

# Code of Conduct

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CODE OF CONDUCT & GENERAL RESPONSIBILITY

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## 00 PREFACE – OUR BRAND

In the course of our company's history, employees who perform their work with care and passion have turned Hägele GmbH and the Hägele brand into a globally recognized quality symbol.

The Hägele brand is widely respected and represents a key advantage for the company. Our brand is a promise: to understand and respond to our customers' needs through the development and delivery of cutting-edge products and services. Thereby, we want to help our customers use their machines in an ever more efficient and thus environmentally friendly way.

Our commitment differentiates us from our competitors and helps us to achieve an outstanding position in the markets we serve. Employees, distributors and business partners are responsible for the Hägele brand. We strive to maintain the good reputation of Hägele GmbH in the markets and societies we serve.



  
Benjamin Hägele

## 01 HOW WE WORK – OUR TOGETHERNESS

All departments of Hägele GmbH are working together to ensure increasingly better collaboration and mutual support, in order to achieve the best results for the company as a whole. This requires the sharing of resources, processes and customer as well as market knowledge and the collaboration throughout the supply and distribution chain.

Whenever possible, standardized processes and concepts facilitate efficiency throughout the company. Generally, common systems and tools lead to the best possible use of resources, more consistent solutions, faster implementations and a shared corporate culture. In some cases, policies and practices may be adapted with regards to local customs and requirements. This is perfectly acceptable as long as these practices are in line with our corporate principles and comply with all legal requirements. HR is expected to work in partnership with the business units and to respect their goals and priorities. This enables employees to support the commitment of the business units by developing efficient, consistent solutions that help the company achieve its goals. We strongly believe that working in our company with a culture of mutual support is the best way to deliver exceptional performance and to meet the high standards of our business partners.

## 02 WHAT WE STAND FOR – OUR CORE VALUES

The high reputation of Hägele GmbH is based on the core values of **honesty, commitment, excellence, courage, humility** and **togetherness**. These values have shaped the character of our company and make Hägele GmbH a very special company shaped by Christian principles. The employees of Hägele GmbH shall identify with these values, regardless of their influences and backgrounds.

**A. HONESTY** - We are true to our word, provide clear conditions and abide by our strengths and limits.

*How?* We emphasize clear agreements, either orally or in writing and comply with them, even if this results in our own disadvantages. We address our own mistakes openly and do not shy away from unpleasant truths.

*Why?* Because honesty builds trust, facilitates processes and saves costs. Honesty pays off for everyone in the long run.

**B. COMMITMENT** - We do our best, even if it becomes tedious. We think in terms of loyalty, solution-orientation and the long term.

*How?* We consider it a matter of honor to perform our tasks in a responsible and motivated manner. We see problems as opportunities to prove ourselves and to improve. We cultivate a positive team spirit as an essential resource of encouragement and motivation.

*Why?* Because success and satisfaction depend not only on setting shared goals, but also on reliably achieving them.

**C. EXCELLENCE** - We strive for excellence in every regard. We want to inspire and exceed expectations. Therefore, we are happy to do our best.

*How?* We think big and maintain the highest standards for ourselves at all levels. We are not satisfied with mere quality and mediocrity, but always strive for more in order to continuously promote development and inspire through our products and services. With all our attention to detail, we nevertheless never lose sight of the necessary efficiency.

*Why?* Because quality is generally expected, but excellence positively surprises and thus wins people and market share.

**D. COURAGE** - We courageously and proactively embrace our values, ideas, opportunities and limitations.

*How?* We courageously embrace tradition and our values, but at the same time think innovatively and with an eye to the future. We proactively utilize our potential and courageously invest our resources. We cultivate strong convictions, venture into new ideas and implement them with confidence.

Therefore, we take responsibility and avoid neither criticism nor effort. If necessary, we courageously say no and accept our limitations.

*Why?* Because courage drives progress (he who dares wins!), promotes creativity, makes our products innovative and keeps processes lean.

**E. HUMILITY** - We are committed to serving a common cause, valuing and promoting the achievements of others and practicing critical thinking and owning up to our own mistakes.

*How?* We do not act alone but focus on cooperation and the common cause. We practice a culture of mutual appreciation, support and constructive criticism. We help each other to achieve excellence and rejoice in our mutual success. We acknowledge our own mistakes and show a willingness to learn from them.

*Why?* Because humility facilitates constructive collaboration and processes that are essential to sustainable success.

**F. TOGETHERNESS** - We see ourselves as a team, work as equals and make the best possible use of our joint potential.

*How?* Our goal is to benefit from and with each other in the best possible way – both from a professional and a personal point of view. For this purpose, we cultivate an appreciative and proactive culture of communication, conflict resolution and willingness to compromise. We prevent any kind of discrimination and unfair treatment.

*Why?* Because we need each other and are better together and will improve together.

Our company operates according to the standards set out in our core values. These values comprise a set of rules that guide our actions and has earned the company an excellent reputation for its transparent and ethical conduct.

This provides a competitive advantage for the company, which all employees are responsible to uphold. Even though ethical standards are already an essential part of our business, there are also other measures that ensure consistency and

compliance with policies and laws. Continuous monitoring, self-assessment and self-correction all help us to ensure that our standards are consistently applied and enforced. In this regard, compliance goes beyond our own internal assessments and actions.

Governments around the world enact legislations to regulate business conduct. We fully accept these as another business requirement resulting from the concept of responsible corporate governance. Legal and regulatory compliance is an essential responsibility of every employee.

At all times, our company remains committed to the values and business ethics that define our identity.

## 03 WHAT WE BENEFIT FROM – OUR KEY RESOURCES

### A. EMPLOYEES

At Hägele GmbH, we strive to ensure that working at the company is a meaningful experience for our employees. The basis of this is first and foremost the respect for the individual. Employees of Hägele GmbH are expected to work in accordance with ethical and legal standards at all times and in all circumstances, regardless of their role in the company.

Our employees appreciate being part of the company and working with each other. They identify with their work and are happy to take the opportunity to learn from each other. They share a keen interest in corporate affairs and are deeply committed to the company's success. They welcome the opportunity to work with colleagues from diverse nationalities and cultures.

Hägele GmbH provides its employees with relevant and challenging work assignments. The company offers career development opportunities to help its employees achieve their career goals. Together, we create helpful working relationships in which individual and collective achievements are recognized.

The success of Hägele GmbH depends crucially on attracting, promoting and rewarding qualified employees. This is one of the highest priorities for our company to strengthen the solidarity among our employees.

### B. CUSTOMERS

Our customers expect the best return on investment delivered in the form of the most advanced and innovative product features, unsurpassed quality and lasting added value. All customers of Hägele GmbH shall always enjoy these benefits.

Furthermore, the success of Hägele GmbH is based on our fundamental commitment to meeting customers' expectations in every transaction. As we focus on customers in new markets, we want to be equally successful.

Our commitment to our customers also includes exceptional customer service. Our distributors use innovative systems, trainings and business support in order to help customers maximize the value of their investment in the equipment and solutions of Hägele GmbH. Aftermarket support remains an important trademark of Hägele GmbH.

Any person connected to the company is obliged to comply with customer standards. We understand that customer loyalty can only be sustained if the buyers of our products receive added value that exceeds their investment or exceeds the added value available from competitors. Following this business model is necessary, especially when it comes to building profitable, lasting relationships with our customers and achieving our business goals all over the world.

### C. DISTRIBUTORS AND SUPPLIERS

The success of Hägele GmbH is largely based on qualified and committed business partners such as suppliers, logistics service providers and distributors.

Their expertise and professional support are crucial in ensuring that the company

can produce, distribute and market its modern product line and ensure that customers benefit from our reliable service and after-market support. Our business partners all share our goals, our values and our commitment to helping our customers to become more productive and profitable.

Some of the parts, components and technologies in our products are sourced from third parties. They supply our manufacturing plants or other facilities with high quality products that are crucial to our success, in a timely and reliable manner.

Independent distributors and importers are responsible for selling products from Hägele GmbH and representing our brand to end customers.

Maintaining good relationships with our business partners helps us to gain an important competitive advantage for Hägele GmbH, which is rapidly spreading around the world and is crucial to the expansion of our global market position.

## 04 WHAT WE STRIVE FOR – OUR SOCIAL COMMITMENT

### A. SOCIAL RESPONSIBILITY

One of the most important duties of Hägele GmbH is to be a successful, independent company producing quality products that employees can identify with and that form a basis for long-term business success.

Our business success empowers us to be a productive member of society and fulfill our purpose as a company. Through our commitment in our sales markets, we want to contribute to better living standards.

The company promotes community and a professional leadership culture. Employees all over the world use their time and skills in a variety of ways to help improve working conditions in their professional environment.

Our positive attitude towards volunteering encourages our staff to get involved in this way. We fund strategic initiatives and services that benefit people all around the

world. Furthermore, we maintain partnerships with public and private organizations that share our interest in the development of society. In some cases, we take active leadership in growing and developing such initiatives.

Our commitment to public responsibility is also evident in our everyday business practices. Decisions on issues such as product design, production sites and new business opportunities are taken in the context of our long-standing tradition of working in an environmentally friendly and safe manner that has a positive impact on the respective local cooperation. Therefore, our responsible and social commitment is a cornerstone of the success of Hägele GmbH.

### B. CORPORATE CULTURE

Hägele GmbH places great importance on creating and maintaining workplaces that value employees of all nationalities. This strengthens our competitive advantage and has a lasting impact on our corporate culture.

The commitment of Hägele GmbH is consistent with our values of honesty and mutual respect. Furthermore, respect is becoming increasingly important in the worldwide expansion of Hägele GmbH and in the introduction of innovative products for new markets. We are committed to attracting dedicated employees, loyal customers and valuable business partners. In the opinion of Hägele GmbH, corporate culture goes far beyond demographic boundaries. It includes all the characteristics that make individuals unique. Therefore, we see skin color, gender, background and age as only part of the characteristics that define our staff and other stakeholders. Also, we consider it important to bring together employees with diverse perspectives, knowledge, experiences and lifestyles.

Our company is committed to practices and policies that contribute to the promotion of corporate culture in the broadest sense.

As we pursue our strategic goals, we are committed to providing a business environment that fosters mutual respect, acceptance, collaboration and productivity.



## **C. ENVIRONMENTAL PROTECTION AND WORKPLACE SAFETY**

Our company is appreciated for its principles and practices, which are focused on the wellbeing of our planet and its inhabitants.

The work processes at our locations reflect our commitment to environmental protection. Our energy-efficient systems contribute to good air and water quality and ensure that our work generates little waste. When we invest in new products, concepts or technologies, we prioritize those with the least negative impact on the environment. Hägele GmbH commits considerable resources to the development of products that effectively and efficiently meet customer needs, while preventing as much as possible adverse effects on the environment and contributing to the preservation of natural resources.

We are committed to showing our customers how to work effectively and safely with our products. To ensure the well-being of our employees, we create injury-free, healthy workplaces through continuous improvement programs. At our locations, we work in absolute compliance with all legal and official regulations.

Furthermore, Hägele GmbH is committed to further expand the areas of safety, health and environmental protection for employees and business partners.

## **05 HOW WE ACT, WHAT WE ASK OF OUR CUSTOMERS – OUR CORPORATE PRINCIPLES**

Integrity and sustainability are central elements of our corporate actions. We comply with the law, respect health protection, human rights and labor rights and are committed to protecting the environment. We expect our business partners to meet the same requirements. They are based on international conventions such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the core labor

standards of the International Labor Organization (ILO), the United Nations Guiding Principles on Business and Human Rights, and the German Supply Chain Due Diligence Act.

Therefore, the corporate principles listed below are applicable not only to us, but also to our business partners.

Our business partners uphold the following corporate principles, in particular the precepts and requirements concerning human rights and the environment. These principles form the basis of any business relationship with our business partners.

If the business partner involves or engages affiliated companies or third parties in connection with our business relationship, it will ensure that the requirements and obligations of the following corporate principles are passed on to such affiliated companies or third parties in an appropriate manner.

Moreover, the business partner will ensure that the requirements concerning human rights and the environment and due diligence obligations within the supply chain are agreed with its own business partners, the aim being to prevent or mitigate the risks for such requirements.

## **A. COMPLIANCE WITH RULES AND LAWS**

We consider compliance with the applicable rules, laws and other statutory provisions a matter of course.

The business partner likewise agrees to comply with all applicable rules, laws and statutory provisions in the countries in which it operates and shall take appropriate measures to ensure compliance with such laws, rules and statutory provisions. This includes the following areas in particular:

### *Competition and antitrust law*

We act in compliance with the applicable competition and antitrust laws and do not engage in price or condition fixing, market sharing or customer, market or bid rigging.

The business partner shall ensure that its business practices comply with applicable competition and antitrust laws and other

statutory provisions concerning monopolies, trade and competition restraints or unfair business practices, as well as relationships with customers and competitors. The business partner shall not conclude any agreements or take any actions that could influence competition in an inadmissible manner. This includes, but is not limited to, price or condition fixing, market sharing or customer, market or bid rigging.

#### *Corruption*

We do not tolerate corruption or bribery of any kind. Gratuities associated with the aim of influencing business decisions or obtaining any other improper advantage will not be granted, offered or accepted. Nor do we allow ourselves to be promised such gratuities. The relationship with public officials is based on lawfulness and respect.

Likewise, the business partner shall comply with the applicable national and international anti-corruption and anti-bribery laws and regulations at home and abroad. The business partner shall reject any kind of corruption, bribery, extortion and illegal payments that aim to influence decision-making processes, regardless of whether or not this violates applicable laws. In particular, the business partner will not offer, give or accept bribes, backhanders, kickbacks or any other illegal payments or inducements, favors or other gratuities that may exert an influence over business activities or business transactions. Nor shall the business partner unduly influence public officials.

#### *Money laundering*

Both we and our business partners comply with all applicable laws for the prevention of money laundering.

#### *Export control*

Both we and our business partners must comply with all applicable import and export control laws. This includes sanctions, embargoes, and other laws, regulations, policies, and orders controlling the transfer or shipment of commodities, technologies, and payments.

## **B. CONFLICTS OF INTEREST**

Personal or one's own financial interests are not allowed to influence business decisions. Employees are expected to act in the employer's best interest. We avoid conflicts of interest and disclose them if they cannot be avoided or if we become aware of a conflict of interest. The business partner undertakes to act in the same way.

## **C. PROTECTION OF INFORMATION, INTELLECTUAL PROPERTY AND DATA**

We comply with the applicable data protection laws and act accordingly. We respect intellectual property and protect confidential information. We comply with the applicable laws on the protection of business secrets and treat the confidential information of our business partners as such.

The business partner shall also ensure that confidential business information or trade secrets of which it becomes aware in connection with business activities with us (referred to hereinafter as "Confidential Information") are kept strictly confidential and that they are not used in an inadmissible manner or disclosed to third parties.

Moreover, the business partner shall protect and safeguard our intellectual property, no matter whether registered or not, as confidential information. The business partner will comply with all applicable data protection laws.

## **D. LABOR AND HUMAN RIGHTS**

We respect and value the upholding of internationally recognized human rights and respect the personal dignity, privacy and personal rights of each and every individual; respect the right to freedom of opinion and expression; do not tolerate physical and psychological hardship, discrimination or sexual and personal harassment or discrimination. We also ensure healthy and fair working conditions for our employees.



Business partners too are committed to respecting internationally recognized human rights in the supply chain and shall ensure healthy and fair working conditions worldwide. In doing so, the business partner shall treat all persons with fairness and respect and shall uphold internationally recognized human rights as set forth in the Universal Declaration of Human Rights and the core labor standards established by the International Labor Organization (ILO). The applicable national and international laws must be observed. These include, but are not limited to:

#### *Prohibition of child labor*

Children must not be negatively impacted in terms of their development, health and safety. Therefore, they may not be employed anywhere along the value creation and supply chain below the age limit of 15 years, unless the law of the place of employment derogates from this in accordance with Article 2 (4) and Articles 4 to 8 of ILO Convention No. 138. The age limit for the worst forms of child labor is 18 years. Examples of such labor is work that by its nature or the circumstances under which it is performed are likely to be harmful to health or compromise safety, and all forms of slavery or practices akin to slavery. (ILO Convention Nos. 138 and 182).

#### *Prohibition of forced labor*

The commitment to prevent forced labor and any form of slavery, including modern slavery, as well as other forms of domination or oppression and human trafficking within the supply chain. (ILO Convention Nos. 29 and 105).

#### *Prohibition of discrimination*

Unequal treatment or discrimination of any kind based on age, skin color, gender, sexual orientation, ethnicity, ancestry, disability, health status, religion, ideology, political opinion, racist motives or for any other reason must be opposed. Unequal treatment also includes the payment of unequal remuneration. (ILO Convention Nos. 100 and 111).

#### *The right to freedom of association and collective bargaining*

The right of employees to form and join trade unions and employee representative bodies, unless restricted by local laws, must be safeguarded. Employees who seek to improve working conditions should not have to fear prejudice. The right to strike shall be respected. (ILO Convention Nos. 87 and 98)

#### *Fairness with benefits and remuneration*

Withholding fair pay is forbidden. The business partner must pay at least the statutory minimum wage and ensure that equal wages are paid for work of equal value. The working hours are well within the standards set by the applicable laws. The International Labor Organization Convention shall be observed as a minimum standard for limiting working hours and for rest breaks.

#### *Occupational health and safety*

The business partner shall ensure occupational health and safety and fire protection at the workplace at least to the extent provided for by the statutory regulations. This includes:

- provision and maintenance of the workplace, workstation and work equipment;
- provision of protective measures to prevent exposure to chemical, physical or biological agents;
- implementation of measures to prevent excessive physical and mental fatigue;
- adequate training and instruction of employees.

Human and labor rights must be respected whenever security forces are deployed.

The prevention or hindering of access to drinking water and sanitation facilities, the degradation of food production bases through harmful soil contamination, air and water pollution, excessive water consumption or harmful water emissions, as well as harm to the health of persons, unlawful evictions and deprivation of livelihoods are prohibited.

## **E. ETHICS**

### *Gifts and gratuities*

As a rule, no gifts exceeding the legally regulated maximum limit may be made to employees of customers. Likewise, no gifts exceeding the legal limit may be accepted from our employees. While it is accepted practice in some cultures to offer gifts, we insist that suppliers respect our corporate principles.

### *Improper payments*

Bribes, gratuities, kickbacks and similar payments are strictly prohibited. This prohibition applies even if local laws permit such practices. Employees, suppliers and representatives acting on behalf of Hägele GmbH are strictly forbidden from accepting such gratuities under any circumstances.

### *Supplier management system*

We maintain a management system that ensures compliance with applicable laws, regulations and customer policies and identifies and mitigates operational risks related to these corporate principles. The system should also support continuous improvement and compliance with changing laws and regulations. We also expect our business partners to maintain such a system.

## **F. ENVIRONMENT**

We minimize negative impacts on the environment and continuously improve our activities for environmental and climate protection by acting in accordance with the relevant regulations.

The business partner shall likewise manage its business processes in a way that ensures people and the environment are protected. The relevant environmental laws and regulations in all countries in which it operates shall be observed. To this end, the business partner will use resources in a sustainable manner by reducing consumption. In addition, it shall ensure that natural resources are used sparingly in all phases of value creation and shall minimize envi-

ronmental impacts in its recovery and production processes and with its products. The precept of energy-efficient action applies. The business partner shall refrain from using environmentally hazardous substances and materials and work towards more environmentally friendly solutions. Environmentally hazardous substances must be registered and declared in accordance with the applicable legal requirements and the use thereof must be approved. The business partner shall respect prohibitions on the handling of mercury or persistent organic pollutants in accordance with the Minamata Convention, the Stockholm Convention and the POP Regulation. The prohibition on the non-environmentally compatible handling, collection, storage and disposal of waste as well as prohibitions against the export and import of hazardous waste according to the Basel Convention shall be respected.

## **G. PRODUCT INTEGRITY**

The business partner shall comply with the applicable product safety and regulatory provisions and requirements, in particular the applicable laws concerning the safety, labeling and packaging of products and the use of hazardous substances and minerals. It shall ensure that, upon delivery, all products and services meet the criteria for product conformity and safety and can be used safely for their intended purpose.

## **H. VERIFICATION, REMEDIAL MEASURES AND SANCTIONS**

We reserve the right to verify compliance with the requirements of these corporate principles. In case of tangible grounds, on-site verification with prior notice is also possible. The business partner undertakes to remedy any violations immediately at its own expense. We reserve the right to claim damages. Culpable violations that make adherence to the contract unreasonable may lead to termination of the contract and the business relationship after a warning has been given.

## I. SUPPLY CHAIN

The business partner implements and monitors due diligence processes along the supply chain and ensures that all applicable laws concerning due diligence along the supply chain are also observed by passing on the obligations. The aim is to prevent or mitigate the risks for violations of human rights and environmental impacts within the supply chain. This also requires appropriate reporting channels and grievance mechanisms to be put in place.

The business partner shall implement such procedures also with regard to minerals and shall ensure that it is aware of the relevant legal regulations. We require our business partners to avoid minerals originating from conflict-ridden smelters in the supply chain. Minerals are considered conflict minerals if non-state armed groups are directly or indirectly supported through recovery, transportation, trade, handling, processing or export procedures. Information on mineral smelters or refineries used by business partners or their subcontractors must be provided upon request.

## J. ADJUSTMENT PROVISIO

We expressly reserve the right to adjust our corporate principles to keep abreast of changes in risk assessment.

## CLOSING STATEMENT

Our principles and policies are communicated to all managers, who ensure that each and every employee and business partner knows, understands and applies them in their daily work.

Through the mutual understanding, shaped by this Code of Conduct, we promote both our trusting cooperation and the future success of Hägele GmbH.

## CONTACT DETAILS



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