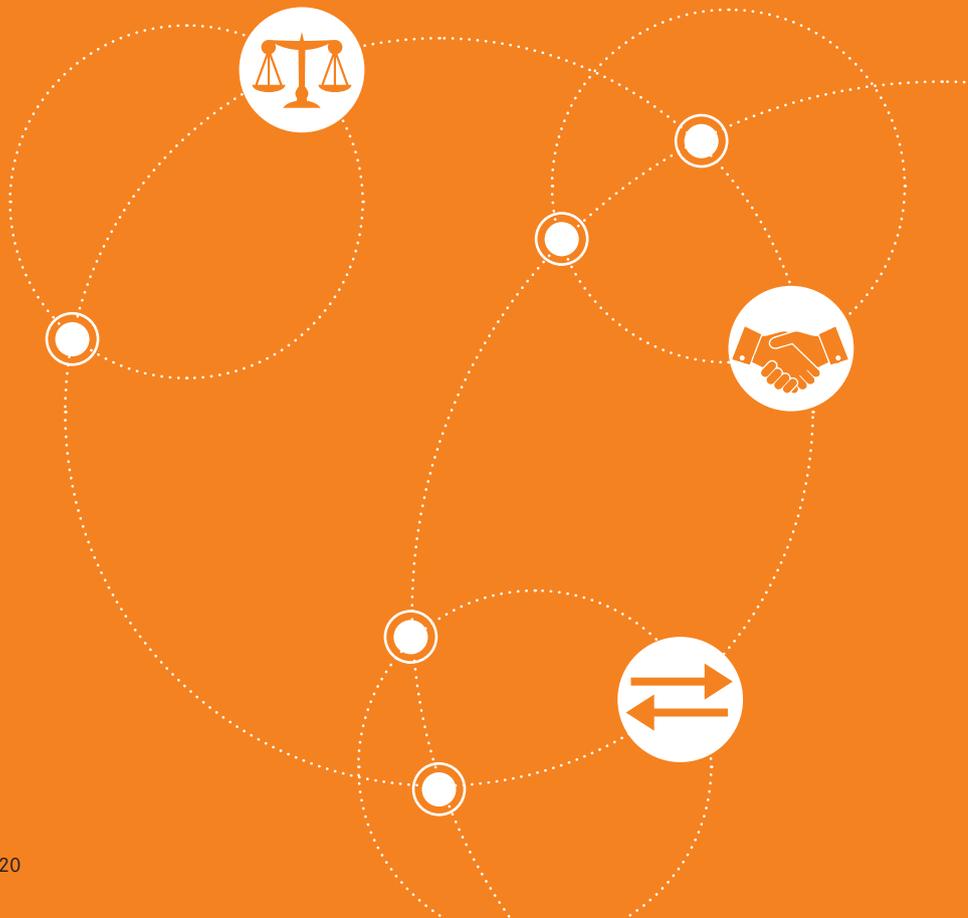
**e. Behaviour in public**

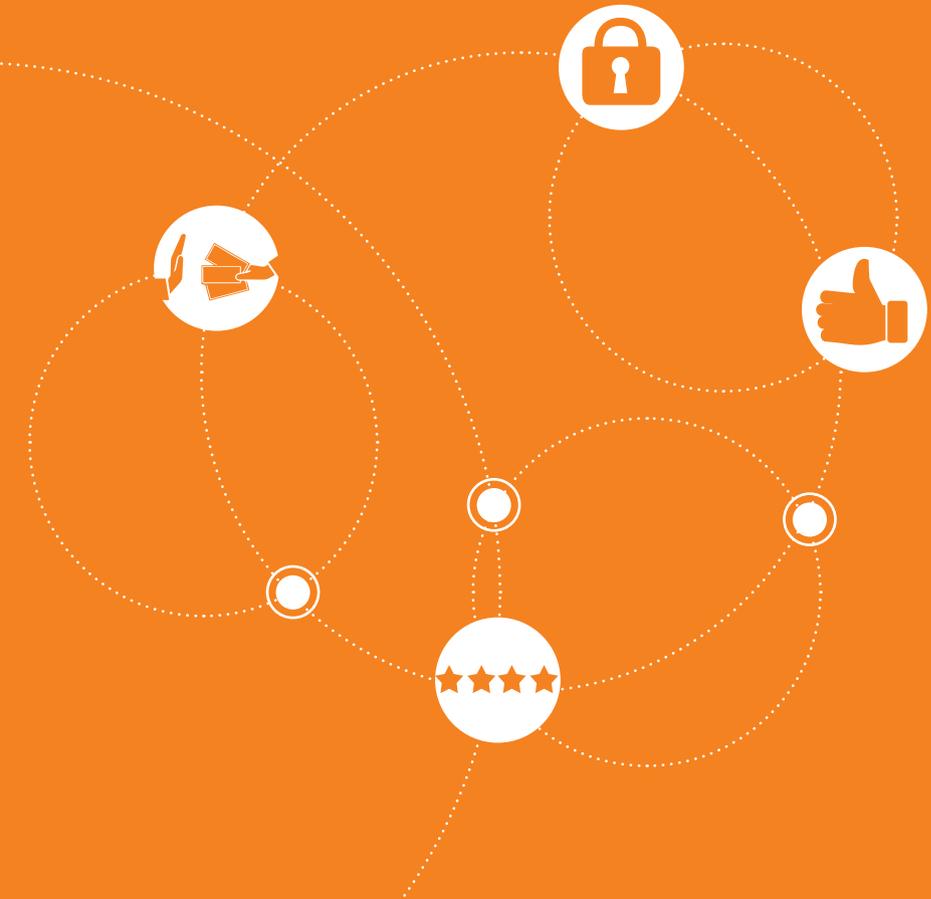
Every LAPP Group employee is a representative of our company, whose behaviour reflects directly or indirectly on the LAPP Group. Employees must therefore refrain from any behaviour that could have a negative impact on our image from the perspective of our customers, other employees, or the general public, or that violates applicable law. This also applies in particular to communications on social networks and on the internet.

All employees must pay due regard to the reputation of the LAPP Group when performing their duties.

**We do not tolerate corruption.**







## 6. Quality, occupational safety, environmental protection and sustainability

“Success through quality” is one of the guiding principles of our business policy. In addition to complying with the statutory requirements, we make active efforts to constantly increase our contribution to environmental protection and occupational safety.

### **a. Quality**

To meet the high standards of quality and safety that our customers expect of us, we invariably make any necessary improvements on a consistent, thorough, and long-term basis. If complaints arise despite our best efforts, we take action to eliminate them in compliance with statutory provisions and contractual obligations, and with the clear priority of preventing injury or loss of life.

### **b. Occupational health and safety**

It is the duty of all employees to avoid hazards to people and the environment, and to use resources sparingly. Processes, sites and operating materials must comply with the applicable legal and internal requirements regarding occupational safety, as well as the provisions on health and environmental protection and fire prevention. Health, occupational safety, and decent working conditions are an important element of company policy. The use of substances that are harmful to health in our products and production plants should be avoided.

### **c. Environmental protection and sustainability**

We comply with the applicable environmental regulations and try to keep our impact on the environment as low as possible. We also endeavour to manage our business in a way that is sustainable and environmentally friendly, and to deal responsibly with all natural resources. We also avoid

the use of raw materials from conflict regions (conflict minerals). We aspire to reduce our negative impact on the environment to the technically and organisationally inevitable minimum. We also attach great importance to our suppliers, subcontractors and other third parties complying with environmental legislations when working for us.

We aim for excellent quality and safety.

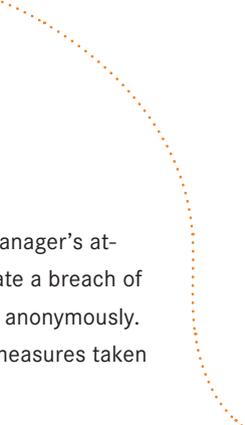


## 7. Compliance as a management task, reporting irregularities and monitoring

This Code of Conduct is a central component of the LAPP values that we work by. It is vital that these values are observed uniformly throughout the Group – each employee is responsible for ensuring this.

### **a. Compliance as a management task**

All LAPP Group managers must make certain that this Code of Conduct is observed within their area of responsibility. They must ensure that no breaches of the Code of Conduct or any statutory regulations occur within their area of responsibility that could have been prevented or impeded through adequate supervision. Managers are also obliged to inform employees of this Code of Conduct and its contents and to familiarise them with it. They must also make it clear that breaches of the law are frowned upon and will have disciplinary consequences, regardless of the employee's position in the company hierarchy. Managers must always act as role models in this respect, and must act in accordance with the principles of acceptance, appreciation, and trust.



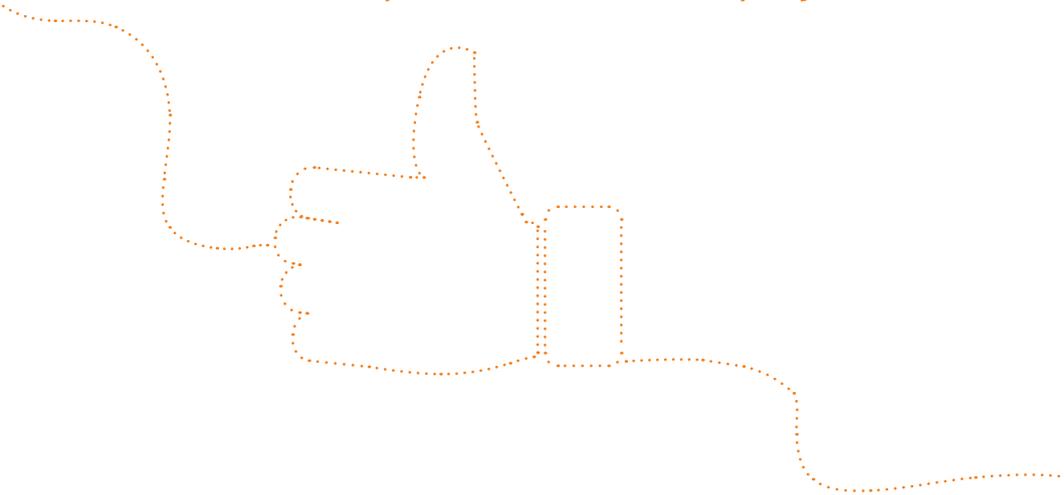
### **b. Reporting irregularities**

All employees have the right to draw their manager's attention to circumstances appearing to indicate a breach of this Code of Conduct. This can also be done anonymously. Reports will be investigated and corrective measures taken where necessary.

### **c. Monitoring**

Each LAPP Group company is responsible for ensuring that the rules contained within this Code of Conduct, as well as any other internal regulations within its area of responsibility, are complied with. The Internal Audit department has an unrestricted right to obtain information and carry out audits, unless statutory regulations oppose this. When carrying out audits, the Internal Audit department pays attention to compliance with the Code of Conduct and includes its regulations in its test criteria.

Compliance with the Code of Conduct  
is a sine qua non for all employees.



Internal Communication

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Version: June 2018

