

EN

Compliance Manual

Our Code of Conduct and rules



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1. The importance of compliance

The term "compliance" stands for adherence to regulations, i.e. compliance with legal provisions, regulatory standards and the fulfilment of other essential specifications, standards and requirements that STAHLWILLE itself generally sets. Compliance is therefore actually a matter of course, namely that companies and their employees must also comply with specifications.

In our daily work and business, we encounter a variety of risks that can constitute a **violation of the law**:

1. Employee conduct

- Theft
- Fraud
- Data protection
- Disclosure of secrets
- Negligence

2. Procurement

- Bribery
- Export control law
- Breach of Trust
- Customs law

3. Sales

- Corruption
- Customs law
- Tax evasion
- Export control law
- Contract awards

4. Organisation

- Risk detection
- Monitoring
- Intervention
- Reporting and documentation obligations

5. Environmental hazards

- Environmental regulations
- Environmental damage due to misconduct
- Damage to or destruction of company property, e.g. production facilities, contamination of buildings and areas

2. The reasons for compliance

Compliance is no longer merely an option for companies – it is a requirement. CEOs, managing directors and board members face prosecutions and fines in the event of violations. Public pressure has also increased: In times of #MeToo and increased climate and environmental awareness, violations threaten to cause significant damage to the reputation and image of companies – social media, the media and the public can exacerbate this effect.

If we violate laws and rules, there are both civil and criminal consequences for our company and/or our employees:

1. Penalties for our company

- Exclusion from orders
- Termination of business relationships
- Damage to image
- Prohibition of sale

2. Penalties against employees or managers

- Cautions
- Termination of contract
- Charges

3. Penalties

- Fines, compensation

Who is affected? - Compliance concerns us all.

- Employees, trainees, working students, interns and temporary workers
- Managers, management, shareholders
- Customers, suppliers
- Banks and other financial partners
- State, authorities
- Accountants and auditors
- Business partners

3. Company structure of the STAHLWILLE Group

German companies

STAHLWILLE Holding GmbH & Co. KG; STAHLWILLE Immobilien GmbH & Co KG;
STAHLWILLE Eduard Wille GmbH & Co. KG; VBW Werkzeugfabrik GmbH; Alarm Werkzeuge GmbH;
SWM Werkzeugfabrik GmbH & Co. KG; STAHLWILLE Logistics GmbH & Co. KG;
STAHLWILLE Industrietechnik GmbH; STAHLWILLE Industrietechnik Immobilien GmbH;
STAHLWILLE Beteiligungen GmbH; STAHLWILLE Middle East Holding GmbH

EU companies

STAHLWILLE UTENSILI S.R.L. (Italy); Stahlwille B.V. (Belgium); STAHLWILLE B.V. (Netherlands);
STAHLWILLE S.A. (Spain); STAHLWILLE France Sarl (France); STAHLWILLE Austria GmbH (Austria);
STAHLWILLE - POLSKA Sp. z o.o. (Poland); Stahlwille Nordic A/S (Denmark)

International companies

STAHLWILLE (Beijing) International Trade Co. Ltd. (China); STAHLWILLE Tools Ltd (Great Britain);
STAHLWILLE Tools LLC (USA); Jetco Torque Tools LLC (USA)

4. STAHLWILLE Group Code of Conduct

1. We identify with our company

We are proud of our company – its products, its customer focus, its innovative strength and, above all, its people. We identify with STAHLWILLE and with the daily work of our colleagues. That is why we treat business premises and company property with due care and maintain confidentiality in business matters. We take responsibility for the company, because each of our decisions influences its course and perception – whether internally or externally, big or small. All our decisions are in line with our values and Code of Conduct.

2. We act with integrity

We are honest and sincere. We always act with integrity and set an example in terms of morality. As STAHLWILLE employees, we comply with applicable laws and regulations as well as competition and antitrust laws. We condemn any form of bribery or advantage. We neither offer nor expect preferential treatment. We do not allow ourselves to be influenced by offers in our decisions. Instead, we strive for maximum transparency and fairness in cooperation and free competition. We expect the same from our business partners and competitors.

3. We respect the dignity of others

Appreciation and respect characterise our dealings with others – no matter what position they work in and whether they are a colleague, partner, customer or supplier. We see and accept every person as they are and protect their dignity and physical integrity in the workplace. We are friendly and helpful, without calculations, thoughts or calculations, and always communicate in a partnership and on an equal footing. We do not tolerate harassment or discrimination in our company.

4. We strive for the highest quality and process reliability

The quality and safety of our processes and products is our top priority. We aim to exceed industry standards wherever possible. Each and every one of us is responsible for ensuring that we deliver the desired solutions to our customers in the expected quality and on time. Because the highest quality is not conceivable without perfect preliminary products and logistics, we monitor and control the complete value creation and select our suppliers according to strict criteria.

5. We are both a customer and a supplier

Customers are not only found outside the company. Each and every one of us is both an internal customer and an internal supplier, because we also see ourselves as problem solvers and process partners for our colleagues. Silo thinking or knowledge monopolies have no place at STAHLWILLE, because we can only succeed and achieve our goals by working together. We practice open, trusting and cross-departmental cooperation and always pull together.

6. We understand innovation as a process

In order for new things to emerge, an environment driven by an innovative spirit that provides space for visions and ideas is needed. That's why we see innovation as a process – not as an end product or technology. We are creative and open in our thinking and actions. We value thinking outside the box. We are brave when it comes to adopting different ways of thinking and decision-making.

7. We see the opportunity in mistakes

Error prevention is of great importance to us. But we are aware that mistakes can happen. That's why we see every mistake as an indication of where we can improve, where we can learn so that the same mistake never happens again. To make this possible, we have a fearless and team-oriented corporate culture that allows for criticism and open discussions of mistakes.

8. We are ready for change

In a market environment characterised by ever-faster innovation cycles and technological disruptions, we respond with a willingness to evolve throughout our lives and embrace change as an opportunity. That's why we support and accompany everyone on their career path. This includes promoting personal responsibility and initiative, and providing employees with opportunities for personal and professional development that open up interesting career paths.

5. Our rules for everyday work

1. Hospitality

- We act within the framework of the Travel Expenses Directive.
- Limits: We refer to the current wage tax regulations.
- For each meal, a meal receipt must be filled out and submitted with the invoice (signature by supervisor and posting by financial accounting).
- Business partners may only be paid for if this does not influence the award of the contract.

2. Giving and receiving gifts

- Thresholds: We refer to the current regulations of the tax authority/tax office.
- Gifts may only be given or accepted if this does not influence the award of the contract.
- Gifts from supply companies are transferred to the employee raffle or to company property.
- Cash gifts are prohibited and must always be refused.

3. Sales

Actions are carried out in accordance with national and international competition laws. We do not participate in price agreements, market or customer divisions or other market or offer agreements. Any form of corruption, personal advantage, bribery or embezzlement is prohibited.

4. Confidentiality and protection of intellectual property

We protect confidential information and respect intellectual property; technology and know-how transfer must take place in such a way that intellectual property rights and customer information, trade secrets and non-public information are protected. We comply with the applicable laws on the protection of business secrets and treat confidential information of our business partners accordingly.

5. Dual control principle

The dual control principle applies to all processes that affect customer and supplier relationships and cash flows. A corresponding authorization concept with size specifications is implemented in all relevant processes.

6. Recruitment process

According to the General Equal Treatment Act (AGG), we do not give preference to applicants of a certain gender, age, nationality or affiliated persons. All application documents go through the same procedure and are automatically deleted in accordance with applicable laws/regulations after the application process has been completed.

7. Criminal behaviour

Criminal acts such as theft, discrimination, insult, harassment, physical dispute, defamation, and deliberate damage to company property or the property of others, will not be tolerated under any circumstances. Depending on the severity of the offence, the consequences range from a warning to termination without notice.

8. Child labour

We always and without exception comply with the current valid provisions of the respective national Youth Labour Protection Act (JArbSchG) and the Working Hours Act (ArbZG).

9. Selection of suppliers and products

Our current procurement policy applies to all procurement activities.

10. Quality management

We are audited and certified according to DIN EN ISO 9001:2015.
The specifications must be complied with by everyone.

11. Export controls and economic sanctions

We comply with all applicable import and export control laws, sanctions and embargoes. This includes restrictions on the export and re-export of goods, software, services and technology to certain destination countries, as well as prohibitions on transactions with countries, regions, organisations and individuals subject to such restrictions.

12. Drugs

It is forbidden to consume, distribute, trade in or manufacture drugs.

13. Alcohol

The consumption of alcohol is not permitted on our premises.
It is forbidden to enter the premises immediately after consumption.
Company celebrations are an exception.

14. Cigarettes

Smoking breaks are not working time. All employees must clock out.
Smoking is only permitted in the designated smoking areas.

15. Use of social media and the Internet

STAHlwille appreciates the global importance of social media (e.g. Facebook, Instagram, LinkedIn or YouTube) and is active on various channels as part of the digital public. STAHlwille therefore welcomes the fact that every employee is closely associated with their company as an important part of the whole, both professionally and privately, and that they contribute to shaping the positive image of the company and its diversity by naming their employer responsibly in the public eye.

At the same time, we urge you to exercise the necessary caution when using social media to ensure that STAHlwille is protected against reputational damage in the wide range of opinions and information expressed on the Internet. In particular, STAHlwille employees should not act on behalf of the company when using social media (with the exception of employees who must use these media as part of their work), make false statements about their work, make objectively unrecognisable assessments of company matters or use IT equipment contrary to internal specifications.

Accessing extremist, pornographic or other discriminatory content is not permitted and is not consistent with our values.

16. Environment, energy and climate protection

We act in accordance with applicable laws and follow international standards in order to minimise negative impacts on the environment and continuously improve our environmental and climate protection activities. All employees are made aware of environmental protection and necessary training measures and training courses are offered. We are audited and certified in accordance with DIN EN ISO 50001:2018 (energy management system) and DIN EN ISO 14001:2015 (environmental management). We protect our environment and report suggestions for improvement, pollution and violations directly and without exception to the environmental protection officer or supervisor who takes care of this.

17. Handling of data and IT systems

Each employee is jointly responsible for maintaining and protecting the company's data, files, software and hardware. This also applies to all electronic data or files sent by employees. Accessing or distributing illegal content is strictly prohibited. The IT department must be contacted in the event of any irregularities.

18. Workplace safety

We safeguard the health of our employees by implementing appropriate health and safety measures that adequately cover the following topics:

- Compliance with applicable laws and orientation to international health and safety standards.
- Appropriate workplace design, safety regulations and provision of suitable personal protective equipment.
- Implementation of preventive controls, emergency measures, an accident reporting system and other suitable measures for continuous improvement.
- Access to sufficient drinking water and clean sanitary facilities for staff.

We ensure that all our employees are trained accordingly.

6. Contact

Anomalies and violations of one or more of these rules must be reported to the Compliance Officer, Mr Sebastian Künzelt:

kuenzelt@stahlwille.de



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