

AZO's Core Values

At AZO, our underlying principle is to provide our customers with solutions for innovative automation of raw materials. These solutions are manufactured in accordance with responsible and ethical practices. Our focus is on sustained development that is based on economic, ecological and social aspects. Sustainable value creation and growth should safeguard the company as an independent family business for future generations too.

Fundamental to our actions are the principles of accountability, integrity, loyalty and respect for both other people and the environment in accordance with the "**AZO Company Guidelines**". Managerial staff assume a special responsibility here.

The following Code of Conduct explains these principles. The goal is to prevent situations which could call the integrity of our conduct and trust in our services into question. At the same time, all employees are to be encouraged to assume responsibility for their own actions and given guidance to do so.

The underlying rules, standards and practices required to achieve these aims are set forth in this Code of Conduct. The Code of Conduct applies to all of us working in or for the AZO Group. These are the governing bodies, managerial staff, employees (incl. temporary workers) and other people working for the AZO Group. When the AZO Group is mentioned in the Code of Conduct, this refers to AZO GmbH & Co. KG and all companies that are directly or indirectly controlled by AZO Holding.

Principled, careful, responsible and ethical business operations in the AZO Group

We have established ethical and legal standards as the basis of our strategic considerations and in our daily business activities. Our AZO Code of Conduct governs both internal teamwork and behaviour towards external business associates. It applies without exception to all employees in the AZO Group and the senior and middle management and stipulates, among other things

- observance of the law,
- mutual respect,
- honesty and
- integrity.

It is our AZO Code of Conduct, as the main guideline, that forms the cornerstone of our Compliance Programme. In this context, compliance means conduct that complies with the law. Legislation and statutory instruments, also the company's own regulations in the narrower sense, set the standards for conduct that complies with the law.

In our business dealings, we reject

- corruption,
- "white-collar crime" such as fraud, embezzlement, theft and misappropriation.
- breach of competition laws,
- money laundering,
- violations of human rights,
- violations of national and international laws, and any activities that aid and abet child labour or forced labour.

The Code of Conduct is supplemented by guidelines for responsible and ethical business in addition to other guidelines, such as the Social Media Guideline and the guideline for interactions with our business associates. We can only achieve these goals if everyone involved plays their part. This is why the Code of Conduct stipulates mandatory requirements for all employees.

All employees are expressly encouraged to inform their supervisor or compliance officer, if they discover that someone's behaviour possibly does not comply with the rules in the above-mentioned areas/spheres of activity. This can prevent minor problems becoming major ones. No employee who submits information in good faith need fear any disadvantage, even if the information turns out to be unfounded. However this will not be the case, if it is clear that allegations were only made because of scandalmongering in order to cause harm to a colleague. In cases like this, it can be expected that this will result in disciplinary action. It is not our goal to foster an informer culture at AZO under any circumstances. The Management will vouch for this. Messages can also be sent anonymously via our website.

All employees and managerial staff at all levels must confirm that they have read and understood the guidelines. In confirming this, each individual states that he/she will comply with the guidelines and will report any non-compliance without delay. In the event that someone does not submit his/her confirmation, this does not exempt him/her from the obligation to observe these compliance guidelines.

Fundamental requirements for proper conduct

Mutual respect, honesty and integrity

We respect the personal dignity, the private sphere and the rights of every individual. We work together with people from different ethnic backgrounds, cultures, religions and age groups, regardless of disability, skin colour, sexual identity, outlook and gender.

In accordance with our company policy, we do not tolerate any kind of discrimination whatsoever that is based on these characteristics. These principles govern both our work inside the company and our conduct towards external business associates. We make decisions about staff, suppliers, customers, business associates etc. solely on the basis of serious and due consideration and never from unprofessional and improper motives. We are open and we acknowledge our responsibility; at the same time we are reliable partners and only enter into agreements that we can honour.

Responsibility for the AZO Group's reputation

The reputation of the AZO Group is substantially influenced by the attitude, actions and conduct of each individual. Failing to comply with statutory regulations and company rules can result in far-reaching consequences for the company and all employees. Together we can all minimise the risk by following our code of conduct. Everyone is called upon to respect **AZO's reputation in their individual country, to help maintain it and bolster it.**

Management means trust and responsibility

Managerial staff have a duty to set an example. They are accountable for their own behaviour and that of the employees for whom they are responsible. This also applies equally to correct observance of all procedures aimed at preventing reputational and legal risks. They have to adopt necessary and appropriate measures to ensure that the code of conduct is fully complied with in our processes and procedures.

We support employees in performing their duties in accordance with the relevant laws and statutory regulations. Our guidelines and processes provide assistance and guidance in this.

Each individual is under an obligation to behave in an upright and fair manner in the work environment and to avoid any conflicts of interest between personal and business matters of the AZO Group or our customers.

The manager's overall responsibility does not absolve anyone from their own responsibility. We must all work together to comply with the laws and the AZO guidelines. We provide everyone with the option to consult the regulations, guidelines and laws and to identify any amendments to them in advance using a register of legal provisions.

Conflicts of personal interests

If employees experience conflicts between their personal interests and their professional duties or the interests of the AZO Group or our customers, this may damage the reputation of these employees and that of the AZO Group overall.

Everyone should therefore avoid situations of this kind both in the interests of the AZO Group and in their own interest. The following apply in particular:

- No vested interests in companies, which might be affected by professional decisions made by an employee of the AZO Group.
- Awarding of contracts to family members, civil partners or other individuals close to the employee should, as far as they are aware of it, be reported to their supervisor and the compliance officer beforehand. This also applies to business transactions with companies, in which family members have an interest in, either directly or indirectly.
- No acceptance of positions with responsibility for the business (e.g. member of a governing body, managing director, executive board, supervisory board, advisory board) at customers, business associates or competitors without prior approval from the management after the Compliance Officer has been notified.

How third parties perceive things is crucial. Even the appearance of a personal conflict of interests can be damaging. Employees may also request to be relieved of specific individual duties, which could lead to a conflict of interest, when the reasons are legitimate.

Interactions with business associates and third parties

The AZO Group endeavours to maintain long-term business relationships with its customers and business associates for mutual advantage.

All employees shall therefore ensure that the interests of our customers and business associates are respected in a fair manner. The interests of customers and business associates may not be given priority to the disadvantage of other customers or business associates.

Abiding by competition laws

We are committed to fair competition, as it is a prerequisite for unrestricted market growth and benefit to society. Competition laws prohibit behaviour that obstructs free and fair competition and restricts trade. These laws apply to us as a supplier of systems and as a purchaser of services and goods.

The AZO Group does not participate in illegal agreements and behaviour that restrict competition, in particular it does not enter into agreements with competitors about prices, terms and conditions and market shares.

Before employees depart from prescribed processes in contracts, they must clear this first with the legal department or the compliance officer, to ensure that there are no implications with regard to competition laws.

When in contact with competitors and business associates (e.g. at trade fairs or events held by trade associations), AZO Group employees do not talk about internal affairs, such as prices and terms of sales or financing, costs, market reviews, organisational processes or other confidential information, which competitors or business associates could exploit to gain advantages in competition.

The AZO Group ensures, by means of training and other measures, that conduct that could cause problems can be identified by every individual in good time and in the right manner.

Fighting corruption: offering and granting benefits

The success of the AZO Group is founded on passion, skills, innovation, efficiency, flexibility and a commitment to excellent service. It must not be achieved through dishonest inducement. Our business associates have confidence in our professional ability to make sound judgements.

No form of bribery or corruption, accepting benefits or granting benefits whatsoever are tolerated in the AZO Group.

Any individual who fails to adhere to the rules for gifts and invitations in this Code of Conduct, runs the risk of making themselves liable to prosecution for corruption. Even promising or encouraging unfair advantages can make a person liable to prosecution.

When extending invitations or offering benefits to people outside the AZO Group, you must observe the guidelines for gifts and invitations in all circumstances. This applies particularly to contact with officials.

Granting advantages to officials can be prosecuted on the grounds of accepting benefits or granting benefits merely because they relate to an official position. There is no requirement for the exercise of the office to have been subject to unfair influence. Anyone who discharges duties in public office can be a public official, not just civil servants and employees in public services.

Practice regarding gifts, business meals and invitations to events

Gifts, business meals and events for the purpose of obtaining information, representation or entertainment can be a legitimate means of establishing and maintaining business connections. However they may not serve the purpose of obtaining unfair business advantages and they may not be to such an extent or in such a manner that could be construed in such a way that it would cast doubt on the professional independence and judgement of those involved. Therefore, every employee in the AZO Group is given assistance with guidelines, training and clear limits on spending.

Especially stringent standards are called for in interactions with public officials. Make sure you observe the rules for gifts and invitations for the employer in question and if necessary obtain approval beforehand.

No one may use their position to request, accept, obtain or consent to benefits. This does not include accepting occasional gifts of symbolic value or invitations to a meal or an event on an appropriate scale, provided local customs and AZO's guidelines are respected. Any gifts, invitations to meals or events above and beyond this are to be declined.

Payments of contributions, donations and sponsoring

As a responsible member of society, the AZO Group contributes, by way of money and/or donations in kind, towards education and science, arts, culture and sports and towards social and humanitarian projects.

Sponsoring, which offers the AZO Group an opportunity to increase their brand awareness, and contributions to industry associations or membership fees to organisations, which are for the purpose of business interests, are not considered donations. Decisions on gifts and sponsoring are taken by Management. Donations may not be used to achieve unfair advantages indirectly from business associates.

Combating money laundering

Money laundering is a term used for activities that channel illegally obtained money or other assets into circulation in the legal economy. The aim is to disguise the source of financial resources from criminal activities, terrorism, drug traffic or extortion and to conceal the actual origin of the funds or the identity of the owner, in order to give the impression of legality.

It is a declared goal of the AZO Group to only enter into business relationships with reputable customers, consultants and business associates, whose business is conducted in accordance with statutory regulations and whose financial resources have a legitimate origin. We do not support money laundering. All our employees are obliged to rigorously abide by the laws to combat money laundering.

In order to avoid problems in this area, all employees must remain vigilant and report any suspicious behaviour by customers, consultants and business associates. Above and beyond this, each individual undertakes to observe all applicable regulations for proper recording and bookkeeping for cash and other transactions and contracts.

Consequences resulting from violations

Any infringement of these regulations may result in considerable damage to reputation and in adverse legal consequences for the employee in question, their colleagues and the AZO Group, even extending as far as fines, criminal proceedings or restrictions on official authorisations. Misconduct of this kind usually also constitutes a breach of obligations with regard to employment law, which can lead to appropriate punitive measures.

Representative for the management

We rely on being notified about violations of the **AZO Code of Conduct** and the **AZO guidelines**. For this reason, AZO Group management urges active communication throughout the company of the Code of Conduct and the guidelines. AZO Group management will ensure that they are put into practice.

On the one hand, this applies if there are violations by our suppliers and/or business associates acting on our behalf; on the other hand also by individuals from AZO's management or AZO's workforce. We therefore urge all employees, our suppliers and their employees as well as third parties to contact us in confidence, if they learn of violations and transgressions.

AZO has appointed a Compliance Officer who reports to the management as a neutral point of contact for this purpose. Information can be submitted to this officer by email at compliance@azo.com, via our website or by phone at +49 6291 92 6120. Any information given to the compliance officer will be treated in strict confidence in order to protect the person and their standing.

The AZO Code of Conduct must be observed by all companies in the AZO Group and is put into effect by the Management with immediate effect.

Osterburken, 01/08/2019


Rainer Zimmermann, CEO