



# Code of Conduct

Effective: 10 August 2017  
Approved by the Board of Directors of SCHMOLZ + BICKENBACH AG



## **Dear staff members.**

Economic success and corporate responsibility are inseparable. Our understanding of corporate behaviour is characterised by respectful, fair and responsible dealings with our staff<sup>1</sup>, our business partners, our society and the environment.

We understand the principles of behaviour laid down in our Code of Conduct as a common guideline for our decisions and our actions. We are convinced that the sustainable and successful continuing development of our company depends, among other things, on the consistent implementation of this Code of Conduct. For that reason, the principles set out in the Code of Conduct apply equally to the Board of Directors, the Group Executive Board, our management team<sup>2</sup> and all staff members of the SCHMOLZ + BICKENBACH Group<sup>3</sup>.

Luzern, August 2017

The Group Executive Board

<sup>1</sup> The terms “staff” and “staff members” will be deemed to include all employees irrespective of their gender. They include all those employed, including from a temporary employment agency, and board members.

<sup>2</sup> “Management team” means “staff members” – in the sense of the definition given above – performing a management role. Because of their particular role, their responsibility for the implementation of our principles of behaviour is explicitly highlighted at points throughout the Code of Conduct.

<sup>3</sup> Within the meaning of this document, “the SCHMOLZ + BICKENBACH Group” includes SCHMOLZ + BICKENBACH AG, all subsidiaries of SCHMOLZ + BICKENBACH AG, investments and joint ventures.

## Preamble

We, the SCHMOLZ + BICKENBACH Group, are a global integrated steel group and world-leading provider of high-quality, high-grade steel long products and special steels. Our customers are at the heart of everything we do. We maintain trusting and reliable partnerships with our customers for the benefit of both parties; we view their lasting satisfaction as a prerequisite for our success. To this end, our staff make use of their many years of experience and their extensive expertise every day. In the process, they ensure that their behaviour is in line with our Code of Conduct.

We expect all of our management team to live up to their particular responsibility and their exemplary role towards each other, towards the company and our staff and towards our business partners. This can be seen, in particular, from the fact that they actively align themselves with our principles of behaviour and support their staff in its implementation, in particular in preventing unlawful behaviour.

In defining our principles of behaviour, we were guided by our corporate values. Respect for human dignity, health and safety at work, responsibility and integrity in business dealings and the responsible, careful use of company property and limited resources are key elements. These principles apply across national borders and represent a central point of guidance for all members of staff in their day-to-day work, including in their relations with each other. We are therefore working on getting our business partners, in particular our suppliers and distribution partners, to abide by our principles of behaviour also.

The no-nonsense implementation of our principles ensures transparency and trust for our customers and business partners. In this way, we ensure and bolster our own success, prevent harm to staff members and the company and at the same time make an important contribution to social and corporate development.

## **General principles of behaviour**

### **Compliance with applicable laws and internal guidelines**

We operate our business in line with applicable local and international laws and with internal stipulations and guidelines. We expect all our staff to be familiar and comply with the laws and internal rules relevant to their area of responsibility. We assist them to do so through appropriate trainings and by providing legal advice and assistance where required.

It is the utmost responsibility of our management team that all staff know and adhere to the applicable laws and internal rules. They are the first point of contact in case of questions and will support their staff in behaving in accordance with the applicable laws and internal rules. To provide our staff with additional points of contact with respect to compliance related issues, we have also implemented the Speak-Up Line where staff may report any compliance related concern, if desired also anonymously. Furthermore, the *Ombudsperson* may also be contacted at any time.

This Code of Conduct cannot encompass all applicable standards for our Group in every detail. In order to support our staff in their everyday work, the SCHMOLZ + BICKENBACH Group has laid down various guidelines. Every staff member is obliged to make himself/herself familiar with the guidelines relevant for his/her area of responsibilities and to abide by the rules stipulated therein.

### **Equal opportunities and prohibition of discrimination**

We oppose all forms of discrimination. We respect human dignity. Our staff is the most important factor in our success. More than anything, our strength lies in the diversity of our workers, who all form part of our forward-looking company culture, which is characterised by different ways of thinking, respect and openness. We therefore expect all our staff members to behave with dignity and respect towards each other, and we will counter discrimination on the basis of ethnic origin, gender, ideology, religion, age, disability or sexual orientation with all means at our disposal.

## **Dealing with business partners and third parties**

### **Compliance with competition and anti-trust laws**

We are committed to free and fair competition. In our business dealings we act with integrity and responsibility. We are convinced that we will succeed in competition thanks to our high-quality special steel products and the extensive expertise of our staff. We decidedly reject any interference in free competition by means of engaging in anti-competitive agreements or concerted practices with our competitors that intend to or may limit competition. If we discover anti-competitive business practices, we will immediately stop these practices and hold the staff members involved responsible.

### **Prevention of personal conflicts of interest**

We undertake to always take commercial decisions in the interests of the SCHMOLZ + BICKENBACH Group. We are aware of the possibility of personal conflicts of interests and we will refrain from acting to the detriment of our company. A conflict of interest may arise, for instance, through any form of involvement in a competitor company or any other secondary employment. Likewise, the acceptance of any form of advantage granted by suppliers, retailers or customers for private purposes could also engender a conflict of interest and have a significant influence on free commercial decision-making. As a consequence, all staff members have to strictly avoid situations in which personal interests conflict with the interests of the Group or our business partners.

Conflicts of interest can also arise through business relations with related parties. As a consequence, all business relations with related parties need to be communicated internally beforehand in order to provide for the necessary transparency and may further require prior approval.

### **Prevention of corruption**

We explicitly oppose all forms of corruption by our staff and business partners and will take action against it. Business decisions must under no circumstances be influenced by the acceptance of a benefit or the granting of an advantage. We achieve our competitive advantages solely through business acumen and the quality of our products and services. Gratuities and hospitality may only be accepted and granted in accordance with our internal guidelines. Donations and sponsorship will be judged on a case-by-case basis and will be subject to prior review before approval is granted. Acting within these stipulations requires transparency and trust both within the SCHMOLZ + BICKENBACH Group and towards our business partners.

# **Handling of company property, data, know-how and confidential information**

## **Company property**

We protect the property and assets of our company. We show our respect by treating the property and assets of SCHMOLZ + BICKENBACH Group responsibly and as carefully as if they were our own. In this way we ensure value retention, promote its appreciation and protect our company's capital and that of our investors.

## **Data protection and data security**

We aim, within the framework of the applicable laws, to ensure the highest levels of protection and the best possible security of the data of our staff, our customers and our business partners. This is a key building block with which to increase trust in our operations. In particular, we will only collect, process or use personal data to the extent necessary for a particular, defined and permitted purpose. The transfer of data, prevention of data access and the use of data are also subject to special protection. All members of staff are obliged to act within the terms of the relevant laws and in so doing to always observe the personal rights of others.

## **Know-how and insider knowledge**

We rely on the valuable expert knowledge of our staff to foster our success. This knowledge must thus, in principle, only be used for the purposes of SCHMOLZ + BICKENBACH Group, must not be made available to third parties and is subject to corporate secrecy during and after employment.

Furthermore, knowledge that is not public and that staff members gain in the performance or on occasion of their duties must not be used for insider dealing within the meaning of the applicable laws. Insider dealing, for instances, relates to information about financial results, mergers and acquisitions, innovations or significant changes to the management structure. Such information may not be used for private trading of securities and not be shared with any outsiders (including family members).

## **Confidential information**

New production processes, innovations, current sales figures and business relationships, for instances, are valuable confidential information of the company and ensures that we succeed in competition. We therefore treat all secret business information as confidential and do not share it with any outsiders without prior approval.

## **Man and the environment**

### **Rejection of child labour**

We strictly reject child labour. Children are in particular need of protection, for which reason this is a core concern for us. At SCHMOLZ + BICKENBACH Group, it is strictly forbidden for anyone under the age of 15 or under the legal minimum working age to be employed.

### **Rejection of forced labour**

We vehemently oppose any form of forced labour or the exploitation of workers, in particular as regards children and young people. Within the SCHMOLZ + BICKENBACH Group no conditions of forced labour are present, nor are they favoured in any way. Our staff perform their working duties based on their voluntary decision and not due to any threat of direct or indirect violence or intimidation.

### **Right to organise and right of collective bargaining**

We support our staff members in observing their rights as workers. Our staff have the unrestricted right to found, join or leave associations or organisations for the purposes of promoting the protection of workers' interests. We do not tolerate any form of discrimination against staff members who are actively involved in representing workers right.

### **Fair working conditions, health and safety**

We observe the appropriate rules to ensure fair working conditions and to protect the health of staff members.

The health and safety of our staff is a particular concern of ours. We therefore ensure a healthy and hazard-free working environment through compliance with laws and regulations and observance of relevant design principles.

Our management team, in particular, must ensure that reasonable protective measures have been designed and implemented to ensure health and safety in the workplace.

### **Protecting the environment**

We regard protecting the environment and the climate as an important element of our business practice. As a global Group, careful interaction with the environment and the limited resources available, form permanent pillars of our corporate responsibility. We therefore use our influence to ensure optimal, responsible conditions in connection with the procurement, manufacture, distribution and use of our products. Our staff shares our convictions and act accordingly.

If you have any questions relating to our Code of Conduct, depending on the topic, please contact Corporate Compliance or Corporate HR:

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*Disclaimer:*

*This Code of Conduct does not give any employee or third party any enforceable legal right against SCHMOLZ+BICKENBACH AG or its related companies. The Code of Conduct is subject to amendment.*