



ZKW



www



CODE OF CONDUCT



Code of Conduct
of the ZKW group
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INTRODUCTION

As an international company, ZKW has the obligation and self-image to act responsibly and lawfully. We are committed to this responsibility as a company and as part of society, thereby ensuring our long-term economic success.

The reputation and trust we enjoy from our customers, employees, business partners and from society can be severely harmed by the inappropriate behavior of even individuals. For this reason, we all share the responsibility for the reputation of our company.

The Code of Conduct summarizes the key principles and rules for our actions. It represents the claim to ourselves which must be filled with life by all employees in their daily activities. The Code of Conduct is a guideline for all employees worldwide. It describes the principles that we follow in our daily interactions with customers and business partners.

We expect from all employees of ZKW not only to formally comply with the Code of Conduct, but also to internalize and to live its purpose in spirit. Executives have the additional responsibility of establishing a corporate culture that embraces compliance with the Code of Conduct and applicable law at the core of their business activities.

If there are any questions about the Code of Conduct, please contact the Group Compliance Officer.

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CORE VALUES OF THE COMPANY

CORPORATE PHILOSOPHY

The Corporate Mission Statement defines the identity of the entire ZKW group.

It represents a framework, within all entrepreneurial actions should be taken and decisions made. Furthermore the Mission Statement is a Code of Conduct, which describes the way we interact with one another in the company and also with our customers. The Mission Statement makes the ZKW group a distinctive entity and serves as the foundation of our management principles.

THE CODE OF CONDUCT

The Code of Conduct represents the first level of corporate principles and guidelines. It lays down the fundamental requirements of a lawful and ethical behavior for employees of the group.

The Code of Conduct describes essential principles which are binding for all employees worldwide. Due to the differences in national legislations, it cannot answer all questions which arise from the daily work of each individual employee. The Code of Conduct, therefore sets a minimum standard for all countries of the group, which can be specified by international directives and additional requirements in the respective countries.

MANAGEMENT PRINCIPLES

We live a management culture characterized by challenges and a maximum amount of potential development of our employees. The interdisciplinary cooperation of our departments also lays the foundation for the broad exchange of know-how in our company. Our aspiration is less the satisfaction but primarily the enthusiasm of our internal and external customers. In this sense, we consider new experiences and innovations as significant influences on our behavior and on our sustainable and success-oriented management philosophy.

THE INTERNAL MANAGEMENT SYSTEM

In order to support and to safeguard the requirements of our Mission Statement ZKW is committed to an Integrated Management System, which builds on the pillars of Quality, Environment, Occupational Safety and Health as well as on the compliance with all relevant legal regulations. Depending on the requirements and needs of our sites, the management system standards ISO 9001, IATF 16949, ISO 14001, ISO 27001 and ISO 45001 are implemented or certified partially or holistically.

1. PRINCIPLES

1.1 COMPLIANCE WITH LEGISLATION

We comply with the legislation and rules of the countries in which we conduct business. This has always been an implicitness for our company, irrespective of the resulting economic disadvantages. We expect the same from our business partners.

We always comply with legislation and rules. If national laws or other relevant regulations differ from the rules of the Code of Conduct, and relevant international directives or additional requirements, the stricter rules will apply.

Fraud, embezzlement, accounting fraud and misappropriation are disapproved by ZKW and not tolerated. All intentional acts to the detriment of the company are unacceptable. Employees and managers are constantly aware of this.

1.2 COMPLIANCE WITH RULES LIES WITHIN THE RESPONSIBILITY OF EACH INDIVIDUAL EMPLOYEE

Each employee is personally required to comply with the law as well as internal directives or to report violations to their line manager. With his appearance, actions and behavior each employee contributes significantly to the reputation of ZKW group.

All executives are responsible for ensuring effective communication and monitoring compliance.

In all business situations where the legal requirements or this Code of Conduct may appear incomplete or unclear, employees must use sound judgement and common sense, and when in doubt, coordinate with their line manager.

1.3 ACCOUNTABILITY

Violations of the Code of Conduct can have serious consequences for the entire group. For this reason, each employee must report violations to the line manager.

1.4 REPORTING OF VIOLATIONS

Each employee is obliged to report violations of the law or of the Code of Conduct, or other relevant policies. In general, employees should always address their line manager. Should this be not appropriate in individual cases due to special circumstances, each employee is entitled to report to the next higher level.

In any case, where a criminal offense has been witnessed, there is an obligation to report the matter to the line manager. Duties of disclosure must be followed in coordination with the responsible line manager.

No employee may face disadvantages, resulting from the report made in good faith. The investigation of the reported facts is completely confidential. Information concerning the reporting employee, will only be disclosed if he/she agrees that this appears to be necessary for the clarification of a case for compelling reasons.

In case of an investigation on the basis of reported facts, all necessary means and resources have to be made available group-wide in order to contribute to a rapid clarification.

2. CUSTOMER ORIENTATION

2.1 COOPERATION WITH CUSTOMERS

In order to meet our own standards, it is not sufficient only to be a service provider or supplier. Instead we enter long-term partnerships with our customers that are characterized by openness and sincerity. At ZKW all strategic decisions are evaluated regarding their long-term probability of success.

No matter what demands our customers may have, we see it as our mission to find solutions which are not only safe and effective, but also bring sustainable added value for our customers. Nevertheless, we will only enter into a business partnership, when it does not contradict our fundamental values. This ensures our long-term economic success.

2.2 QUALITY OF OUR PRODUCTS

Our aspiration is to meet the highest criteria in terms of quality, function and design. For this purpose, our quality-management constitutes an integral part of all our operations. We place the highest demands on the quality and safety of our products. Our products are therefore subject to strict quality control.

Following the tradition of our company, we are constantly advancing our product development. Each employee is aware of the importance of his task, and feels committed to the company's zero-mistake-strategy.

2.3 POSITIVE TREATMENT OF RECLAMATIONS

Possible complaints or notifications of quality defects will be dealt with promptly, swiftly and impartially by ZKW, according to the relevant rules and laws. The amicable agreement with the customer is the ultimate goal.

2.4 INTERACTION WITH SUPPLIERS

Our suppliers play a vital role in our operations and our ability to deliver products and development services for our customers.

We consider and treat suppliers as partners. Accordingly, ZKW's employees approach every supplier of the company politely, openly, respectfully and with a recognizable manner that business is always sincerely initiated and implemented.

We strive to make the business relations for both sides as beneficial as possible. We make decisions according to factual and economically reasonable aspects. In return, we expect from our business partners the highest level of competence in terms of quality, cost, innovation, and reliability.

In addition, we expect from our business partners to act in accordance to the guidelines that are consistent with the Code of Conduct of ZKW.

3. ASSET VALUE OF THE COMPANY AND FINANCIAL INTEGRITY

Under no circumstances we will compromise our financial integrity. Financial risks and operational measures must therefore be adequately assessed and approved.

3.1 DATA, DOCUMENTS, REPORTING AND ACCOUNTING

Disclosure and Reporting:

Bookings of business transactions are made in accordance with general accounting principles and other applicable requirements. Our financial and non-financial documentation and reporting is accurate, complete and objective, in order to provide a fair view of our business operations and events. We consider it our duty to provide our stakeholders with the right information. In addition, proper documentation and reporting is an important foundation for our business decisions and activities.

Financial Data:

For the documentation and reporting of financial data, the legal and other binding principles of accounting as well as the standards of the ZKW group are followed.

Other Data:

Also non-financial data, such as information with respect to quality or documents concerning obligations are documented fully and correctly, regardless of form and media.

3.2 PROTECTION OF THE ASSET VALUE OF THE ZKW GROUP

For all employees the principle applies, that the property of our company has to be handled carefully. We use equipment and facilities sparingly, carefully and according to their purpose. Furthermore, every employee is obliged to report the misuse of company property by other persons.

4. EMPLOYEES AND HUMAN RIGHTS

We grow and accomplish together. Appreciation towards our employees and customers is central to our actions. The cohesion and interaction of our colleagues is excellent and distinguishes us. On this basis we operate and grow profitably.

We are committed to fair working conditions. As a matter of course, the ZKW group protects employee's rights. Our management systems moreover regulate crucial aspects of in-house collaboration as well as the management and development of employees.

4.1 EMPLOYEE CORE VALUES

We focus on lean structures and constant progression. We trust our talents and live the dynamics of our company on a daily basis. Bright minds, ingenuity and passion are factors of success which we support with the available flexibility.

4.2 EMPLOYEE PROTECTION

The health and safety of our employees is one of our highest assets. Therefore, we create safe working conditions and integrate occupational safety and environmental protection into our operating processes. It is equally important for all employees to comply with our safety regulations without reservation and to point out any possible shortcomings immediately, or to stop them in their own area of responsibility. It's the duty of every executive to support their employees in the exercise of their responsibility.

4.3 A WORKING ENVIRONMENT CHARACTERIZED BY MUTUAL RESPECT WITHOUT MOBBING

At ZKW, we believe that every employee is entitled to fair treatment, courtesy and respect. ZKW does not tolerate any forms of insult or harassment, whether it is against employees, suppliers, customers or other persons.

4.4 EQUAL TREATMENT

Based on the UN Charta and the European Convention for the Protection of Human Rights and Fundamental Freedoms, ZKW considers human rights as fundamental values which must be respected and followed by all stakeholders.

We reject any form of illegitimate discrimination and unfair treatment. Such practices are unlawful and contradict our Code of Conduct.

4.5 CHILD LABOR

ZKW expects its suppliers only to occupy employees, which are at least 15 years of age. The basis for this minimum age are several conventions of the International Labor Organization (ILO). These conventions regulate internationally valid lower limits. If a higher minimum age of employment applies in the country where the supplier operates his permanent establishment, the stricter standard must be followed.

4.6 FREEDOM OF ASSEMBLY AND ASSOCIATION

We respect the right of employees to set up company organizations in accordance with their respective national laws, to join intercorporate organizations and to conduct collective bargaining (if collective agreements exist).

We support an open and trustful cooperation with democratically legitimized employee representatives.

5. CONFLICTS OF INTEREST AND ACCEPTING ADVANTAGE

A conflict of interest always exists when business decisions are influenced by private interests. In order to avoid this from the beginning, every employee is obliged to separate private and business interests, and to take decisions in an unbiased way, in line with the company's interest.

5.1 BUSINESS PARTNERS AND COMPETITORS

No private business relationships with business partners or competitors of the ZKW group are allowed, if this results in a professional conflict of interest.

Employees may not enter into any business relationship with a business partner on which they can exercise significant influence, directly or indirectly.

5.2 PRIVATE BENEFITS FROM BUSINESS RELATIONS

Any use of the occupation for private gain is prohibited. Accordingly, no benefit resulting from a business relationship or an initiation of a business relationship, which is likely to influence commercial decisions, may be accepted.

Conflicts of interest may also arise from contracts and negotiations that would benefit employees or related parties, such as relatives or friends. The acceptance of secondary employment, consulting assignments, functions in legal entities or political offices may also lead to conflicts of interest.

5.3 MEAL INVITATIONS AND GIFTS

All employees are prohibited from offering, granting, requesting or accepting gifts and grants directly or indirectly in connection with business activities. This does not apply to occasional invitations and gifts that are of insignificant financial value and that conform to customary business practices. The acceptance of cash or cash equivalents, such as vouchers or securities, is in any form inadmissible.

5.4 DISCLOSURE OF CONFLICTS OF INTEREST

All employees are expected to maintain an unbiased relationship with customers and suppliers and to act solely compliant with the interest of the group. Furthermore, they may not hold any legal or significant financial interests in suppliers or customers.

Potential conflicts of interest must be disclosed by the employee and clarified in coordination with the supervisor. In the interest of the employee, such agreements must be documented.

6. PROTECTION OF COMPANY AND BUSINESS SECRETS

As an established original equipment manufacturer of the automotive supply industry, the sustainable success of the company depends in particular on the constant development of our products. In this respect, we are particularly dependent on the protection of our know-how.

All employees are therefore required to treat the business know-how of ZKW with particular care. It must be ensured that confidential information does not reach unauthorized third parties. This also applies to information we receive from our business partners. Confidential information must also be protected against unauthorized access.

Of course, this confidentiality applies equally to information we receive from business partners. Conversely, we also contractually bind our suppliers and other business partners to secrecy.

6.1 PROTECTION OF INTELLECTUAL PROPERTY

Our know-how is our capital. That is why we protect our intellectual property and our inventions from unauthorized use, because they ensure our competitiveness and thus our future.

We respect the intellectual property of third parties, complying with contracts and applicable laws such as copyright, patent law and trademark law. To ensure this, the Development Departments, the Patent Department and the Legal Department work closely together.

6.2 EXTERNAL COMMUNICATION

External Communication requires a prudent approach and a thorough understanding of legal and media-related issues, which is why only authorized employees are allowed to process requests. All requests, e.g. by media representatives, have to be forwarded without exception to the central department group Communication. It is generally forbidden to take independent measures.

Employees should also not disclose non-public information to external persons without an approved commercial need, especially if third parties would disseminate this information publicly. Certain laws restrict the disclosure of information by the company.

6.3 SOCIAL MEDIA USE

In principle, public statements made by ZKW employees are subject to the right to freedom of expression. ZKW employees are always careful, that their appearance in public does not harm the reputation of the ZKW Group. In case of private statements of opinion no reference with respect to one's own role or activity in the company, is made. Employees of ZKW are aware that they also have to follow legal requirements when using social media. We expect a professional behavior as an employee of ZKW and as a private person as well. The ZKW group would like to support their employees actively when using social media and has therefore developed an overview called "The 10 most important tips for using social media" – to find on the official website : www.zkw-group.com

6.4 NON-DISCLOSURE OF ONGOING PROJECTS

All customer- related project information underlies strictest secrecy as usual. This is especially important for projects which have not yet reached the SOP (start of production). It is strictly forbidden to share, publish, or comment customer-related information on Social Media in order to prevent detriments for employees and the ZKW group. If there any questions or ambiguities, please contact the Communication/Marketing department in advance for your own safety.

7. CORRUPTION

We obtain contracts in a fair way due to the quality and price of our innovative products and developments, and not by offering undue advantages to others. Bribery is not tolerated by the ZKW group, under any circumstances. Every relationship ZKW has with officials, businesses and individuals must be arranged in a way to prevent the appearance of corruption. Therefore we refrain from any form of offering or granting benefits, which could be interpreted as an attempt to influence.

7.1 BUSINESS PARTNERS

Against this background, business partners of ZKW are not offered, promised or granted any benefits gratuitously or for a consideration. The circumvention of those rules by third parties (e.g. consultants, brokers or intermediaries) is of course equally inadmissible.

7.2 OFFICIALS

In particular, relations with officials are subject to utmost discretion.

The term official must be interpreted broadly and, irrespective of the definition of the respective national legal system, always includes civil servants and employees of public authorities, public bodies, state-owned enterprises and international organizations, as well as candidates, representatives and employees of political parties.

8. FAIR COMPETITION

We are committed to fair competition as a prerequisite of the social market economy and comply with the laws for the protection of competition. All employees are obliged to comply with the rules of fair competition. Examples of inadmissible practices include unlawful sharing of information, price collusion and market partitioning, with competitors or suppliers.

We explicitly reject spying, theft and other illegal methods of obtaining information about competitors or their business practices.

9. DONATIONS AND SPONSORING

9.1 DONATIONS

Donations of the ZKW group are always made transparently, as a social commitment on a voluntary basis, without the expectation of a consideration. All donations must be transparent, meaning the identity of the recipient is known and the purpose of the donation is legally justifiable.

The ZKW group does not make any direct donations to political organizations, parties or individual politicians.

9.2 SPONSORING

Contrary to Donations, sponsoring provides a return service for example in the form of communication or marketing activities, for the ZKW group. Sponsoring measures must be transparent and may only be based on written contracts. In addition, there must be a reasonable balance between the cost of the sponsoring and the advertising consideration.

10. DATA PROTECTION AND INFORMATION SECURITY

In the course of our work we generate and process information and data with a high level of confidentiality. The protection of personal data as well as all information of employees, customers and business partners is very important for us. Therefore we collect, store or process personal information only, if it is necessary for specified, unambiguous and lawful purposes.

With technical and organizational measures we support the security of information, information systems, data and computing processes. Each employee has to contribute individually to data protection and information security. Maintaining a fundamental duty of care, is hereof expected from our employees.

11. MONEY LAUNDERING

Money laundering is a process, where individual persons or organizations try to hide illegal money or to give the impression that it is legitimate. ZKW will neither accept nor facilitate or support money laundering.

In accordance with international standards, payments for goods or services, delivered or rendered by our customers, may not be accepted in cash, traveler checks, third-party payments or money orders. Typically, we expect our customers to transfer payments from their bank accounts, which are in the name of the customer who received the bill.

Also payments, which ZKW authorizes to a supplier or other third parties must go to a bank account that runs in the name of the customer who received the bill. Any exceptions to this rule must be approved in advance, in written form.

12. ENVIRONMENT, HEALTH AND SAFETY

The ZKW group is committed to all applicable environmental laws, standards and other legal requirements. We proactively engage with environmental issues, based on a long-term perspective to prevent environmental impact and to constantly improve environmental performance. Health and Safety are an integral part of all our business activities.

Working in a consciousness-impaired or alcoholized condition is generally prohibited. We call on the personal responsibility of employees to avoid the regular consumption of alcohol in the interest of their health and to refrain from the use of drugs in general.

As a minimum standard, this Code of Conduct applies to all ZKW companies without restriction. Its adherence is considered as the basis for all economic activity of the ZKW group.



Oliver Schubert, CEO ZKW Group

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