



**COMPLIANCE  
CODE OF CONDUCT**  
January 2020

# Management Foreword

Dear staff,

As management of the company, we have particular responsibility for the business success of the overall ESG Group. You too play a role in shaping the future of the ESG Group, within your individual area of responsibility. We see it as our task to ensure that all Group companies are successful in the market. We do believe however that it's not just success in business that's important, it's also the way we do business."

We share responsibility for ensuring that ESG as a company complies with all applicable laws in conducting its business operations. For us, responsibility also means that decency and fairness are the basis for our actions. Such propriety is to characterize our interac-

tions with one another, with our business partners and with third parties.

The Compliance Code of Conduct thus outlines both our commitment to responsibility and the principles that are to guide our conduct. These are our obligations, but you too have to fulfill them in your day-to-day work.

We ask that you please read the Code of Conduct carefully with the above points in mind and uphold the articles of conduct outlined therein. For doing so is essential for us to live up to our duty and operate a successful and responsible enterprise over the long term.

Sincerely,



Jörg Ohlsen



Dr. Mihaela Seidl



Christoph Otten

## Responsibility

ESG acknowledges its social responsibility as part of society and as a business enterprise and an employer. The Code of Conduct outlines the basic principles which our society deems necessary for corporations to uphold in order to ensure that they act responsibly and in compliance with laws.

Top management, middle management and all staff are equally required to uphold the principles set forth in the Code of Conduct. The Code applies to ESG Elektroniksystem- und Logistik-GmbH (ESG) and within the ESG Group. Group companies may however adopt their own codes of conduct as long as these do not conflict with the principles stated herein.

The Code of Conduct is based on the UN Universal Declaration of Human Rights as well as the UN Global

Compact and the ILO conventions on fundamental labor principles and rights. The company's respect for human dignity and commitment to upholding human rights are primarily reflected in how we work to ensure a safe work environment and provide fairly paid, socially responsible employment. The principle of freedom of choice of employment applies, according to which no person shall be forced against their will into compulsory labor, nor shall they be restricted in their freedom of movement. Child labor is banned.

ESG ensures that, within the framework of existing legislation, employees are allowed to join employee organizations which represent employees' interests. This includes the freedom to constructively co-govern the company within the framework of company works councils.

## Human interaction, conduct and compliance communications

The Compliance Code of Conduct serves as a guide to acting responsibly, in conformity with applicable laws. Managers play a special role as models of proper action, which they must demonstrate by conducting themselves responsibly in their day-to-day work. The Code does not and cannot address every particular situation or conceivable case. All parties are thus encouraged to become informed and educate themselves whenever any doubt exists concerning what proper conduct would be.

If an employee observes misconduct or non-conformity with the articles of conduct, such instances should be openly addressed or reported—not ignored. No employee shall be disadvantaged or punished for reporting such instances in good faith, even if it may later be established that non-conformity was not in evidence.

The individuals to whom such instances are to be reported are generally the employee's direct manager or the respective department or desk/unit responsible. Any matters relating to the protection of classified information should be directed to the Security Officer. All employees are entitled to directly contact the Com-

pliance Help Desk. Anyone may utilize the Whistleblowing System or contact the ESG Ombudsman regarding any matters or incidents of a particularly sensitive nature.

Further information is provided on the internet information pages for the Whistleblowing System, and on the intranet/the ESG Wiki under 'Unternehmen/Stabsstellen/Compliance'.

### GENERAL COMPLIANCE CONTACT DATA:

- » Compliance Help Desk: [compliance@esg.de](mailto:compliance@esg.de)
- » Ombudsmann: [rcc@risk-communication.de](mailto:rcc@risk-communication.de)
- » Security Officer: [sicherheitsmeldung@esg.de](mailto:sicherheitsmeldung@esg.de)
- » Whistleblowing system:  
<https://esg.integrityplatform.org>

# 01 Occupational health and safety

ESG is concerned about the health and safety of the company's employees and contractors. To this end, the company ensures that employees have a proper work environment by having expert personnel regularly review whether proper conditions are in place.

**Principle of conduct:** ESG top management, middle management, rank-and-file staff and other individuals participate in mandatory occupational safety training sessions and adhere to the occupational safety regulations in place. Any significant, immediate safety or health hazard must be reported without delay.

# 02 Non-discrimination requirements

ESG values diversity and expects personnel to interact in a proper spirit of goodwill. No person shall be disadvantaged, favored, harassed, bullied or victimized on the grounds of his or her race, ethnic origin, color, nationality, gender, religion, ideology, disability, age, sexual orientation or other characteristics.

**Principle of conduct:** Every individual in the ESG organization is called upon to contribute to maintaining an open and inclusive working environment, and to treat others with respect at all times.

# 03 Environmental protection

ESG uses natural resources, such as electricity, heat and water, prudently so as to avoid environmental detriment. The company systematically monitors compliance with legal requirements and strives for continuous improvements in its use of resources.

**Principle of conduct:** Top management, middle management and rank-and-file staff of ESG avoid pollution and wastage of natural resources.

## 04 Upholding quality standards

Quality processes are in place to ensure that ESG products and work results conform with the “scientific and technological state of the art” and the respective safety-relevant standards and specifications. This applies in particular to work/products in areas in which transport safety is a sensitive issue such as the aerospace and automotive industries.

**Principle of conduct:** Top management, middle management and rank-and-file staff of ESG adhere to the procedures and processes in place for work and production.

## 05 Accounting, taxes and operational records

ESG keeps its accounting books in accordance with German GAAP. Payroll and billing records, work time-sheets and other company records form the basis for the company's accounting and for interactions with the tax authorities. All information and representations must correspond to the facts, be transparently documented and be made available in timely fashion.

**Principle of conduct:** Proper accounting requires top management, middle management and all rank-and-file staff of ESG to assist conscientiously and in good faith in providing necessary documents and information.

## 06 Trusted business partners

ESG reviews whether suppliers and other business partners, including sales partners in particular, have a comparable code of conduct of their own in place. ESG does not cooperate with persons or companies—among other parties—who/which are involved in money laundering or acts of corruption, or who are tracked on a sanction list. Supplier evaluations are performed to establish confidence that business

partners are able to guarantee the necessary quality of products and services.

**Principle of conduct:** Top management, middle management and rank-and-file staff of ESG adhere to the procurement processes in place and promptly instigate reviews of business partners.

## 07 Fair competition and awarding of contracts

ESG declares its support for the principles of a social market economy and fair competition. Any activity which could limit competition or the exchange of non-public information in particular between competitors is prohibited. ESG conforms with procedures which customers have in place for awarding contracts, including public tenders in particular. All information and representations provided in bids must be correct.

**Principle of conduct:** Top management, middle management and rank-and-file staff of ESG do not enter into illegal agreements with competitors or suppliers, on prices for example, do not collude with other bidders in tenders and do not commit unfair acts in order to influence bidding processes, such as obtaining sensitive information.

## 08 Anti-corruption article

ESG does not grant payments or any other kind of benefit to third parties, nor makes any promises to third parties, in order to bring about or influence decisions. Particular caution is required if any of the aforementioned acts could create an impression of influence being exerted. Lastly, third parties may never be directly or indirectly hired/instructed to perform such acts. In making donations and in sponsorships ESG takes care to ensure that no improper influencing takes place or even the appearance thereof.

**Principle of conduct:** Top management, middle management and rank-and-file staff of ESG may not accept, solicit, offer or grant any personal benefit in connection with their work activities. The value limits internally defined in the company's organizational instructions must be observed regarding invitations or gifts which are typical in nature for the course of business.

## 09 Avoiding conflicts of interest

A conflict of interest is in evidence if a person has interests which are opposed or contrary to each other at a given point in time, such as in hiring close relatives or friends or taking on outside work for a competitor. Business relationships may only be initiated and maintained on the basis of objective criteria such as quality or price.

**Principle of conduct:** Top management, middle management and rank-and-file staff of ESG promptly disclose conflicts of interest and act without bias in making decisions. This applies as well to potential conflicts of interest, i.e. situations which could give rise to a conflict of interest at a later point in time.

## 10 Compliance with export control law

International trade restrictions may apply to the export, transfer, reexport and/or retransfer of goods, services or know-how, either domestically or to a foreign country. Accordingly, ESG is obligated to establish the proper legality of such transactions under German and international export and customs regulations, and to obtain any necessary approvals. Among other things, this is to prevent such transactions being utilized by persons who are in contact with, finance or are involved in terrorist organizati-

ons, organized crime or other illegal activity. Trade restrictions apply, in particular to arms and dual-use goods, when national or international security interests are affected.

**Principle of conduct:** Top management, middle management and rank-and-file staff of ESG adhere with the processes in place for the delivery/provision/transfer of goods and services.

## 11 Data protection

ESG respects and protects every individual's sphere of personal privacy. Personal data generally includes any information concerning personal or objective circumstances which are referenceable to a natural person. Such data may only be collected, processed or used when it is necessary to do so for legal business reasons or when the consent of the person concerned has been obtained.

**Principle of conduct:** Top management, middle management and rank-and-file staff of ESG may only use or store personal data to the extent and during the period required to perform an operational task, or if their retention/storage is required by law.

## 12 Copyright and intellectual property protections

ESG respects copyright and intellectual property rights of third parties, such as software rights, patents, protected procedures, methods and images and trademarks, and does not use the intellectual property of third parties without the permission of the owner of the corresponding rights.

**Principle of conduct:** Prior to using the intellectual property of third parties, including software, a review must be conducted to ascertain the permissibility thereof. Where open-source rights are concerned, this review must focus in particular on whether the corresponding conditions and processes for the use of third-party software are met and followed.



## 13 Handling of company property, information, trade secrets and classified information

Company property and other assets, including information and data in particular, are valuable and must be handled with care. A trade secret is any kind of information which has special commercial value and can only be viewed and used for business purposes by authorized persons. Such secrets form the foundation for business success. Accordingly, ESG particularly respects the trade secrets of third parties, and does not obtain or use such.

ESG is furthermore subject to confidentiality supervision by the Federal Ministry for Economic Affairs and Energy (BMWi) regarding all measures for keeping information confidential which has been made classified by a government entity. ESG staff and third parties may access classified information in accordance

with the relevant classification level and in accordance with the measures defined in the BMWi Manual on Classified Information in Business.

**Principle of conduct:** Office rooms, laboratories, work equipment etc. provided by ESG and any internal information and data must be used with care and solely in accordance with regulations. Information and data are to be classified in accordance with the applicable confidentiality requirements, and may only be disclosed to persons who require such in order to perform their work duties. ESG likewise handles with care information and data provided by third parties, ensuring that these are adequately protected against unauthorized accessing and are exclusively used within the agreed framework.

## 14 Social media and public appearances

ESG uses a variety of communication channels and media for market communications. Top management, middle management and rank-and-file staff of ESG represent the company in public appearances as part of their work responsibilities. In doing so, all staff comply with the company's principle of conduct that information provided and statements made must be correct, balanced and appropriate in view of the circumstances, and do not impair the company's reputation.

**Principle of conduct:** Every individual should behave responsibly in general regarding their communications. This applies as well to private discussions conducted in public, in which no internal information should be disclosed. Every individual has the right to freedom of expression. Where private opinions or personal views are concerned however, this fact must be made clear. The ESG Social Media Guidelines provide guidance regarding what constitutes propriety in public appearances.