



Code of Conduct

of the Werner & Mertz Group – 2020



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Male pronouns are used in this Code of Conduct except when directly addressing employees. This is intended to render the text more readable and does not in any way constitute discrimination.



Dear Colleagues,

Our company is synonymous with environmental awareness, business acumen and social responsibility. We do not consider sustainability a fad, but an important principle for the framework conditions under which our products are manufactured and our business decisions are made. As a sustainability pioneer, we practice this corporate philosophy daily and measure ourselves by these principles.

Our Code of Conduct addresses these standards that we expect of ourselves and summarises the most important compliance rules for lawful and ethical business conduct. It sets out the conduct expected of employees and the compliance rules that help us to credibly convey the company's philosophy, strengthen confidence in our company and brands, and actively assume personal responsibility towards the company. Our values of openness, discipline, confidence and setting an example reliably serve as a guide to us in this.

These standards are based on the fact that we all live by our values and principles and apply them to our daily work. Only with your support can we continue to be perceived and respected as a trustworthy company and brand.

This Code of Conduct cannot answer all questions that may arise in every situation. By making us more aware, however, it allows us to recognise problems as soon as they happen and fix them through assistance and proper conduct.

Yours, Reinhard Schneider

“Werner & Mertz is a company with a clear philosophy. We take responsibility and keep our word. Lawful and ethical conduct is therefore essential to sustaining our company's success.”

Reinhard Schneider,
CEO of the family-owned
and operated business
Werner & Mertz

Proper conduct

Through our compliance activities, we aim to prevent any unpleasant consequences for our company and employees that may arise due to compliance violations. There are three things to bear in mind in this regard.



BE AWARE!

All of us in the Werner & Mertz Group are obliged to comply with the Code of Conduct and prevent compliance violations. This is best achieved by developing a “natural awareness” of compliant behaviour and by viewing adherence to compliance requirements as the way we do business, rather than as an additional burden. Uncertainty in relation to compliance can be very easily resolved by requesting advice or asking ourselves the following simple questions:

- How would my behaviour reflect on the company if it was reported in the press or on social media tomorrow?
- Am I aware of the legal consequences of my actions for the company and am I prepared to take responsibility for these privately?
- Is my conduct in keeping with the corporate philosophy or do my actions leave the company open to attack?
- What is my instinct or gut feeling telling me?



BE ATTENTIVE!

Many of our processes are routine. We are all experts in our own areas and have to ensure that we always carry out our routine duties in a legally compliant manner. This includes paying attention to external and internal requirements and changes and reviewing our own actions from time to time. Our Code of Conduct helps us to identify wrong courses of action, even when we are in a difficult or unfamiliar situation and have to make decisions. Thoughts such as these, for example, may signal a wrong course of action:



- It'll be fine, nobody will notice.
- Our business partner expects this of us if we want to continue doing business with him.
- It would take too long to check this – we don't have time for that kind of thing.
- Fixing this problem will take a lot of time and effort – I don't want to be responsible for that.
- I have to hit my targets, I can't be bothering with formalities as well.
- This is how we do things in our industry!
- Other colleagues don't comply with the rules either and get away with it!

LEARN FROM MISTAKES!

Unfortunately, we can't always recognise risks in advance or prevent violations. However, what matters is that such situations remain an absolute exception and that we use our culture of learning to deal with such incidents in a transparent, open and responsible manner. For this, the company needs you to report irregularities and misconduct. This should not be considered defamation, but a means of preventing harm to any of us, taking corrective action and working together to effect the improvements needed.



We are a company with a clear philosophy



Compliance is a given for us in view of our philosophy. When we speak about our philosophy, we mean being guided by our values, which have a major impact on how we do business. In terms of behaviour conducive to corporate sustainability, for example, our company expects our employees to show discipline as a matter of course in complying with laws, regulations and the rules of the game. This also includes having the courage to live by our convictions and values, and making the right decision even in vague or difficult situations, such as when a business partner or somebody in what is assumed to be a position of power demands something of you that you really should not do. In particular, this also applies when following the rules does not seem an attractive proposition at first and makes things inconvenient for you. We take this on the chin and don't turn a blind eye or tolerate it – even if our counterpart does.

We believe that adherence to laws, regulations and the rules of the game is a fundamental principle of economically sustainable actions. That is why we observe the applicable legal regulations, prohibitions and obligations, even if this may disadvantage the company economically in the short term or pose special challenges for the people involved.



“We firmly believe that our products can hold their own against the competition because they are high-performing and comprehensively sustainable. Hence, we do not focus on short-term success, but on building and maintaining long-lasting relationships based on integrity and fairness with our business partners and consumers.”

Reinhard Schneider,
CEO of the family-owned
and operated business
Werner & Mertz



CORRUPTION AND BRIBERY

Corruption and bribery are not simple misdemeanours, but illegal practices that we neither justify nor condone under any circumstances. Accordingly, we do not promise or proffer payments, valuable gifts, invitations or other forms of benefits (that are not directly contractual obligations) with the aim of inducing employees of public authorities or of companies to give us a commercial advantage or to keep doing business with us. We do not commission others to do so, either. This holds regardless of location and culture. Conversely, we are aware that gifts, invitations and other favours that we receive may inappropriately influence our own decision making and lead to accusations of bribery. That is why we always check whether a gift, invitation or other benefit is socially acceptable and whether accepting the gift is consistent with our company principles. Where there is uncertainty regarding the acceptability of a benefit, we clarify the situation and make enquiries before we accept a gift or invitation or offer such to a business partner, for example.



If you feel that our company might potentially lose a business opportunity unless we offer a gift, invitation, hospitality or other benefit, then that is a sure sign of an unlawful business advantage, which we never obtain nor provide.

Listen to your gut and do not accept or offer benefits. Even having doubts about the appropriateness of a gift or invitation often signals that it is not a good idea.

With benefits of any kind, bear in mind the € 30 threshold.

Avoid opaque transactions by always clearly indicating discounts, rebates in kind, sample products and promotional items on invoices.

Politely decline any offer or request from customers or business partners to pay for travel or accommodation costs.

Restrict event sponsorships and invitations to business partners to a maximum number and amount per year, agreed in advance with Compliance Management.



FAIR COMPETITION

Werner & Mertz is synonymous with pioneering environmental work, innovative products and strong brands, and we base our reputation and commercial success in the international marketplace on these. We know that fair conditions of competition are very important to maintaining our position in the market. Sacrificing or even just risking our company's reputation for the sake of an unfair competitive advantage represents the worst possible deal and is completely at odds with how we think and act. That is why we take antitrust and competition law very seriously and do not tolerate any violations. In this way, we avoid financial damage and penalties that might be imposed on the company. We know that it is not always easy for the uninitiated to grasp competition and antitrust law and that the pitfalls are complex. That is why we do not take arbitrary decisions, but seek professional advice from the Legal Department when we have to assess a new or existing situation or have concerns about established practice. This also and particularly applies to supposed industry practice.



Requiring our customers to resell our products at a particular (minimum) price or to stop selling competing products if they wish to obtain our products.

Exchanging information on contract content or other internal details regarding our customers or our sales activities and strategies with other companies with which we are on friendly terms.

PREVENTION OF MONEY LAUNDERING

Money laundering involves channelling the proceeds of crime (money or assets). The “dirty money” to be laundered, which may come from corruption, tax evasion, fraud or other crimes, is used for legal transactions and thus integrated back into the legitimate financial system. Conversely, economic operators on sanctions lists due to sanctions or illegal business activities, for example, may attempt to continue participating in the regular trade in goods and economic transactions by camouflaging themselves and setting up complex and opaque corporate structures and cash flows. Increasingly devious methods are being used to launder money in order to obscure its origins, circumvent sanctions or evade taxes.

As a company, or even as an employee, you can very quickly become embroiled in money laundering without realising. The statutory duties of care in this regard are very high. These include, among other things, submitting notifications to the transparency register, checking business partners and reporting suspicions, e.g. in the case of unusual cash flows. Violations of these duties of care may result in fines, other penalties or investigations into aiding and abetting tax evasion.

“We emphatically disassociate ourselves from companies and people who also seek to abuse our business relationship in order to engage in money laundering or tax evasion.”

Ralph Wenner,
CFO of the family-owned
and operated business
Werner & Mertz



That is why it is important to ensure in the course of our business dealings that we are never involved – directly or indirectly – in activities that might give rise to suspicion of money laundering, such as cash payments or transfers to accounts in so-called tax havens or to “front men”. Where we have such concerns, we do not enter into a business relationship with a potential customer or we terminate an existing business relationship if new information changes our positive view of it.



Always confirm a customer’s identity by checking the register of companies and requesting a copy of the ID of the relevant individuals within the company, such as the CEO.

Never accept cash payments and always take a critical view of unexpected changes in bank details as well as requests for payments to banks in unusual countries or to other companies.

In any event, steer clear of unusual financial transactions and have the Finance or Legal Department check suspicious cases.



Our word is our bond!

Our mission is to maintain and further strengthen confidence in our environmental promise. By keeping our word – both in relation to our products and our corporate commitment to integrated sustainability – we differentiate ourselves credibly through our philosophy and integrity. This holds in our external interactions – with society, our customers, partners and, not least, our consumers. At the same time, it also strengthens trustworthy cooperation within our company.

PRODUCT QUALITY AND SAFETY

Our customers and consumers trust in our products. That is why it is a given for us to comply with legal specifications and safety requirements and to meet the environmental standards of our customers and consumers. This applies to the products themselves and also to their claims and correct use. Consistent quality of performance across the entire process chain – from development and the purchase of raw materials through to production and shipping – is therefore essential. All involved (such as the Purchasing, Marketing, Product Development, Product Safety, Production, Quality Assurance and Logistics departments) are responsible for designing all processes according to specifications and for jointly ensuring that national and international laws and regulations in respect of product approval and safety are always complied with. This also includes drafting, updating and storing any documentation required by law.

“Trust is the basis for any successful, lasting relationship. Or as Franz Kafka put it: all of the talking is pointless if there is a lack of trust.”

Reinhard Schneider,
CEO of the family-owned
and operated business
Werner & Mertz





DEALINGS WITH BUSINESS PARTNERS AND SUPPLIERS

Our responsible actions also extend to our choice of business partners, suppliers and subcontractors. That is why we endeavour to build lasting relationships of mutual value. This means that we conduct ourselves in a lawful, fair and professional manner and only work with companies that can clearly offer Werner & Mertz competitive added value. To achieve this, we set out our requirements in respect of a service as precisely as possible and always select our suppliers and service providers transparently and objectively, based on defined criteria such as sustainability, quality, price and technology. Furthermore, we expect our business partners to conduct themselves lawfully, to also advocate for responsible and ethical dealings and to meet the principles contained in the Werner & Mertz Code of Conduct for business partners.

MUTUAL RESPECT AND FAIR TREATMENT

We are a company that takes a holistic view of people, is committed to equal opportunity and adopts a clear stance against discrimination. That is why we select our employees objectively and solely on the basis of qualifications, talent and skills – and not subjectively according to age, gender, skin colour, ethnic background, culture, disability, sexual orientation, religious affiliation, ideology or other factors identified as discriminatory under legislation. We also apply the same principles in our daily dealings with each other and when promoting and developing our employees. We further expect every person who comes into contact with the Werner und Mertz Group to be treated fairly and respectfully and not to be discriminated against, bullied or harassed; we intervene immediately and consistently if this is not the case.

“As an international company, we are constantly working on promoting diversity and creating a diverse working environment that allows people from different backgrounds to make the most of themselves, perform outstanding work and drive our innovations.”

Reinhard Schneider,
CEO of the family-owned
and operated business
Werner & Mertz





DONATIONS AND SPONSORSHIPS

Werner & Mertz promotes an integrated understanding of sustainability and is committed to the community at both an ecological and social level. By sponsoring environmental initiatives and supporting social causes, we endeavour to play our role in fostering a healthy environment and social equilibrium in our community. We want to use the resources available for this as efficiently as possible and maintain a long-term commitment to topics that underline and especially support our sustainability strategy.

That is why we focus our donations and cooperation arrangements based on sponsorships exclusively on nature conservation and environmental protection activities. These measures credibly underpin our mission and allow us to engage in dialogue with stakeholder groups with which we do not regularly communicate. In addition to this, we support selected social initiatives through product donations.

All of the aforementioned sponsorship and donation arrangements are always subject to coordination, approval and release by Group Corporate Communications in Mainz. As the funding of organisations – whether through sponsorships or (product) donations – that are not directly related to our sustainability philosophy cannot be reconciled with our mission, this is prohibited. This relates to, for example, sponsorship of sports or cultural projects, events or music, donations to individuals, commercial or profit-oriented organisations or public bodies, and political donations.





We (all) take responsibility!

Within a company, following rules is important for good and fair cooperation. This holds for internal rules, legal obligations and employment duties. This also means demonstrating personal loyalty and honesty to the company. Every one of us within the company is a role model for others and we are all responsible for how we exemplify our corporate values and standards. While decisions on substantive or professional matters may often be taken by somebody higher up the chain to us, the situation is different when it comes to ethical and moral issues. Decisions on these can only be made by each of us individually and this responsibility cannot and must not be taken from any of us.

We are all responsible for setting an example by behaving in a manner that is correct and ethically acceptable – also vis-à-vis our company.

“Through our actions, we are all a role model for others. That is why it is so important that we all act lawfully and ethically, even when no one is looking. This role model effect also applies in our approach to misconduct. Tolerating misconduct, turning a blind eye to non-compliance, eschewing responsibility and hiding behind others inevitably damages our company’s culture of trust.”

Ralph Wenner,
CFO of the family-owned
and operated business
Werner & Mertz

MANAGING CONFLICTS OF INTEREST

We act in the best interests of Werner & Mertz. This means that we take objective and impartial decisions and do not allow our decisions or judgement to be influenced by the possibility of personal gain. Conflicts of interest – mixing personal and corporate interests – may arise in different areas of the employment relationship. These include business relationships with family members or friends, engaging in secondary employment, or hiring and promoting employees with whom we also socialise. The problem is that conflicts of interest are often associated with disadvantages or enrichment at the expense of the company. That is why the company expects employees to keep their private interests strictly separate from corporate interests and to inform their manager and Compliance Management immediately of any actual or potential conflicts of interest. They will then decide how the situation should be dealt with.



Never allow yourself to be influenced by family or personal relationships when awarding or renewing contracts, approving sponsorships or marketing material, or hiring employees.

Bear in mind that even the appearance of a conflict of interest can hurt the company and you in the very same way as an actual conflict of interest, as the difference is not always discernible to an outside observer.

Always notify the company of any conflicts of interest that arise.

Remember that conflicts of interest can start at a very early stage, e.g. by giving someone information advantages, offering more favourable terms of business or even facilitating lucrative deals.



HANDLING PROPERTY AND ASSETS

We respect the company's property, which we protect against theft, loss, misappropriation, embezzlement and abuse, and handle objects and assets carefully and properly. This includes using the company's financial and non-financial means and resources exclusively for pertinent company matters, free of personal preferences and, still less, never for personal or private purposes. We always check whether means and resources are used efficiently. We report financial and non-financial figures in a truthful and transparent manner and plan, request and monitor our needs and budgets carefully and always in keeping with corporate goals and initiatives.



Where we enter into legal obligations on behalf of the company or formally represent it externally, we do so only in full compliance with our power of representation.

Where we pass on confidential information or business secrets to our business partners, we always apply the principle of minimal disclosure and ensure that our expertise is kept protected and that our business partners, like all others in the chain, are bound to confidentiality in an appropriate and legally secure manner.

We ensure that business trips are always proportionate to the goal of the trip and are undertaken for business purposes only.

COMMUNICATION AND SOCIAL MEDIA

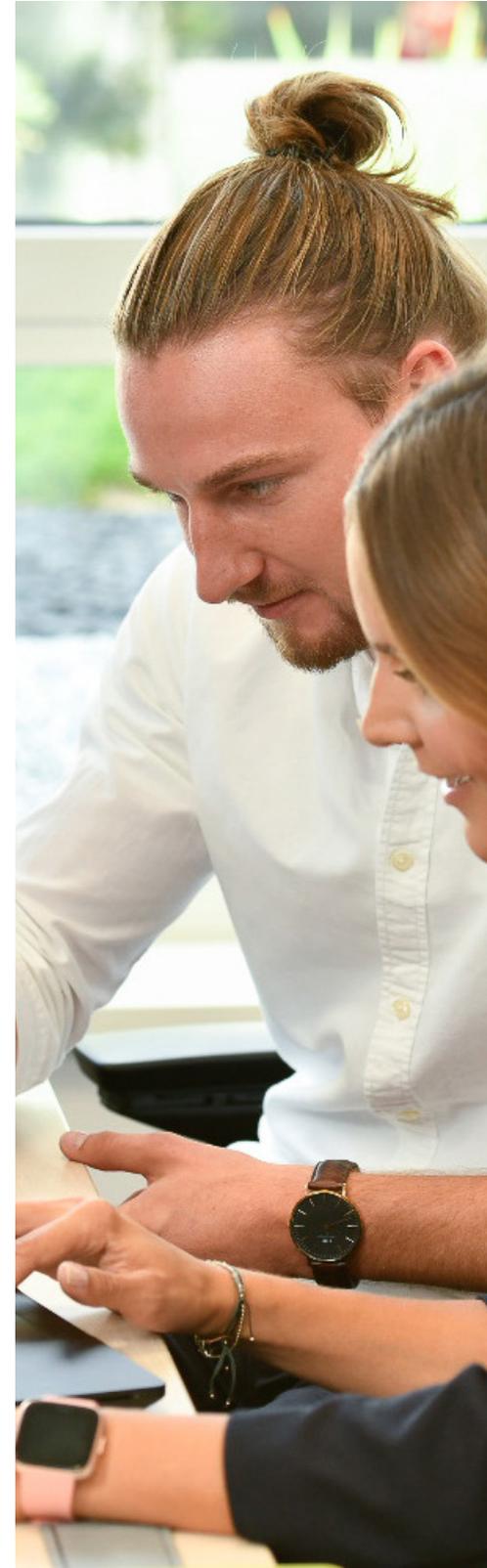
Werner & Mertz's reputation and the image of our brands are an important asset for our company. We protect this through consistent corporate communications. Some employees of the Werner & Mertz Group are particularly responsible for this. That is why all corporate communications have to come from or, at least, be coordinated with the relevant competent individuals. This also applies in crisis situations and especially if our company or brands are attacked in the media.

If external communication has not been coordinated in advance with the divisions mentioned in the next section or approved by them, employees are not authorised to speak on behalf of Werner & Mertz. This holds when employees comment on the company or its brands at public, professional or cultural events, online, in traditional media or elsewhere. The requirement to obtain approval also applies expressly to business communication on social media.

Where social media is used for business messaging, it must be ensured that the communication is responsible and in keeping with our communication and brand strategy. Furthermore, it must be ensured that only company-approved platforms are used and that no offensive, insulting, discriminatory or simply untrue content is disseminated. Equally, no internal and confidential information or business secrets may be posted.



If you post, discuss, comment on, share or like work-related topics in a private capacity, e.g. on social media or a business platform, and there might be even the slightest suggestion or assumption that you are speaking on behalf of Werner & Mertz or our brands, you must immediately make it clear that you are only expressing your personal opinion.





CONTACTS FOR COMMUNICATION

Group Corporate Communications is responsible for external communication relating to Werner & Mertz and its initiatives as well as for public relations as a whole, including crisis communication.

Corporate Affairs is responsible for representing the interests of Werner & Mertz vis-à-vis important stakeholders in national and international administrative bodies and national and international organisations and associations.

International Marketing is responsible for communication related to our brands.

CONTACTS FOR COMPLIANCE

If you have questions regarding the content or application of the Code of Conduct or are unsure about what constitutes proper conduct, please do not hesitate to contact International Compliance Management or your manager.

You can use our whistleblowing service to report violations, suspected or otherwise, of the law or internal guidelines and rules. The service can also be used to clarify whether a violation has taken place in the event of uncertainty.

 compliance@werner-mertz.com

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If violations are discovered, employees are expected to immediately notify International Compliance Management of the details of such incidents. The information given should be provided to the best of one's knowledge and belief. We take violations very seriously and follow up reports in an informed and unbiased manner.





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