

## **Code of Conduct (Code of Ethics)**

### **Compliance Guideline for code of conduct for Ullrich GmbH employees**

#### **Preamble**

Ullrich GmbH (hereinafter called Ullrich) benefits from the trust of employees, customers and the public, and relies on the company's integrity, fairness and reliability as well as the quality of products and services.

That is why we are committed to compliance with prevailing laws and guidelines of countries in which Ullrich is active. In particular, these guidelines are based on principles of the UN Global Compact, ILO Convention, United Nations Universal Declaration of Human Rights, UN Convention on the Rights of the Child and UN Convention on the Elimination of All Forms of Discrimination Against Women as well as OECD Guidelines for Multinational Enterprises.

#### 1) Dealing with conflicts of interest

Our goal is to confront any conflicts of interest in a manner which ensures fair treatment of all our employees.

In return, every employee is obligated to separate their private interests from those of the company.

Secondary activities of employees which occur for money must be disclosed to Ullrich for approval and may not constitute any competitive situation.

#### 2) Protection of confidential information

Social and financial data, company and trade secrets as well as personnel data are to be regarded as highly confidential information from the point of view of Ullrich. It is expected that Ullrich employees will neither sell nor use or pass on this information to the detriment of Ullrich.

Ullrich assumes that employees will immediately report to their supervisors if there is a violation concerning this.

The most important basic prerequisites for protection: secure passwords and high IT security (storing data on data carriers / hard drive).

#### 3) Prohibition of corruption and bribery

Ullrich does not tolerate any form of corrupt behaviour and also avoids the mere appearance thereof. Ullrich does not tolerate that its employees themselves accept and/or offer or grant bribes, improper donations or other improper payments from colleagues, customers, suppliers, administrative bodies or other third parties.

#### 4) Prohibition of child labour and forced labour

Ullrich prohibits any form of child labour and forced labour, and employs only employees who have voluntarily made themselves available for employment. The use of corporal punishment (violence) and mental or physical coercion (intimidation) are prohibited.

The minimum age for admission to employment may not be below that age at which compulsory education ends and under no circumstances be below the age of 15. If Ullrich employs young workers, it must be guaranteed that these workers are not subjected to excessive physical risks and the work damages neither their health nor their development.

#### 5) Prohibition of anticompetitive agreements

The concern of antitrust law is to prevent anticompetitive practices. Ullrich is mindful of fair competition. That is why laws which protect and promote competition as well as prevailing antitrust laws and other laws regulating competition are observed.

In dealing with such situations, these regulations particularly prohibit agreements and other activities which influence price structure or conditions. These regulations also prohibit practices which impede free and open competition in an improper manner. Contractual partners should also be autonomous and not restricted in determining their prices and other conditions.

#### 6) Dealing with gifts and invitations

As a matter of principle, employees may demand or accept gifts, invitations or the like neither for themselves nor for relatives.

Employees may only accept personal benefits if there is no impression that something is expected from them in return.

The benefit must be within the scope of traditional actions (employment anniversary, tombola, etc.) and may not violate a law.

In Germany, 35 euros per person are permissible and can be exercised as an operational expenditure.

## 7) Purchasing manual

The purchasing manual regulates in a binding, uniform and company-wide manner the tasks, competencies and responsibilities of purchasing agents and consumers who are involved in procurement transactions.

The procurement transactions for all product groups are presented in the purchasing manual concerning the most important regulations which are to be observed when purchasing products and services. Purchasing transactions are processed more efficiently and the required transparency is created for revision and compliance conformity by means of a comprehensive validity of the purchasing manual.

The purchasing manual is the basis for close and coordinated cooperation between purchasing department employees and departments which are collectively involved in a procurement transaction. Corporate and purchasing objectives are implemented and at the same time possible risks in dealing with suppliers are reduced through compliance with the described regulations.

The following are among the aspects regulated in the purchasing manual:

### - Four-eyes principle

This is to be understood as cross-checking during certain working procedures. It ensures a joint verification through the involvement of several (normally two) employees or organisational units in fields of activity which are vulnerable to corruption.

### - Guideline for selection of suppliers

It is important to approach the selection of suppliers in a structured manner and to define sensible selection criteria.

A good supplier should not only offer favourable prices and conditions (e.g. high discounts or long terms of payment), but should also be able to score points in other respects.

Possible criteria for good suppliers are:

- High quality of products
  - Constant readiness for delivery
  - High compliance with delivery dates, strict compliance with promised delivery times
  - Good accessibility and fixed contact person
  - High flexibility
  - Price guarantees
  - Offer transparency
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- Guideline for supplier management

This is understood to be a uniform and systematic maintenance of supplier relationships.

Consequently, the configuration, control and development of these relationships are important. Optimal supplier management particularly includes the following steps:

- Supplier evaluation
- Supplier development
- Supplier integration
- Supplier controlling

#### 8) Sustainability, energy: ISO 14001 / 50001

Sustainable management is a dictate of reason and our responsibility for the future. The ISO 14001 standard is a globally accepted foundation for setup, implementation, monitoring and further development of environmental management systems. The international ISO 50001 standard specifies requirements for implementation of an energy management system.

We are certified according to standard ISO 14001 and act accordingly. Certification according to ISO 50001 is being actively prepared at present.

Ulrich is undertaking all suitable and reasonable efforts to continually apply the principles and values described in this Code of Conduct (CoC). Contractual partners shall be told on request about the essential measures so that it is comprehensible how their compliance is basically ensured.

Zwiesel, 26 May 2014



Christian Straubinger