

# KENDRION N.V.

## CODE OF CONDUCT

VERSION NOVEMBER 2020

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## 1. INTRODUCTION

We do it **The Kendrion Way!** an inspiring motto at the heart of the Kendrion organisation: “A global **TEAM** of actuator **SPECIALISTS**, with **COURAGE** to act, curiosity to **LEARN** and **SHARE**, confidence to learn from **MISTAKES** and successes, and open to **FEEDBACK**”.

To live up to **The Kendrion Way!** we need a culture where we embrace company values such as courage, flexibility, integrity and innovation. Our values underpin all the work we do.

The purpose of this Code of Conduct is to further develop and implement company values, particularly the value integrity.

The Code of Conduct sets guidance for our business decisions and provides principles of ethical business behaviour. When taking business decisions, you should always apply high ethical standards. The Code of Conduct describes the behaviour we expect of our people. The Code of Conduct is more than a set of rules. Driven by the value integrity, the Code of Conduct contains obvious and universal standards and expected behaviours.

The Code of Conduct does not exempt anyone. Every employee, director or officer in a Kendrion company must follow the Code of Conduct. Independent contractors who are working on our behalf or in our name will be required to comply with the Code of Conduct when acting on our behalf or in our name.

**This is your Code of Conduct and it is relevant to you. Understand it. Live by it. Convey it. Do what is ethically right and legal, not what is easy. Together we do it The Kendrion Way!**

Should you have any questions regarding the Code of Conduct please contact a member of the Compliance Committee.

The Compliance Committee consists of the Internal Audit and Risk Manager, Chief Financial Officer (CFO), Group HR and the General Counsel | Compliance Officer. Their contact details can be found on our intranet under ‘Legal and Compliance’.

## 2. OUR COMMITMENTS

### 2.1 Our people

We aspire a culture of sustainable high performance and endorse an environment that empowers everyone to reach their full potential. Our people and the culture we endorse are central to achieving our ambitions. We foster an open, diverse and inclusive atmosphere to attract, motivate and retain a talented and highly diverse workforce.

Diverse and inclusive teams make our organisation more agile, creative and innovative. Having the right mix of people in the right jobs, with the right capabilities, encourages better decision-making and helps us to sustainably grow our business.

Within Kendrion there is equality of opportunity for personal recognition and career development, regardless of personal background or belief. The same applies to the recruitment of new employees. No form of discrimination or harassment will be tolerated.

Kendrion does not accept any action, conduct or behaviour which is disrespectful, humiliating, intimidating or in any other way hostile or inappropriate. Actions, words, jokes or comments based on a person's background, belief or any other (protected) characteristic such as gender, age or religion are not tolerated.

Be sensitive to behaviours that may be acceptable in one culture but not in another. Challenge someone if you find their behaviour disrespectful, intimidation or in any other way inappropriate.

#### **Challenge yourself:**

- Are your personal prejudices or preferences influencing your decision(s)?
- Have you been discrete in handling sensitive or confidential information?
- Have you shared potentially offensive or speculative information?
- Have you challenged someone else's inappropriate behaviour?

### 2.2 Our customers, suppliers and other business relations

Kendrion is the trusted partner of some of the world's market leaders in the automotive and industrial segments when it comes to designing and producing complex electromagnetic components and customised systems.

We highly value and build upon our trusted business relations and are committed to continue designing and producing high-quality electromagnetic systems and components and creating long-term sustainable value for our customers around the world.

Taking responsibility for sustainable sourcing, manufacturing and conducting business is embedded in Kendrion's culture of innovation.

You should always carry out your responsibilities with professional integrity, while having due and reasonable regard for the interests of society, employees, shareholders and other stakeholders of Kendrion.

### **2.3 Our shareholders**

With the consistent execution of our strategic intent to continuously grow revenue and profitability in a sustainable way and conducting our businesses in accordance with recognised principles of good governance, we are committed to creating and increasing shareholder value.

At regular intervals, we will provide our shareholders with reliable information about Kendrion's activities, financial situation and performance.

### **2.4 Society**

Creating long-term sustainable value is a principal strategic objective of Kendrion. With our sustainability strategy we focus on three value creation pillars: Natural Capital, Social and Human Capital and Responsible Business Conduct. The Natural Capital pillar focuses on improving our environmental performance and our ambition to reduce our environmental footprint.

Community connection forms one of the material themes of our Social and Human Capital pillar. Kendrion maintains strong ties to the communities in which it operates and endeavours adjusting to local situations through open dialogues and constructive cooperation and through Kendrion's long-standing commitment to be a local employer and a good neighbour.

We support economic and social well-being of local communities through strong community engagement and by supporting social development projects.

### **2.5 Compliance**

Kendrion is committed to compliance with all applicable laws and regulations. We expect you to familiarize yourself and follow all applicable laws and regulations in carrying out your responsibilities. Failure to comply with applicable laws and regulations can severely damage our business and expose us and our employees to (criminal) charges and fines.

As a general rule, if you become aware of any matter that could result in a violation of applicable laws and regulations, you should immediately inform your direct manager or director. But also, if you are unsure how to interpret applicable laws and regulations, inform your manager or director.

#### **2.5.1 Bribery and corruption**

Kendrion does not tolerate bribery or any other form of corruption. Bribery can include the offering, promising or giving of payments or other advantages to any person (including government officials or public officials) to influence a business outcome improperly (e.g. selection procedure or other government or company decision).

Bribery and corruption can be direct or indirect through third parties like agents, distributors and partners. You are not permitted to directly or indirectly promise, offer or provide any improper (financial) advantage to any person (including government officials) for the purpose of obtaining or retaining business or services.

In the same way, you are not allowed to accept payments or advantages if given to influence a business outcome or to gain a business advantage.

Ensure that people you work with understand that bribery and corruption is unacceptable. Closing your eyes to your suspicions of bribery and corruption can also result in liability for Kendrion and for you personally.

Keep in mind that even unsubstantiated or unproven claims of bribery or corruption can damage reputations and business.

You are liable to disciplinary action, dismissal, legal proceedings and possibly imprisonment if you are involved in bribery and corruption. Do not accept any compromises when it comes to bribery!

**Challenge yourself:**

- Did you check our Anti-bribery and anti-corruption policy? You can find this policy on our intranet.
- Would you feel embarrassed if you had to explain to your manager or other colleagues what you have done?
- Did you avoid reporting or record keeping requirements or other internal control procedures?

**2.5.2 Gifts and hospitality**

Gifts and hospitality must never influence the integrity of your business decisions and must not place you or Kendrion under any obligation. Business decisions should be based upon legitimate considerations and not on considerations of personal gain. If you are influenced or seek to influence someone you can face legal or disciplinary action or dismissal.

Accepting occasional gifts may be appropriate in developing business relationships. However, the acceptance of gifts should always be limited to reasonable and bona fide expenditures and not be excessive or otherwise going beyond regular accepted business courtesy.

Gifts may never be accepted in the form of cash or cash equivalents. Decline a gift if you feel uncomfortable telling someone else that you accepted the gift.

The same applies to the offering of gifts.

Check our Anti-bribery and anti-corruption policy on intranet; this policy provides standards and specific guidance about gifts and hospitality.

Offering and acceptance of gifts in relations with government officials creates special concerns. You should consult your direct manager about your relations with government officials and the offering and acceptance of gifts. You are not allowed to offer gifts to the spouses, family members or guests of a government official.

**Challenge yourself:**

- Did you follow the standards and guidelines in our Anti-bribery and anti-corruption policy? You can find this policy on our intranet.
- Is the timing of the gift sensitive (e.g. during negotiations of a contract)?
- Would acceptance of a gift make you feel you were under any obligation?
- Would you feel embarrassed or uncomfortable if you had to explain to your manager or other colleagues that you had accepted the gift?

### 2.5.3 Conflict of interest

You must avoid any real or potential conflict of interest. A conflict of interest occurs when personal interests compromise your motivation to take business decisions or could be perceived by others to influence your motivation to take business decisions. Your decisions must not be influenced by personal and private considerations. A conflict of interest can jeopardize your and/or your colleagues' reputation as well as the reputation of Kendrion.

If you become aware of any matter that could influence or be perceived to influence your business decisions and actions, you should immediately inform your manager or director. But also if you are unsure how to deal with a specific situation, inform your manager or director.

Act impartial and professional in your dealings with business relations!

#### **Challenge yourself:**

- Are you using your position for personal gain?
- Do you feel any obligation as a result of the nature of the relationship you have with a party doing business with Kendrion?
- Could the situation affect the proper fulfilment of your responsibilities?
- Could others come to question whether they have been treated fairly?

### 2.5.4 Integrity of financial reporting

The integrity of our financial reporting is critical to the successful operation of our business. Our financial records and supporting documents must accurately reflect the underlying transactions in accordance with established accounting standards.

You should not engage in any conduct or make any arrangements that could result in a false or misleading entry on any record, including your expense claims. You should maintain records of your (trans)actions in an accurate and transparent manner. No unrecorded funds or assets will be established or maintained.

## 2.6 Safeguarding assets and information

### 2.6.1 Kendrion assets

Kendrion assets include tangible assets, such as offices, office furniture and supplies, communication facilities and equipment (e.g. laptops, mobile phones and other devices) and intangible assets, such as data (files), technology, know-how, trade secrets and other intellectual property. Kendrion assets are valuable and must be preserved, managed and protected properly.

You are responsible for protecting Kendrion assets and you must use Kendrion assets appropriately and responsibly. Kendrion assets are to be used solely to pursue and achieve Kendrion's goals and not for personal benefit.

### 2.6.2 Intellectual property (IP)

IP rights, including rights to know-how and development material, trade name rights, trade mark rights, database rights, patent rights and trade secrets relating to Kendrion's operations and technologies are among Kendrion's most valuable assets and you must

properly protect our IP and follow the internal procedures that have been designed to protect and preserve our IP.

You should not store or copy any IP or other Kendrion information to a computer, laptop, device or other equipment not owned or controlled by Kendrion. Relatedly, IP belonging to third parties must not be infringed. Failure to respect third-party IP could have severe (financial) consequences, whether the violation was intentional or not. Avoiding IP violations involves careful due diligence and strict adherence to internal procedures, processes and best practices (regarding the use of third-party content and otherwise).

### **2.6.3 IT and communication facilities**

IT and communication facilities include laptops, mobile phones and other devices. You should apply high ethical standards and ensure you comply with our internal policies and security requirements when using Kendrion IT and communication facilities. Improper use of these facilities could be illegal and could damage Kendrion. Do not upload, download, send or view pornography, racist or other insulting or offensive material.

### **2.6.4 Confidential and proprietary information**

Information is a valuable Kendrion asset. You are responsible to safeguard confidential, proprietary and other material or sensitive information about Kendrion. Consistent with our contractual obligations you will also maintain the confidentiality of information that our customers, suppliers and other business relations have provided to us.

Confidential information is information that is exclusive to our organization and either gives or could give Kendrion a competitive advantage. It is information that could lead to loss of an existing competitive advantage if it became publicly known. This kind of information may not be disclosed to anyone outside Kendrion. You must always remain conscious of your responsibility to keep confidential and protect confidential and proprietary information.

#### **Challenge yourself:**

- Have you password protected confidential and proprietary information?
- Are confidential and proprietary documents secured in a locked desk drawer or cabinet before you leave your workplace?
- Do you share confidential and proprietary information with your colleagues on a need-to-know basis?
- Are you mindful about discussing confidential information in public spaces?

## **2.7 Communication and social media**

You are the ambassador of the Kendrion brand. Always ensure your communications are necessary and appropriate. Inappropriate, inaccurate or careless communication can create serious reputation and liability risks for you, your colleagues and/or Kendrion.

In your business communications:

- Do not mislead
- Do not write speculative opinions
- Do not engage in 'casual conversation' about sensitive or confidential matters

We recognize that social media can be used to further expand your networking abilities to your benefit as professional, expert or innovator. However, we also recognize the risks of social media.

Basic rules for the use of social media include:

- **Be thoughtful** – if you are posting a message, remember to use the right tone of voice.
- **Be considerate** – refrain from inappropriate behaviour and show proper consideration of the interests of Kendrion, our customers, suppliers as well as your colleagues.
- **Be selective** – in case of Twitter, do not be afraid to 'unfollow' tweets from untrusted sources or spammers. Similarly, with Xing, WeChat, LinkedIn and other online networks you may choose to ignore invitations of people you do not know or trust.
- **Be aware** – think about how you present yourself. The lines between public and private, personal and professional are blurred on social networks.
- **Use your best judgment** – if you are about to post something that makes you even the slightest bit uncomfortable, **reconsider your decision**. Feel free to discuss it with your direct manager.

### 3. COMPLIANCE WITH THE CODE OF CONDUCT

Kendrion considers it essential that every employee, independent contractor, director and officer in a Kendrion company understands, complies with and conveys the business principles contained in this Code of Conduct and the related internal policies. The Code of Conduct is fundamental to how we conduct our business and living by it is crucial for our continued success. The Code of Conduct should at all times drive your behaviour in the performance of your business responsibilities.

As mentioned in the introduction, the Code of Conduct sets guidance for our business decisions and provides principles of ethical behaviour. When taking business decisions, you should always apply high ethical standards.

It is the responsibility of Kendrion's management to lead by example and to ensure that all employees are made aware of the Code of Conduct and behave in accordance with the spirit and the letter of the Code of Conduct.

The Code of Conduct does not provide pre-packaged solutions to every type of dilemma you may face. Instead, the Code of Conduct formulates minimum standards of expected behaviour and provides direction in addressing ethical dilemmas. Please be reminded that dilemmas have to be discussed: nobody at Kendrion is or should be alone in addressing them.

Violations of the Code of Conduct or related internal policies may lead to severe consequences, including disciplinary actions, dismissal, and in some cases imprisonment.

#### **Challenge yourself:**

- If you are unsure whether a particular action, decision or conduct is acceptable under the Code of Conduct or related internal policies, challenge yourself by asking the following questions:
  - **Are you 100% sure you would not feel embarrassed or uncomfortable if your manager or other colleagues knew about the action, decision or conduct?**
    - *Reflect on our values and your own values and aspirations and how these relate to the dilemma. Consider how different options would make you feel.*
  - **Would your action, decision or conduct be fit to appear on the front page of a newspaper?**
    - *Try to imagine how others would react if your action, decision or conduct was disclosed to your colleagues or friends.*
  - **Are you 100% sure you are not treading on thin ice?**
    - *Consider the consequences if everyone did what you are about to do.*
- If the answer to any of these questions is NO do not perform the action and consult your manager how to proceed.

## 4. REPORTING VIOLATIONS

Kendrion encourages you to report actual and suspected irregularities or violations of the Code of Conduct and related internal policies through normal reporting procedures. This means that you are encouraged to firstly contact your direct manager or director or your HR manager.

If you prefer not to report an actual or suspected irregularity or violation of the Code of Conduct through the normal reporting procedures, you may use our Speak-up Procedure. Through our Speak-up Procedure, reports can be made anonymously and directly to the Compliance Committee.

Reference is made to our Speak-up Procedure for further details on how to report an actual or suspected irregularity or violation of the Code of Conduct. The Speak-up Procedure can be found on our corporate website at [www.kendrion.com](http://www.kendrion.com) under 'Governance' under 'Principles and Policies' and on our intranet under 'Legal and Compliance' under 'Code of Conduct and Speak-up'.

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