



# Corporate Code of Conduct

**nass magnet GmbH,  
Holding Kirchheim GmbH + Co. KG**



Hannover, Germany

**nass controls**



New Baltimore, Michigan/USA

**nass magnet Hungária Kft.**



Veszprém, Hungary

**nass magnet Shanghai  
Trading Co., Ltd.**



Shanghai, China

## Scope

This Code of Conduct applies to all companies of the Kirchheim GmbH & Co KG holding, hereinafter referred to as the “Kirchheim Group”.

## Note on genders

All references made in this text to persons are intended to include persons of all genders, even in cases where either male or female pronouns are used for reasons of legibility. The use of such gender-specific pronouns is in no way intended to express any form of gender discrimination or violation of the principle of equality.

The Kirchheim Group is committed to actively ensuring that the values and principles laid out below are observed.

## 1. Legal compliance

The Kirchheim Group complies with all the applicable laws and other legal regulations of the countries in which it operates.

## 2. Social responsibility and business ethics

The Kirchheim Group bases its actions on generally accepted ethical values and principles, in particular:

- Integrity
- Righteousness
- Respect for human dignity
- Openness and zero discrimination based on religion
- Worldview
- Gender
- Ethnicity

The Kirchheim Group rejects corruption and bribery as defined by the corresponding UN convention. It encourages a suitable measure of transparency, integrity of action, responsible management, and oversight within the company.

The Kirchheim Group follows clean and recognised business practices and the principles of fair competition. It approaches business competition with professional conduct and a quality-conscious approach to its work.

Kirchheim Group rejects plagiarism and respects intellectual property rights. It complies with export controls and economic sanctions. When in doubt, it consults experts from outside the Group for clarification before deciding on a course of action. The Kirchheim Group cultivates a trusting partnership with its supervisory authority.

The Group considers the offering and acceptance of invitations or gifts to be acceptable providing it only occurs in isolated circumstances, and that the value of said invitations or gifts is not unusual and is appropriate within the context of the business relationship in question.

In case of doubt regarding this classification, staff must contact their superiors. If clarification remains impossible, the final decision shall lie with the Executive Board. The Group has established multi-stage approval processes (dual control principle, cross-site), interdisciplinary target-setting and regular assessments and external controls to protect against the damaging effects of conflicts of interest.

### 3. Consumer interests

In situations where consumer interests are affected, the Kirchheim Group complies with consumer protection regulations and appropriate sales, marketing and information practices. Particular care is taken with vulnerable groups (e.g. minors).

### 4. Communication

The Kirchheim Group communicates openly and encourages dialogue with employees, customers, suppliers and other interest and stakeholder groups regarding this Code of Conduct. All of the Group's documents are drawn up in full awareness and consideration of its duties, are not dishonestly modified or erased, and are stored appropriately. Trade secrets and business information pertaining to the Group's partners are treated as sensitive and confidential.

### 5. Human rights

The Kirchheim Group is dedicated to promoting human rights, in particular:

- Protection of privacy
- Protection and granting of the right to free speech and freedom of opinion
- Compliance with core working standards: Prohibition of child labour and forced labour
- Compliance with working standards regarding wage and salary levels in accordance with the applicable laws and provisions and anti-discrimination requirements
- Respect of workers' rights to freedom of association, freedom of assembly, and collective bargaining

### 6. Working conditions

#### a. Working with stakeholders

The Kirchheim Group takes a constructive approach to working with commercial stakeholders from its workforce at sites where such representatives exist, and strives to ensure a fair balance of interests. No matter how controversial a dispute may come, the Group's goal is always to maintain a sturdy, lasting and constructive framework of collaboration.

#### b. Equal opportunities

The Kirchheim Group observes the principles of equal opportunity and mutual respect among all its employees. Every person who works for the Kirchheim Group is treated equally and offered equal opportunities in all aspects of their employment relationship, irrespective of their gender, age, religion, skin colour, sexual orientation, ethnic background, or disability status.

#### c. Prohibition of harassment and violence

The Kirchheim Group expects all its employees to treat one another with respect. No form of harassment, including offensive remarks, sexual approaches or other verbal statements, visual representations or physical conduct that creates an intimidating, hostile or offensive work environment, will be tolerated

at the Kirchheim Group. Employees, customers, suppliers, external staff, temporary staff and all other persons associated with the company must be treated with dignity and respect at all times. The use of verbal and physical violence is forbidden.

### **d. Health and safety**

The Kirchheim Group protects the health and safety of all its employees, visitors, and all other persons affected by its commercial processes. The Group complies with all the laws and regulations relating to environmental protection, health and safety at work.

All the Group's employees receive training in the applicable laws, regulations and conduct with regard to environmental protection, health and safety at work.

### **e. Alcohol and drugs**

The consumption of alcohol and illegal drugs at work is prohibited. The same applies to possession of alcohol and illegal drugs whilst at work. Any abuse of illegal drugs, alcohol or medication can endanger the safety and well-being of the Kirchheim Group's employees, damage the Group's image, or impair its commercial processes.

### **f. Working hours**

The Kirchheim Group complies with the working standards relating to permissible working hours.

## **7. Whistle-blowers**

The employees of the Kirchheim Group are urged to report the following injustices, should they occur within the Group:

- Corrupt, fraudulent or dishonest behaviour
- Potential criminal activity, violations of law or legal regulations
- Potential damage to health of the environment
- Theft or fraud
- Damaging conflicts of interest
- Deliberate misinformation or false statements made to or by the management and to internal or external auditors or authorities
- Inappropriate accounting practices
- Falsification of financial reports
- Mismanagement
- Copyright violations / plagiarism
- Any behaviour that harms the interests of the Kirchheim Group

Employees can report such injustices to their direct superior, Human Resources or the Executive Board. We hereby provide the express assurance that no employee will suffer personal or professional disadvantage as a result of reporting such an incident.

## **8. Handling of information**

### **a. Data protection**

The Kirchheim Group shall not collect, use, process or save any personal data without a legitimate commercial purpose for doing so or without the consent of the employee representatives. Where personal

data is collected for a specifically defined purpose, said data must be protected. The locally applicable laws and regulations regarding the protection of personal data must be observed.

### **b. Financial assets and confidential information**

Material and immaterial financial assets and confidential information pertaining to the Kirchheim Group must not be used for any purpose other than the achievement of the company's goals, and must be protected at all times.

The use of confidential information for other business opportunities or personal use is prohibited. All of the company's financial assets must be returned to the Kirchheim Group at the end of the employment relationship. The obligation to protect confidential information shall continue to apply even after the employee in question has left the company.

Employees must never disclose confidential information to third parties outside the Kirchheim Group without first receiving approval to do so from the Executive Board or concluding a confidentiality or secrecy agreement with the third party in question. Confidentiality agreements must be concluded with all parties outside the company who may receive confidential information during their dealings with the Kirchheim Group.

Confidential information must never be discussed in public places, on the Internet (e.g. on Facebook), or in any other location where third parties may be able to gain knowledge of said information without the parties involved in the discussion noticing. The term "confidential information" applies to all information that is not publicly available and is of value to the Kirchheim Group. Confidential information can exist in written, digital, or any other form.

Examples of confidential information include:

- Details of the Kirchheim Group's business relationships and contracts
- Confidential financial information
- Marketing plans and strategies
- Records on customers and staff
- Supplier lists
- Organisational plans
- Payment data
- Data on supplier turnover
- Contact lists, telephone directories

## **9. Social media**

Employees must not publish disparaging comments about their colleagues or business partners on social media websites. Social media websites include communication platforms such as Facebook, Twitter, YouTube, Wikipedia and blogs.

Any statements that wilfully damage the companies business or reputation are also prohibited. This includes threats and insults, the publication of disrespectful material (e.g. photos), false claims presented as facts and statements that seriously endanger peaceful business operations and render continued collaboration infeasible.

**Implementation and enforcement**

The Kirchheim Group shall make every appropriate and reasonable effort to implement and enforce the principles and values described in this Code of Conduct.

**a. Entwicklung der Unternehmenskultur**

Avoid	Ensure
Hierarchical pyramids	Networked teams
Prescriptive styles of management	Supportive styles of management
Dictating what to do	Adapting to suit our goals
Micro-management	Trust
Centralised authority	Decentralised decision-making
Secretiveness	Transparency
“No, you can’t do that”	“Yes, you can!”

**b. Guidelines for managers**

- I am a role model.
- I see management as my main job.
- I am an active driver for improvement.
- I communicate openly and honestly.
- I give my staff a sense of direction.
- I proactively gather and give feedback.
- I trust my staff and give them the freedom to do their jobs.
- I take responsibility, and encourage others to do the same.
- I acknowledge achievements.

**The Executive Board**