

Röchling

RELIABILITY
FAIRNESS
COMPLIANCE

CODE OF CONDUCT

May 2019

Foreword

The aspiration of Röchling, which is a family business, is to be a reliable and fair partner for all of its business associates and employees, and one that complies with the law, statutes, and contracts as a matter of course.

This aspiration serves both as our own benchmark and the one that we are happy for others to apply to our performance.

The Röchling Code of Conduct describes our aspiration as it applies to the individual sectors in which we operate, and establishes certain irrevocable minimum requirements.

Our Code of Conduct does not seek to cover every conceivable situation. Instead, it defines the standard that is to be used to measure all of our activities.

Every single one of us is directly responsible for behaving as a reliable, fair and lawful partner. This responsibility cannot be delegated.

The Executive Board expects every employee, and in particular the executives of the Röchling Group, strictly to comply with the Code of Conduct.

The Executive Board



Prof. Dr.
Hanns-Peter Knaebel
President & CEO



Franz Lübbers



Evelyn Thome

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1. Introduction

Founded in 1822, the Röchling Group has emerged as an international leader and globally oriented group of small and medium-sized businesses in the plastics processing sector. Pioneering, excellent, and reliable: These are the corporate values that Röchling measures when assessing its performance.

As a family business, we attach the utmost importance to the principle of compliance with the law, both inside and outside the company. Acting in compliance with the law and a close relationship with our employees are key symptoms of the way we engage in business.

The present Code of Conduct is a binding document for all employees of the Röchling Group worldwide. It defines our attitude to compliance with statutory provisions, voluntary undertakings, internal guidelines, and ethical standards. The incontrovertible principle underpinning our conduct is a desire to occupy a compelling competitive position solely through our brand identity of being pioneering, excellent, and reliable. In this way, we can deliver the best possible benefits to our customers and achieve long-term business success. Röchling does not engage in unlawful or unethical business practices in order to procure any advantage. Anyone who takes or tolerates such unlawful or unethical action is seriously contravening the Röchling Group's business interests and must anticipate immediate consequences.

The managing directors or board members of all companies are personally responsible for disclosing the present Code of Conduct to all employees, for compliance with same, and for adopting appropriate organizational provisions.

We also expect each individual employee to comply with this Code of Conduct and actively to promote the values and principles set forth herein.

The present Code of Conduct applies to all domestic and foreign companies in which Röchling SE & Co. KG holds a direct or indirect interest of more than 50 percent or exercises industrial control ("Röchling Group"). If relevant national law envisages stricter provisions than this Code of Conduct, such stricter provisions shall apply.

The Röchling Group expressly supports and encourages its business partners to apply and take into account the agreed principles in their own company policy. It regards this action as a positive basis for further business relationships.

2. Principles

We comply with applicable law.

2.1 Lawful conduct

Röchling subscribes to the principle of strict compliance for all acts and measures of the Röchling Group. Every employee is therefore obliged to comply with applicable law, and every line manager must ensure that his or her employees fulfill this obligation. It is strictly forbidden to induce third parties either to act contrary to the law or knowingly to participate in such acts.

2.2 Executives serve as role models

Board members and executives have a special part to play as role models in the implementation of this Code of Conduct. They must credibly embody and practice its values, and consistently take action against any conduct that is inconsistent with the code.

3. Conduct towards business partners and third parties

We support fair competition and strictly comply with statutory provisions governing competition.

We condemn every form of bribery and corruption.

3.1 Antitrust and competition law

Supporting fair competition is consistent with our company's business policy. We therefore expect all employees strictly to comply with applicable antitrust and competition law.

Agreements in restraint of competition and concerted practices with competitors are accordingly prohibited because their purpose or outcome is to prevent or restrict competition. This shall include, in particular, the allocation of territories or customers, and agreements or the sharing of information concerning prices and price components, supply relationships and their underlying conditions, capacities, or tendering conduct. The prohibition encompasses not only express written agreements, but also oral agreements and concerted acts arising from unilateral declarations.

Agreements with suppliers and customers can also be prohibited by antitrust law. In particular, such agreements include restraints on the customer's freedom to determine prices or delivery conditions for its business partners, exclusive dealing requirements, exclusive supply arrangements, and prohibitions of competition.

If a company belonging to the Röchling Group holds a dominant market position, such position must not be abused.

Röchling does not disparage competitors, customers, suppliers, or business partners, or their products and services.

Suppliers and business partners are to be selected exclusively according to objective criteria.

An employee harboring any doubt concerning admissibility under antitrust law must consult his or her line manager. If applicable, advice is to be sought from an attorney.

3.2 Corruption

Every form of giving or taking bribes or granting of advantage is forbidden, whether practiced by or benefiting public officials or in the course of business. No employee is allowed to accept, offer or grant bribes or other monetary gifts in connection with his or her business activity. Public officials are not to be offered, promised or granted inadmissible benefits of any kind, either for themselves or for third parties, for performing their duties or other acts.

3.3 Gifts and invitations

Gifts, such as those given by way of invitations or in connection with promotions, serving the purpose of fostering business relations or presenting products or services, are admissible – provided that they reflect customary business practice. Such non-monetary gifts, invitations, and personal favors to business partners and competitors or other third parties can be offered only if falling within the scope of generally accepted business custom. They must therefore reflect customary business practice, their value must not be unreasonably high, and they must not exceed the personal living standards of the parties involved or serve the purpose of influencing business decisions in a dishonest way or in circumvention of legal regulations.

Such gifts given by business partners, competitors, or other third parties can be accepted only if same fall within the scope of generally accepted business custom and are reasonable in view of the occasion and their extent, and provided that invitations, non-monetary gifts, or personal favors are unable to influence business decision-making.

Subject to the stricter provisions set forth above, such gifts to and from third parties can have an approximate value of 100 euros. The giving or accepting of monetary gifts is forbidden in every instance.

As a general rule, employees must never accept or grant benefits capable of giving rise to the impression that inadmissible influence has been exerted, or that an attempt has been made to exert an inadmissible influence.

Employees who allow themselves to be unfairly influenced by customers or suppliers, or seek unfairly to influence same, shall face disciplinary proceedings regardless of criminal law repercussions.

3.4 Consultancy and service agreements

Consultancy and service agreements can be concluded only if the person or company is appropriately qualified to fulfill the relevant assignment and provided that the assignment exclusively serves the interests of the Röchling Group enterprise and does not conflict with the goals of the present Code of Conduct. Only commission and remuneration in particular that is reasonable and justifiable in relation to the work performed can be paid within the framework of such consultancy and service agreements. No payments or benefits can be agreed that appear to be bribes wholly or in part.

3.5 Supplier and customer relationships

Agreements with customers and suppliers are always to be made completely and unambiguously and must be documented together with any subsequent amendments and additions. All employees must strictly comply with the internal provisions governing the application of dual control (counter-checking) and the separation of executive and controlling functions. Suppliers are to be selected solely on a competitive basis after a comparison of the prices, quality, performance, and suitability of the offered products or services.

4. Human rights and labor and social standards

We observe the internationally recognized human rights as well as labor and social standards.

By way of the provisions set forth below we wish to ensure that all employees act in compliance with the internationally recognized human rights and the key labor and social standards.

4.1 Human rights

The Röchling Group is expressly in favor of and supports respect for the internationally recognized human rights.

4.2 Discrimination

The Röchling Group undertakes to ensure equal opportunity with respect to employment and to refrain from any discrimination unless national law expressly provides for selection based on certain criteria. There must be no different treatment afforded to employees because of sex, race, skin color, disability, origin, religion, age, or sexual preference.

4.3 Equal opportunity

The principle of equal opportunity applies. Röchling clearly proclaims its opposition to discrimination and exclusion and favors integration and tolerance not only among the employees, but also between and with the management. The employees and management shall treat each other with respect and understanding and place trust and confidence in each other in order to achieve the common company objectives.

4.4 Forced labor

Röchling rejects any type of forced labor. Child labor is prohibited. The minimum age of employees shall be based on the applicable national laws and collectively bargained agreements, provided that the stipulated age is not lower than the minimum age of employment set out in ILO Convention No. 138.

4.5 Compensation and remuneration

The right of all employees to reasonable remuneration is recognized. Compensation, remuneration, and other benefits (social benefits, vacation, and others) shall take into account the principle of fairness, and correspond at least to the applicable national statutory norms and the standards prevailing in the national economic sectors and branches of industry.

4.6 Working conditions

Röchling complies with the respective national regulations and agreements pertaining to working hours and regular paid vacation. Working hours including overtime must not exceed the applicable statutory and collectively bargained standards in the respective countries.

4.7 Training

The existing skills and know-how of the employees are of tremendous importance to the future viability of Röchling at all facilities throughout the world. For this reason, Röchling supports and promotes employee training measures that are capable of expanding and deepening the professional and technical knowledge and essential for the relevant work activity. Training and further training are assigned special importance in future development.

4.8 Freedom of association

The right of employees of Röchling to form non-affiliated unions and join such as they see fit is hereby recognized. Röchling accepts the establishment of unions by the employees if such are not in contradiction of national statutory provisions. Röchling accepts the results of collective bargaining involving Röchling on the basis of national provisions.

Röchling, the employees and union representatives of the staff work openly and in the spirit of a constructive and cooperative resolution of conflicts accommodating the interests of both sides. A fair accommodation of economic interests of the company and the employees shall be sought.

5. Environmental protection, health, and safety

We protect the environment and manage resources in a sustainable way.

We set high standards in occupational health and safety.

5.1 Environment

The products and services of Röchling are to be environment-friendly, now and in the future. Protection of the environment and the improvement of living and environmental conditions are important company objectives of Röchling. Cooperation shall take place in practice with the competent local institutions in order to achieve and maintain the relevant international, European, and national environmental standards.

As early as the planning stage of new products and manufacturing processes, harm to the environment is to be avoided or minimized as far as possible. Sustainability is a major concern and the overarching environmental goal is to use resources efficiently. In order to identify potential improvements, material and energy flows are to be analyzed and measures are to be developed to reduce energy consumption and emissions. Such measures shall be incorporated into the planning process when designing plants and new production machinery. When manufacturing processes are being planned concepts for preventing waste and increasing the recycling ratio are to be adopted. Such concepts shall include the use of state-of-the-art technologies, treating and recovering wastewater, taking advantage of the internal recycling potential, preventing waste, and sophisticated waste management. The environmental awareness of the employees is to be raised by providing information and training.

5.2 Occupational health and safety

Occupational health and safety have top priority. Röchling shall ensure that occupational health and safety are upheld at the workplace within the framework of the national provisions and shall support continuous further development to improve the working environment.

Röchling's business activities are to be aligned with designing workplaces in such a way that the employees can work safely and without accidents. As early as the planning stage of production lines and ergonomic workplaces, steps must be taken to prevent accidents. Work procedures must be monitored continuously for possible hazards to the employees. Together with executives and employees, the safety officers must develop strategies to prevent potential accidents in the workplace. Continuous reviews must be performed to find ways of reducing the number of accidents, for example by making changes to machinery and equipment, revising transport routes, optimizing lighting, improving signs, and providing appropriate training for the employees.

6. Conflicts of interest

We are committed to promoting the business of the Röchling Group.

Every employee is obliged to make business decisions in the best interests of the company. Employees must therefore ensure that their private interests do not come into conflict with the company's interests. Personal interests or relationships must never exert an influence on an employee's work. Every type of conflict of interest is to be avoided and, in case of doubt, reported to the line manager without undue delay.

Employees can consequently represent the company in transactions in which they or members of their family have an economic interest only subject to the prior consent of their line managers.

Material financial interests (more than three percent) in the companies of competitors, suppliers, or customers shall be subject to the consent of line managers.

Sideline work for suppliers or customers is allowed only subject to the prior consent of line managers granted on a case-by-case basis.

7. Confidentiality

We protect our company's confidential information and respect the confidential information of others.

The company's confidential information is to be kept secret. Confidential information is to be protected against unauthorized access by third parties. Inside the company as well, confidential information can be disclosed only to employees who need same for the performance of their duties.

This obligation continues to apply even after the ending of the employment.

8. Data protection and data security

We respect data privacy and protect our company's data.

Röchling collects, processes, and uses personal data only in strict compliance with the relevant applicable provisions and if required for defined, unambiguous and lawful purposes.

Internal company information must be protected against disclosure, manipulation, or destruction by unauthorized persons, espionage, and sabotage, unwanted editing and unwanted loss.

All employees are obliged to protect and actively to promote the security of information and information systems, communication networks, and network services to which they have access in the course of their work.

9. Company property

We insist on honesty and respect the assets and property of the company.

Every employee is obliged to treat company property in a responsible manner. Equipment and items belonging to the company must not be used for private purposes or removed from the company's premises unless the competent line manager has given approval for such action to be taken in an individual case.

Company property is to be protected against loss, damage, theft, and improper and unauthorized use. Employees must treat with care all work equipment placed at their disposal for the performance of their duties.

Intangible assets, including proprietary knowledge, intellectual property, works protected by copyright, and the ideas and knowledge of our employees, likewise fall within the definition of company property that is to be protected.

10. Money laundering

We collaborate only with reputable business partners.

Money laundering is the process of integrating illegally acquired money or illegally procured assets into the legitimate flow of financial and economic resources. Money laundering is a criminal offense in the member states of the EU and many other countries (including the USA and China).

No employee, either alone or in collaboration with third parties, is allowed to take or tolerate any action that infringes the applicable regulations against money laundering.

11. Trade laws

We respect national and international laws governing the import and export of goods and services.

International trade laws exist in most countries. They regulate the exchange of goods, services, and technologies across national borders. Various national and international trade laws restrict or prohibit the import and export of goods and services. Such restrictions can apply not only to the type of product, but also to the country of origin or destination and, in some cases, to the identity of the customer (embargo). Similar restrictions can likewise apply to the export of technology and software. Country-specific embargoes are in place for certain countries.

All employees are obliged to comply with the relevant trade laws, including tariff and export control regulations.

12. Inside information

We respect the insider trading regulations.

Inside information is any non-public information that any investor would regard as being material to his or her investment decisions. It is forbidden to use inside information either to purchase or sell securities or to recommend the purchase or sale of securities.

Inside information is to be treated strictly confidentially. As a general rule, such information must not be disclosed to third parties; this non-disclosure rule also applies to passwords giving access to electronically stored inside information. The disclosure of inside information to employees or external advisers is allowed only if the recipient needs the information in order to fulfill his or her duties and undertakes to treat same strictly confidentially.

13. Questions, reporting of irregularities

Questions concerning the Code of Conduct can be addressed to the managing director of the relevant company, the managing directors of the management company of the division concerned, the Executive Board of the Röchling Group, or the legal department of Röchling SE & Co. KG.

We call on our employees to notify us of circumstances indicating a violation of laws, internal guidelines, or the present Code of Conduct.

In such cases, employees should initially contact their immediate line managers. If this route is ruled out, indications of misconduct can be reported to the board of management of the relevant company, the managing directors of the management company of the division concerned, the Executive Board of the Röchling Group, or the legal department of Röchling SE & Co. KG.

Contact address:

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Richard-Wagner-Straße 9
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Such reports to the central legal department must be communicated openly. In consultation with the head of the legal department, however, it can be agreed at the request of the relevant employee that such openly communicated reports shall be forwarded anonymously. This practice shall be adopted, however, only in exceptional cases in which serious personal, labor law, or social disadvantages are to be feared. These reports shall be investigated and, if necessary, corrective measures shall be taken.

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