

CONTENTS

	Page
1. Scope of validity and basic understanding	4
2. The principles we uphold at Hengst: Our common values	6
3. Basic requirements regarding conduct	8
3.1 Compliance with legal and statutory requirements	9
3.2 Responsibility for the image of Hengst	9
3.3 Equal opportunities and mutual respect	9
3.4 Compliance with the principles of social responsibility	10
4. Dealing with business partners and third parties	12
4.1 Anti-corruption: Dealing with gifts, invitations and donations	13
4.2 Fair competition	14
4.3 Avoiding conflicts of interests	14
4.4 Steps to prevent money-laundering	17
5. Dealing with corporate property	18
6. Data privacy and responsible handling of information	19
7. Handling industrial property rights (patents, trade marks)	22
8. Compliance with customs and foreign trade regulations	23
9. Moral courage and reporting guidelines	24
10. Implementation of this code of conduct	27
11. Compliance organization and contact	29

The photos in this brochure show employees of the Hengst Group. We like to thank them for their commitment.

The language used in the text below will not differentiate between different genders, but encompass all genders.

FOREWORD FROM MANAGEMENT

Dear employees,

“**We are the company**” is the central motto of this code of conduct.

Healthy and well-balanced growth and the success of our company not only depend on the work we do but also on the way we do this work.

Based on our values-oriented corporate culture, we stand for respectable and honest conduct with colleagues, business partners, officials and society and compliance with the law and regulations. All this is described by the term **compliance**.

This Hengst code of conduct summarizes the fundamental principles of our conduct as well as laws and company-internal guidelines. It is intended as a road map and orientation aimed at dealing with the diverse legal and ethical challenges of our daily work.

Compliance will always remain a challenge in an increasingly complex and internationally oriented corporate environment.

Each and every one of us develops this compliance culture based on our values in our daily routine.

In this way, we contribute to achieving our objectives and ensuring lasting corporate success.

We are the company! We would like to thank you for your commitment and loyalty!



Jens Röttgering

Jens Röttgering

Owner and
Chairman of the Board



Christopher Heine

Christopher Heine

Chief Executive Officer

WE COMMIT OURSELVES TO
THIS CODE OF CONDUCT!

SCOPE OF VALIDITY AND BASIC UNDERSTANDING



This code of conduct applies to all companies of the Hengst Group. It represents the guideline for how we deal with each other and with our business partners. Of course, it cannot cover all questions and issues related to our internal and external activities or describe every situation that we will encounter. It cannot, nor should it, replace common sense coupled with awareness of one's responsibility and mutual respect.

2

THE PRINCIPLES WE UPHOLD AT HENGST: OUR COMMON VALUES

Values describe properties that we regard as good and desirable and which give us guidance and orientation in our daily activities.

INTEGRITY:

- › We act honestly and fairly with colleagues and business partners.
- › We always ensure information is shared to the best of our knowledge and conscience and treated with utmost confidentiality.
- › We accomplish our tasks objectively and with the target in mind. Personal attitudes or our own advantages do not play any role.
- › We interact with one another by applying jointly agreed rules.

RESPECT:

- › Our conduct to others is always characterized by mutual respect and esteem, and we treat others as we would like to be treated by them.
- › We accept the diversity and uniqueness of our counterparts to ensure an atmosphere of trust.
- › When developing our products and processes, we are guided by the principle of sustainability and strive to ensure the preservation of natural resources and the environment.

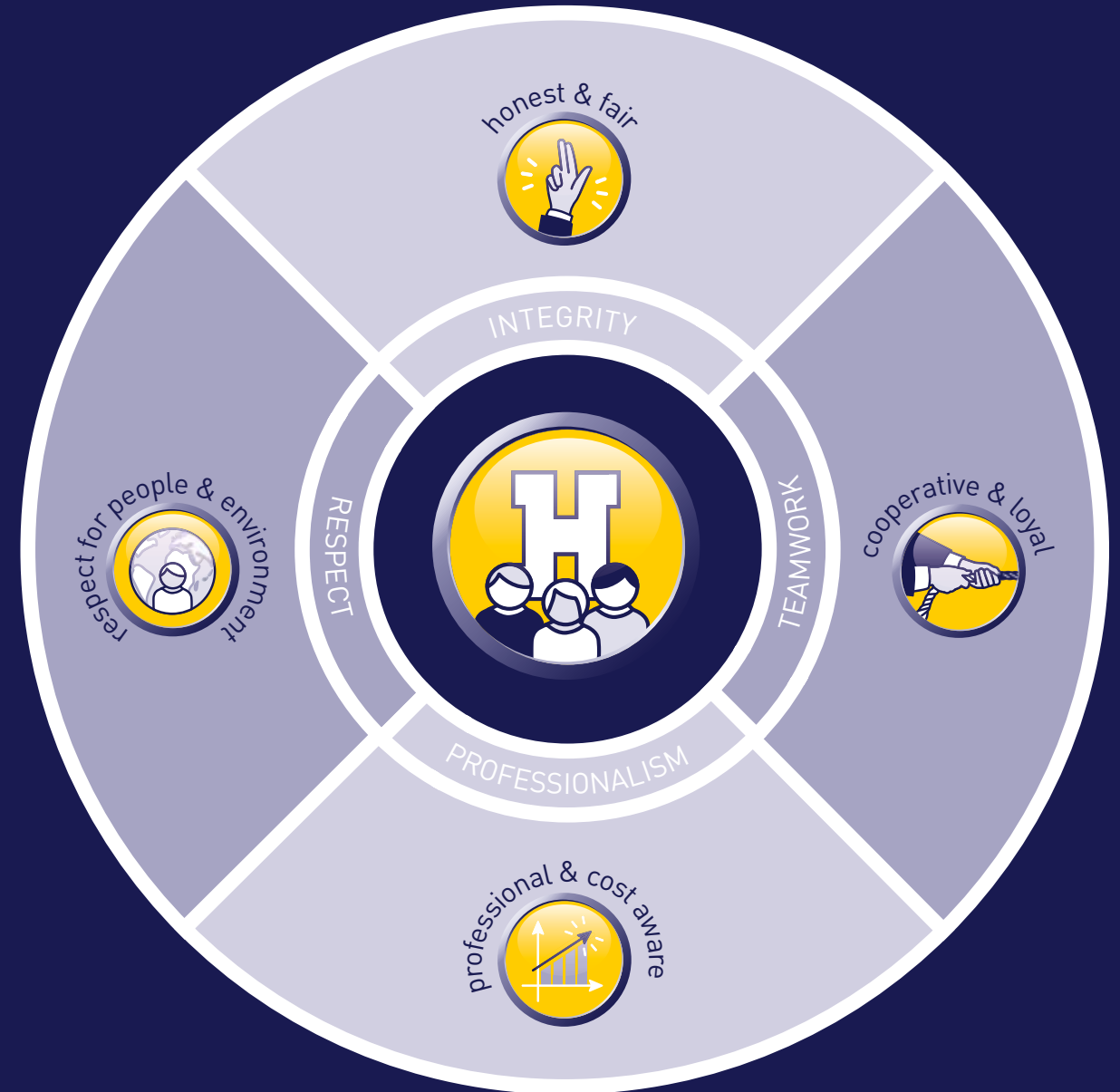
TEAMWORK:

- › As employees of Hengst, we regard ourselves as a community with shared interests.
- › We display team spirit and stick together to attain our objectives.
- › We remain loyal to our employer Hengst and uphold open dialog with one another, even in cases where interests conflict.
- › We are honest and reliable and always remain true to our word.

PROFESSIONALISM:

- › We carry out our tasks reliably and in a manner that reflects our awareness of the trust our customers put in us.
- › We take responsibility for our actions and our mistakes, which we are determined and dedicated to avoid.
- › We successfully perform our tasks and ensure a corresponding degree of benefit.
- › We work effectively and efficiently, in other words we do the right things in the best possible manner and with the objective to achieve the best possible result.
- › We avoid misconduct and waste, no matter how seemingly trivial.

OUR CONDUCT IS FOUNDED ON OUR
COMMON VALUES!



[THE FOCUS IS
ON PEOPLE!]

BASIC REQUIREMENTS REGARDING CONDUCT

3



3.1 COMPLIANCE WITH LEGAL AND STATUTORY REQUIREMENTS

We are expected to comply with regional, national and international laws in our daily work.

- › We do not tolerate any violations of the law. These may result in personal punishment under criminal law for the offender as a result of breaching the law or in fines and damages. While any such violations always have consequences for the individual, they also disturb the climate within the company and put at risk the good reputation of Hengst. This is why any such violations will always have ramifications under labor law.

3.2 RESPONSIBILITY FOR THE IMAGE OF HENGST

All employees shape the image of Hengst through their personal conduct, appearance, and manner of working. Violation of company policies and unlawful conduct, even if committed only by one individual employee, can cause damage to the reputation of Hengst.

- › We are oriented to fulfilling our tasks by means of our values and promoting the image of Hengst in public and in our dealings with business partners.

3.3 EQUAL OPPORTUNITIES AND MUTUAL RESPECT

Our dealings with colleagues, suppliers, customers and other business partners are shaped by tolerance, politeness and respect coupled with fairness and trust.

- › We will not tolerate any discrimination based on age, gender, skin color, ethnic or social origin, nationality, disability, sexual orientation, views or political attitudes, and any others defined by the laws in countries and locations where the company operates.
- › We endeavor to maintain equal opportunities among employees, while promoting them on the merit of qualifications and skills.

3

BASIC REQUIREMENTS REGARDING CONDUCT

RESPECTFUL INTERACTION AND A GOOD WORKING CLIMATE ARE KEYS TO SUCCESS!

3.4 COMPLIANCE WITH THE PRINCIPLES OF SOCIAL RESPONSIBILITY

Based on our values-oriented corporate management, Hengst and their employees have a sense of social responsibility and declare the following objectives:

- › We pay attention to and respect internationally recognized human rights and commit to compliance with these rights.
- › We categorically reject any deliberate use of forced or compulsory work and condemn any physical punishment, threats or intimidation.
- › We condemn any form of child labor and respect the statutory regulations for minimum working age in accordance with state obligations.
- › Wages, social welfare payments as well as working hours are to correspond to the currently effective statutory standards.
- › We respect the individual's right of freedom of association.
- › We respect our employees and believe a clear channel for the expression of associate concerns and suggestions is fundamental to sound associate relations. We encourage open communication between associates and management to enhance problem resolution and associate morale.

- › We protect our employees against risks at the workplace and reduce safety and health risks by technological protection measures, while safeguarding workflows with preventative measures and suitable protective clothing. We support health-enhancing measures.
- › With our products, we make an essential contribution to protecting resources and the environment, in particular climate protection. Our products, services and processes are environmentally responsible. We endeavor to utilize natural resources as efficiently as possible.



WE DO NOT BRIBE
AND DO NOT TAKE BRIBES!

DEALING WITH BUSINESS PARTNERS AND THIRD PARTIES

4



4.1 ANTI-CORRUPTION: DEALING WITH GIFTS, INVITATIONS AND DONATIONS

Our conduct towards business partners is determined by integrity. Corrupt conduct distorts competition and damages the reputation of Hengst to a high degree. Those engaging in such misconduct face fines or prison terms and the repossession of their acquired assets

- › Any form of granting undue advantages and bribes to officials or acts of graft committed by our staff as well as kickbacks to employees working for other companies are punishable and are never tolerated at Hengst.
- › We never utilize our occupational position to promote or gain advantages or have these promised, neither in the form of financial gifts nor in the form of other services.
- › We are resolute in confronting misconduct and sanction it.
- › Gifts and donations to customers or by suppliers are only permissible within the framework of a generally normal and appropriate upkeep of the business relation. This includes lesser valued allocations or politeness gifts corresponding to the universally valid code of etiquette such as pens or calendars.
- › We never offer or take gifts or other attention extending beyond the bounds of politeness.
- › As a general rule, gifts or the like must never be made to authorities or holders of office.

- › We only issue or accept invitations to business meals if they serve a justified business purpose and occur in an appropriate socially adequate framework. In cases of doubt, we obtain the approval of our supervisor.
- › If contracts are concluded with officials, mediators, agents or comparable third parties, we pay strict attention to ensuring that these do not offer or grant any unauthorized advantages.

It is solely the responsibility of Management to decide on the assignment of donations or possible sponsoring activities.



If we have any questions or concerns regarding the subject of bribery or corruptibility as well as the appropriateness of gifts or attentions from business partners, we always turn to our supervisor, the Legal department or the department of Internal Control.

4

DEALING WITH BUSINESS PARTNERS AND THIRD PARTIES

NO AGREEMENTS WITH COMPETITORS!

4.2 FAIR COMPETITION

Hengst pays attention to the national and international rules of fair competition and complies with these, especially the applicable laws aimed at preventing restrictive practices and unfair competition. Restrictive practices can lead to high financial penalties or other adverse economic consequences for Hengst, and in some cases even the imprisonment of staff.

- › When dealing with our competitors we do not make any written or verbal agreements nor do we undertake any activities that influence prices or conditions, assign sales regions or customers or hinder free and open competition in impermissible ways.
- › We omit any impermissible influence on the pricing policy or other business policy of our customers.
- › We do business with innovative products in excellent quality in an upright manner and confront free competition in the market in this manner.

4.3 AVOIDING CONFLICTS OF INTERESTS

Conflicts between personal or inherent financial interests of employees and the interests of the company can arise in the working and social environment. These conflicts of interests can significantly impede an employee in their ability of making independent decisions and their loyalty.

- › We endeavor to avoid such conflicts of interests at all times. In the event that such a conflict of interests appears likely, we approach this openly and discuss it immediately with our direct supervisor or the department of Internal Control.
- › We indicate to our direct supervisor or the department of Internal Control when we are doing business with companies to which we ourselves, our partners, a direct relative or friend is significantly participating financially or socially. A significant participation means that we ourselves or our family member / friend are able to influence the relation between Hengst and this company (supplier, competitor, and customer).

All employees are expected to perform their job and fulfill the tasks given to them.



MONEY-LAUNDERING AND FUNDING OF CRIMINAL ACTIVITIES – NOT WITH US!

DEALING WITH BUSINESS PARTNERS AND THIRD PARTIES

4



4.4 STEPS TO PREVENT MONEY-LAUNDERING

Deliveries and commercial transactions in the global marketplace always carry the risk of being abused for money-laundering or financing terrorism.

Money-laundering is the process of concealing the origins of money and /or assets obtained illegally by passing it through a complex sequence of banking transfers or commercial transactions. Money-laundering is a criminal offense both under national and international criminal law.

Indications of possible money-laundering include:

- › Payments made from accounts in third countries;
- › Payments issued by a third party rather than the actual contractual partner unless agreed by all parties to the contract;
- › Payments remitted via shell corporations;
- › Payments in excess and redirected payments;
- › Payments made from private sources for commercial deliveries;
- › Transactions or business models that do not make sense from an economic standpoint;
- › Attempts to proceed in a manner mentioned above or requests as to the possibility of any such procedure.

Steps to prevent money-laundering are pivotal to the battle against organized crime and the funding of terrorist activity.

- › We take the measures necessary to conduct our business with partners of good standing who engage in legal activities with means they generated in legitimate ways.
- › We commit to complying with all applicable laws, regulations and provisions devised to combat money-laundering.



Address any questions about money-laundering to the departments of Internal Control and Finances.



For more information and training documents related to the topics named in chapter 4, refer to the Wiki page Compliance.

5 DEALING WITH CORPORATE PROPERTY

It is in our common interest to exercise good stewardship over the property and assets belonging to Hengst.

Anyone who steals or embezzles company property or damages company property deliberately and wilfully will be liable to prosecution and damages.

- › We treat the work equipment and operating resources made available to us properly and with due care to protect them from damage or loss.
- › We do not utilize such work equipment and operating resources for private purposes, unless an explicit arrangement has been made to the contrary.



6 DATA PRIVACY AND RESPONSIBLE HANDLING OF INFORMATION

We take the protection and confidentiality of personal data and other information shared with us very seriously and comply with all privacy laws, especially the European General Data Protection Regulation (GDPR).

- › We collect and process personal data in a confidential manner and only to the degree necessary for fulfilling a concrete and definable business purpose and only in compliance with all applicable laws, provisions and in-house regulations.
- › We preserve the personal rights of all parties involved and protect personal data from misuse and/or unauthorized access.

The sum of our expertise, experience and innovative ideas is the result of years of hard and dedicated work. These assets secure our businesses and our competitive standing in the marketplace.

- › We utilize the data and information made known to us in the course of business proceedings only to the extent permissible and take additional safety precautions such as non-disclosure agreements – depending on the importance of the information.

6

DATA PRIVACY AND RESPONSIBLE HANDLING OF INFORMATION

CONFIDENTIAL INFORMATION
MUST BE PROTECTED!

- › We do not give any confidential information or confidential documents to third parties or make such available in other ways. This particularly applies to the confidential, secret and personal data of our business partners. Confidential information and confidential documents include, but are not limited to, customer data and information related to product design, marketing, pricing, trade secrets, proprietary processes, manufacturing processes and /or company profits.

- › We are also committed to treating company and business secrets, internal affairs as well as other information deserving protection in the strictest confidence. This also applies after termination of the employment relationship with Hengst.

Hengst enables their employees to engage in a global electronic exchange of information by allowing them to use a PC, laptop and a telephone /smartphone. The use of this equipment involves, however, a certain amount of risk to the protection of both the personal information of individuals and the data associated with the company.

- › We commit to ensuring compliance with both all provisions pertaining to privacy protection and all regulations established by law and the company that govern information security and the use of the IT systems.
- › We do not share personal passwords or access codes to third parties and neither accept nor use any such information from third parties.

- › Under no circumstances do we open or install email attachments, applications (apps) or files downloaded from the Internet or other types of imported data without a prior check. We also consult the specialized IT department in any such cases.
- › We approach every unusual matter with common sense and stay alert, especially when handling emails, USB sticks or other third-party devices.



In case of questions or doubts, please contact the Data Protection Officer or the IT Security Officer.



For more information, please refer to the Wiki page Using IT systems and the IT Security Guidelines.



7

HANDLING INDUSTRIAL PROPERTY RIGHTS (PATENTS, TRADE MARKS)

Patents are monopoly rights. Third parties are prohibited from offering, manufacturing or selling a product protected by such rights. Any violations of these rights may result in claims for damages, recalls or even the shut-down of series production for a component, thus representing a substantial risk to a company.

To safeguard the future of our company, we invest significant sums into the development of innovative products and filtration systems.

The enforcement of our own industrial property rights makes it harder for our competitors to reproduce our technologies, thereby assisting us in our efforts to secure customer orders for Hengst over the long term.

To Hengst, it is clear that intellectual property of third parties will be respected.

Conversely, we expect our competitors to respect our own industrial property rights and strictly enforce compliance with these rights.

- › We do not violate the industrial property rights of third parties (patents, trade marks, etc.).
- › We protect our innovative developments with industrial property rights of our own.



Any questions regarding the subject area discussed above will be answered by our Industrial Property Rights department.



For more information, also refer to the Wiki page Industrial property rights.



To address questions or request training, please email customs@hengst.de or contact the Customs and Export Control department or the local persons in charge.



For more information, refer to the Wiki pages Customs and Export Control.

8

COMPLIANCE WITH CUSTOMS AND FOREIGN TRADE REGULATIONS

Hengst operates in the global marketplace. The international nature of our business makes it necessary to ensure compliance with all national, European and international customs and foreign trade regulations.

We are responsible for observing all laws and regulations relevant in this regard.

All members of our staff who deal with the subject areas listed below in the context of their business activity,

- › Import and export of goods;
- › Cross-border transfer of services;
- › Cross-border transfer of hardware, software and technologies (including technical specifications);
- › Cross-border capital transactions and payments,

are required to stay in compliance with the provisions of economic sanctions, export control legislation, laws pertaining to exports and imports as well as in-house guidelines and processes.

Any violations of these laws and provisions – even if committed without intent – may result in substantial fines and punishments, while the denial of export permits may lead to the loss of export privileges and /or inspections and delays during customs clearance.

Due to the complex nature of these laws and regulations and the fact that their handling varies from country to country, we always make ourselves familiar with the applicable laws and regulations prior to every business endeavor.

9 MORAL COURAGE AND REPORTING GUIDELINES

[SPEAK UP! – HENGST EMPLOYEES ACT RESPONSIBLY!]

We are explicitly required to act responsibly and with moral courage on the basis of our shared values. We act appropriately if we express any compliance concerns in good faith.

- › We apply our judgment in a sensible manner and use honesty and integrity as our guiding principles.
- › Regardless of their position in the company, no one is allowed to order their subordinate to engage in impermissible or unlawful conduct. Accordingly, we must never justify impermissible or unlawful conduct by arguing that we acted as a subordinate on orders of a superior staff member.
- › If we suspect a violation of this code of conduct – particularly in the case of criminal behavior – it is our responsibility to act immediately in order to prevent damage to the company and the responsible persons.
- › We report any violation to our supervisor, the compliance contact responsible for our area, or the department of Internal Control in a spirit of trust.

Any reports of actual or potential violations are treated confidentially unless their disclosure is mandated by statutory regulations. An objective review will be conducted if necessitated by the requirement to take appropriate countermeasures.

Hengst does not tolerate any acts of reprisal against members of our staff who mustered the courage to point out and report violations against compliance in good faith.

By contrast, reports made with spiteful or malicious intent or with a different kind of abusive motivation (e.g. in cases of untrue personal attacks on specific persons) constitute violations of compliance themselves. We do not tolerate such conduct and reserve the right to respond by taking disciplinary measures against the person levelling the accusation.



For information on contacts and reporting channels, refer to chapter 11 and the Wiki page Compliance



WE TAKE
COMPLIANCE SERIOUSLY!

IMPLEMENTATION OF
THIS CODE OF CONDUCT

10



We are informed about the content, basic understanding and purpose of this code of conduct upon joining the company and at regular intervals through training.

- > As employees of Hengst, it is our personal responsibility to know this code of conduct, understand it and act in accordance with it during our daily work. We confirm this by our signature at regular intervals.
- > We take part in mandatory compliance training classes.

Compliance is engrained in our value and management culture. Every executive ensures that no violations of statutes and laws, this code of conduct or other company regulations will occur in their area of responsibility which may have been prevented or minimized by appropriate supervision.

Moreover, we pay attention to the organization and implementation of our business processes in order to ensure segregation of duties as well as compliance with company internal guidelines.

ANY QUESTIONS?

COMPLIANCE ORGANIZATION AND CONTACT

11



The Compliance Manager at Hengst works in the Internal Control department and reports to the Chairman of the Board.

He is assisted in the implementation of compliance measures by compliance contacts who work at the corresponding German plants and central offices as well as at the international locations.

If we have any questions regarding this code of conduct or believe there to be misconduct or violations against the rules – in particular criminal conduct in the company – we can alternatively use the communication channels and contacts shown below:

SUPERVISORS

In accordance with the value and management culture instituted at Hengst, the line supervisor is usually the first contact for any questions and concerns in the area of compliance. If a staff member does not wish to approach their supervisor with a compliance matter, they can use the communication channels shown below.

COMPLIANCE CONTACTS FOR THE DIVISIONS AND LOCATIONS

The names and communication information of the compliance contacts are listed in the Hengst Wiki (Intranet page under Compliance in the German and English Wiki) or published through other information channels (information boards, internal memos, etc).

COMPLIANCE MANAGER, INTERNAL CONTROL DEPARTMENT

Anne Winkler-Kuhmann
Head of Internal Control
T: +49 (0) 251 20202 462
M: a.winkler-kuhmann@hengst.de

Representative:
Bernd Schraeder
General Legal Counsel / Head of Legal
T: +49 (0) 251 20202 332
M: b.schraeder@hengst.de

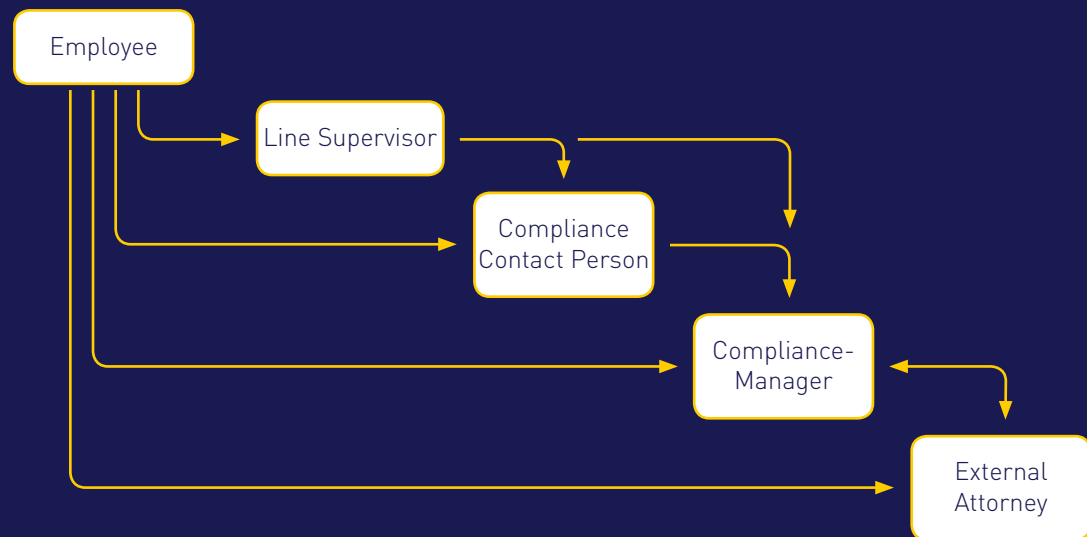
EXTERNAL ATTORNEY

If required, assistance can also be sought from external contacts as neutral mediators in the different countries. The list of contacts can be found in the Wiki under Compliance or through the corresponding local information channels (information boards, internal memos, etc.).

USE COMMON SENSE AND
GOOD JUDGEMENT!



Compliance communication channels



Compliance with the code of conduct

I am aware that compliance with the law and statutory regulations as well as the guidelines outlined in this code of conduct is a prerequisite for employment at Hengst.

I will – to the best of my knowledge and belief – not violate the guidelines outlined in this code of conduct.

This brochure can be requested at compliance@hengst.com.

It is available in the following languages:
German, English, French, Danish, Polish, Czech, Portuguese and Chinese.



The latest version of this code of conduct and updates as well as further information on the subject of compliance at Hengst are available in the Wiki under Compliance.

Date of publication:
May 2019



Authored by:

Hengst SE
Internal Control
Nienkamp 55-85
48147 Münster
Germany

E-Mail: compliance@hengst.com