

Code of Conduct



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List of changes

Version table			
Version no.	Date	Changes	Person responsible
0	01/29/2018	New document	M. Glaser-Gallion
1	05/18/2021	Group structure changed	M. Glaser-Gallion
2	01/20/2023	Various additions and further specifications	M. Glaser-Gallion

1 Preamble

Leadec is one of the world's leading service specialists for the entire life cycle of a factory and the associated infrastructure. For over 60 years now, we have been supporting customers in the manufacturing industry along all stages from planning, installation, and automation to operation of factories and buildings. Our vision is to be the leading service specialist for the factory of today and tomorrow. Our mission is to keep factories running and make them fit for the future. And how do we do that? With expertise along the entire factory life cycle gained from more than 300 production sites worldwide as well as with our own digital platforms.

The values that guide us are absolute commitment, reliability, and technological leadership. Our entire organization lives these values in order to ensure satisfied customers, create a strong identity, increase the enterprise value, grow profitably, achieve sustainable performance, and retain dedicated employees.

Leadec thrives on the commitment of its employees, who give their best every day to ensure that customers' processes run smoothly and safely. Our accident frequency rate is far below the industry average; "Safety – it's your life" is our motto. As a service provider for the best in the industry, Leadec has a solid knowledge base and a global network spanning four continents. With this, Leadec is securing a lead for its customers – stemming from the dynamics of the company and proven, decades-long partnerships. Driven by an enthusiasm for technology, expert knowledge, and many years of experience in the services segment of the automotive business, Leadec supports manufacturers and suppliers worldwide in making their production more reliable, more efficient and better. Leadec is a reliable partner of its customers – and speaks their language. Our customers know that we always go the extra mile for them.

Every individual employee plays a part in ensuring the trust of our customers, owners, colleagues, and the public. In order to maintain this trust, all employees adhere to laws and our internal company rules (compliance). This Code of Conduct summarizes the most important standards, which apply to all Leadec employees worldwide. Moreover, the Code of Conduct is meant to serve as a guide for the employees as well, helping them to act independently and for the good of the company.

Each employee must take responsibility to ensure that his or her conduct is always in keeping with this Code of Conduct. Our managers must also set an example in this regard. They must not only communicate these rules in an effective manner but must also act as role models and ensure that their employees comply. Our management team should be the first point of contact if their employees have any questions relating to this Code of Conduct.

This Code of Conduct and the standards it contains are part of our risk management system. This is intended to protect the Leadec Group and each of its employees. The Code of Conduct describes a minimum standard that can be adapted regionally in accordance with stricter local legal requirements and cultural customs. In cases where there are separate guidelines on special matters that go beyond this Code of Conduct, they shall remain applicable as supplementary regulations alongside this Code of Conduct. The currently valid guidelines are available on the “Compliance” intranet page.

This Code of Conduct is valid for all employees of the Leadec Group worldwide. The regulations contained in this code are applicable to relationships between each of the companies in the Leadec Group and their employees. It does not constitute a basis of third-party rights.

2 Cooperation with business partners

Leadec delivers high-quality services to customers, suppliers, and other business partners and acts with a high degree of professionalism and absolute integrity in its dealings with them. For this reason, correctness, honesty, and transparency must form the basis of all communications and contractual relationships.

2.1 Competition

Leadec always observes the rules of fair competition and supports all efforts to preserve a free market and open competition, both nationally and internationally. Leadec will therefore not pursue any contract if doing so would violate applicable laws.

2.1.1 Collusion, cartels and non-compete agreements

All employees are required to obey the laws against restraint of competition. It is therefore prohibited to enter into formal or informal agreements with competitors which have as their object or effect the unlawful obstruction of competition. The same applies to tacit, known concerted practices.

Accordingly, it is not permitted for competitors to divide up territories or customers, nor may there be any agreements or exchanges of information with competitors concerning prices, supply relationships, business terms, capacities, market shares, profit margins, costs, customer data, bid contents, or bidding behavior. In the event that Leadec achieves a dominant market position, such a position must not be exploited in an illegal manner.

All intended agreements with competitors must be submitted in advance to the Legal Department for review and presented to the CFO of the Leadec Group for approval.

2.1.2 Bribery, corruption and money laundering

Leadec will not tolerate bribery or corruption in any form. All of its company-related business activities must be conducted in a spirit of honesty and responsibility.

2.1.2.1 Offering and granting benefits

As a competitor, Leadec relies on the quality and success of its services. It therefore does not allow any agreements or supplementary agreements that involve granting inadmissible benefits. This applies to the direct or indirect granting of benefits to individuals or organizations in connection with arranging, awarding, approving, delivering, implementing, or paying for contracts. This applies to all agreements with business partners, their employees or public officials, and other third parties as well. The same applies for benefits in connection with official proceedings.

Improper benefits may consist of monetary, non-cash or other benefits. The granting of benefits to an individual may also be inadmissible if the individual only benefits indirectly. This kind of indirect benefit can be a payment made to a family member or payments (e.g., donations) made to a third party where the individual gains an advantage as a result; for example, his or her social or political standing is enhanced.

Gifts and invitations are permitted only if they are not large enough in terms of value, financial or social context, or otherwise to improperly influence the recipient's actions or decisions or to create a sense of obligation on the part of the recipient. When issuing invitations to an event, it must additionally be ensured that the event is of a size and type that is customary in business circles or that is specifically related to business activities. Especially strict standards must be applied in the case of public officers. Monetary gifts are prohibited under all circumstances.

All compensation (e.g., commissions) paid to third parties (such as agents, brokers, consultants, and other intermediaries) must be plausible and in reasonable proportion to the work performed. Such compensation must be provided in an amount that does not suggest any intent to circumvent the rules on the granting of inadmissible benefits. Agreements with agents, brokers, consultants, or other intermediaries, including all later amendments, must be made fully in writing and commit the contracting parties to observe the above principles at all times and to abstain from bribery. These agreements must be approved by the CFO of the Leadec Group before they are concluded.

2.1.2.2 Demanding and accepting benefits

Although it is customary to receive gifts of a limited size from business partners, this can damage the reputation of our company and lead to conflicts of interest. For this reason, Leadec employees are strictly prohibited from demanding or accepting personal benefits such as services or inappropriate invitations, whether for themselves or for individuals or institutions close to them. Occasional gifts of a small value are an exception. Gifts of money are not allowed under any circumstances. Any other offer of gifts or benefits must be refused and reported to the employee's supervisor. Otherwise, the rules set forth above apply accordingly.

2.1.2.3 Money laundering

Leadec will ensure that the applicable regulations against money laundering are complied with.

2.1.2.4 Contributions to political organizations, donations and sponsoring

Leadec receives requests for donations from various organizations and institutions. Donations must be made in a transparent manner. This means that the recipient and the intended use must be known. Payments to private bank accounts are not permitted. No payments may be made to organizations that could damage Leadec's reputation. When donations are granted, the rules set forth above must be observed.

This applies in particular to donations made near the time when a contract is awarded or to donations related to the contents of a contract. Donations of all kinds to political parties require the approval of the Leadec Group Board of Management. In the case of sponsoring, there must be a reasonable relation between the amount of support and the performance agreed in return.

2.1.3 Patents, industrial property rights

Leadec's proprietary technology is constantly being developed and coming up with new inventions and improving our know-how can be of crucial importance to maintaining Leadec's competitiveness. Therefore, no employee may disclose new knowledge or company secrets to third parties in an unauthorized manner. Leadec's intellectual property must be secured.

All employees must respect the valid industrial property rights of third parties. No employee is allowed to obtain secrets from third parties or make unauthorized use of such secrets. Theft of intellectual property from others is strictly prohibited.

Counterfeit products may neither be circulated nor acquired and must be reported to the management immediately.

2.2 Selection of business partners

Leadec conducts fair and unbiased examinations of all offers/requests submitted by its suppliers, subcontractors, and customers ("business partners"). The assessment, decision, awarding and handling of a contract must be based on strictly professional criteria and carried out in a transparent manner. Leadec makes agreements with business partners that are complete and clear and documents them along with any subsequent changes and amendments. It is not allowed under any circumstances to give undue preference to business partners or impede their efforts. When selecting business partners, Leadec demands that they too respect the values set forth in this policy. Infringement by a business partner can lead to immediate termination of the business relationship. Details on the cooperation with business partners are regulated by the Leadec Business Partner Code of Conduct.

2.3 Trade control regulations

2.3.1 Embargo

Many jurisdictions in which Leadec operates have passed trade control laws and regulations that restrict or prohibit the cross-border transfer of goods, services, technology, and certain international capital transactions and payments.

These may affect the export and import of goods, services, or technology from or to these countries.

All employees who are involved in the export or import of goods, services, technology, or international capital transactions and payments must be familiar with the relevant trade control laws and regulations and strictly observe them.

2.3.2 Sanctions lists

Sanction lists are an official register listing individuals, groups, or organizations that have had economic and/or legal restrictions imposed on them.

Sanction lists are designed to help deprive international terrorism of its economic basis by preventing any financial transactions and the use of economic resources. Therefore, trade or other business relations with individuals, groups, or organizations on sanction lists is prohibited. The Leadec Group will not enter into or conduct any trade or other business relations with individuals, groups, or organizations on sanction lists.

3 Employees at Leadec

Productivity and humanity must go hand in hand to ensure the sustained success in an enterprise. Leadec's economic success is dependent on the help and cooperation of its employees worldwide. As a service provider, the employees are Leadec's greatest asset.

3.1 Dual control principle

The purpose of the "dual control principle" is to ensure that the risk of poor decision-making – both for internal decisions and when representing the company externally – is reduced. Except where joint representation is legally impossible in dealings with third parties, internal rules must be drawn up to safeguard the "dual control principle." Sole powers of representation may only be assigned on a limited basis for specific actions, and only with prior approval from the CFO of the Leadec Group.

3.2 Human resources management

All employees are required to adhere to this Code of Conduct. Our management team in particular must set an example. Leadec cultivates an atmosphere of trust in which its managers are responsible for providing sufficient supervision to prevent or hamper any violations of this Code of Conduct in their respective area.

3.3 Equal opportunities

Leadec respects human rights, women's rights, and the rights of minorities and indigenous peoples worldwide. As a company with a global reach, Leadec works with employees and business partners of many different nationalities, cultures, and customs. Leadec is committed to diversity, inclusion, and equal opportunities and stands for a working environment that is characterized by respect and tolerance and in which all individuals are valued.

Leadec does not tolerate unlawful differential treatment (discrimination), harassment, or degradation. In particular, Leadec does not tolerate any discrimination on account of race, ethnic origin, gender, pregnancy or parenthood, marital status, religion or worldview, political opinion, physical or mental disability, age, or gender identity.

3.4 Working conditions

Employees are recruited and employed ethically on the basis of fair and legally compliant working conditions. The formation of legitimate employee representative bodies will not be impeded. When young workers are employed, care will be taken to ensure that they are not given employment that exceeds their physical or mental capacity or involves harmful exposure to hazardous substances. Statutory minimum requirements apply to all employees; in particular, the statutory maximum working hours will not be exceeded and the statutory provisions on night work, rest periods, annual leave, and breaks will be observed. In the absence of minimum standards or legal requirements, the ILO international standard of a maximum of 48 hours per week, with a break of at least 24 hours every seven days, will apply. Furthermore, according to the ILO, a maximum of 12 hours of overtime per week may be worked on occasion and in emergencies. The health and safety of employees will be respected and protected.

Leadec gives its employees fair pay and provides fair working conditions in compliance with all statutory requirements. Leadec rejects all forms of forced labor and child labor, along with all forms of modern slavery and human trafficking.

3.5 Avoidance of conflicts of interest

It is important to Leadec that its employees do not have conflicts of interest or loyalty in the course of their work. For example, such conflicts may occur if there are business transactions between Leadec companies and employees or close members of their families. Any such transaction must always be disclosed to and approved by the respective management prior to being concluded.

3.5.1 Outside employment

If an employee intends to take up gainful secondary employment, he or she must obtain prior written consent from the respective management; in the case of a managing director, written consent must be obtained from the respective Advisory Board, and by the Human Resources Department.

3.5.2 Political activities

Leadec does not take part in activities involving political parties. However, employees are in no way prevented from taking part in political processes appropriately during their non-working hours. We expressly welcome our employees' involvement in civic and social affairs and their participation in social and charitable activities. Employees who are engaged in such activities do so as private individuals. We expect them to conduct these activities in such a way as to ensure that there are no conflicts of interest with their work.

3.6 Protection of assets

Leadec requires its employees to protect the tangible and intangible assets of the company. These assets include property/real estate, production equipment, and inventory stocks; securities and cash; office equipment and supplies; information systems and software; and patents, trademark rights, and know-how. Violations of the law such as fraud, theft, embezzlement and money laundering will be prosecuted. With regard to acceptance of business risks, please refer to the Risk Management System.

All machinery and equipment may only be used for work-related purposes unless private use is expressly permitted. When using the Internet, no information that incites racial hatred, glorifies violence or other criminal acts, or has an offensive content may be retrieved or transmitted at any time.

3.7 Payments

To ensure complete transparency, payments by the Leadec Group should only be made via bank transfer. Cash payments must be avoided if at all possible.

All payments must be made directly to the business partner concerned. No employee may make payments under a special name or into a numbered account or into the account of a third party (even if this is explicitly requested by the business partner).

If a cash payment cannot be avoided, the employee must make a record of the respective payment, giving the name of the person making the payment, the name of the person who authorized the payment, the name and address of the payee, the amount, the date, and the purpose of the payment. This documentation must be immediately submitted to the finance department of the relevant Leadec Group company.

No employee may make, authorize, or influence any Leadec Group payments to him- or herself or a family member.

3.8 Use of information

Leadec expects employees to take appropriate care when using company information.

3.8.1 Confidentiality

Confidentiality must be maintained concerning internal matters that have not been disclosed to the public. This also applies to inventions and other kinds of know-how. These elements are essential to the long-term success of the Leadec Group and a guarantee of its future. Employees must therefore not pass information about new discoveries or company secrets in any form to third parties. This also applies after termination of the employment relationship.

3.8.2 Data protection and information security

The global electronic exchange of information is essential for staff efficiency and business success in general. But besides having benefits, electronic communication can also pose risks to data protection and security. Official documents and data storage media must therefore be protected from access by third parties at all times. Both managers and all employees must take effective protective measures against these risks, and this is an important component of IT management.

Employees who handle personal data receive advice and support from the responsible data protection officers.

3.8.3 Insider knowledge

It is not permissible to derive personal advantage or advantages for others through the use of internal company knowledge. The same applies to unauthorized disclosure of insider knowledge.

3.8.4 Correct reporting

When making oral or written reports for internal or external use, employees are obligated to state the truth. Any untruthful representation or manipulation of content is prohibited. Leadec is aware of its financial responsibility and complies with all rules of proper and audit-proof accounting.

3.9 Occupational safety, health, environmental protection and sustainability

For Leadec, it is a matter of course to protect the life, health, and diversity of humans and animals and to deal responsibly with resources and hazardous materials of all kinds (water, air, land, raw materials, energy), chemicals, and pollutants. It is the responsibility of all employees to avoid hazards in the workplace, see to animal welfare, minimize harm to the environment (such as by using renewable energies, environmentally friendly alternative solutions, and biodegradable products), and use resources sparingly. Leadec complies with applicable national and international environmental laws and regulations. In addition, Leadec is committed to improving energy efficiency, reducing its impact on the environment, and taking action against climate change.

In providing its services, Leadec adheres to the principles of sustainability and environmental compatibility. Leadec expressly draws attention to the prohibition of unlawful eviction and deprivation of land, forests, and waters through acquisition, construction, or other use of land, forests, and waters, the use of which is essential for the livelihood of persons. Care must be taken to minimize land use and to avoid or compensate for deforestation.

3.10 Quality

The market success of Leadec services is inseparably linked with their quality. The Leadec Group demands a high level of professional aptitude, creativity, skill, and diligence on the part of all employees. Leadec will not tolerate any behavior that leads to a reduction in quality.

4 Implementation of the Code of Conduct

4.1 Compliance organization

Leadec has established a Compliance Committee responsible for implementing and enforcing the Code of Conduct. In accordance with the organization of the Leadec risk management system, the CFO of the Leadec Group also serves as the contact person in his or her role as compliance officer and is responsible for implementing the Code of Conduct. Within the individual Leadec companies, this task is assumed by the FD or a member of the management appointed by the CFO of the Leadec Group.

4.2 Advice

Leadec provides its employees with information to help them avoid potential violations of the law and this Code of Conduct. In particular, this includes training sessions on specific topics and selected areas of risk. If employees still have any questions, they can address them to the FD of the company, to the legal or responsible human resources department, or to the members of the Compliance Committee. In addition, Leadec has also set up a helpdesk for such questions. The corresponding contact details and other relevant information on the subject of compliance can be found both on the Leadec intranet as well as on the Internet (www.leadec-services.com) under the keyword "Compliance."

4.3 Complaints and comments

All employees have the ability and right to report violations or suspected violations of the Code of Conduct to Leadec. The report can also be made anonymously. At the employee's discretion, the contact person for this purpose can be the direct supervisor, the HR employee responsible for him or her, the FD of the company, the CFO of the Leadec Group, or any member of the Compliance Committee. The necessary information for these contact persons will be made available to all employees throughout the Group through suitable channels, including publication on the "Compliance" Internet page.

An employee who, on the basis of tangible evidence and in good faith, honestly believes that the law or the Code of Conduct has been or might have been violated and who makes use of the right to report this to Leadec will not suffer any kind of retaliation. In each such case, Leadec will take any necessary steps to protect the employee against such retaliation. To the extent possible and legally permissible, Leadec will maintain confidentiality about the identity of any employee who follows this procedure to report a violation or suspected violation of the Code of Conduct. The same applies to the identity of employees who cooperate in the investigation of violations or suspected violations of the Code of Conduct.

4.4 Implementing regulations

Leadec will issue additional regulations concerning the implementation of selected items in this Code of Conduct. These regulations will also deal with questions about interpretation and outline approval procedures.

This Leadec Group Code of Conduct is available in multiple languages. In the event of any differences or contradictions between the different versions, the German version shall take precedence. The latest version is available on the Internet at www.leadec-services.com/the-leadec-group/compliance.

4.5 General

With regard to certain countries, business areas, markets, or business partners, stricter regulations may exist than the ones described in this Code of Conduct. In such cases, the stricter regulations must always be applied.

Stuttgart, 01/26/2023

			
_____ Markus Glaser-Gallion Leadec Group CEO	_____ Christian Geissler Leadec Group CFO	_____ Markus Hucko Leadec Group COO	_____ Martin Kuhnhen Leadec Group CSO