



Code of Conduct of Hoffmann Holding

Code of Conduct

Integrity – Reliability – Transparency



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I. Preface

Dear employees, dear colleagues,

Since J. Hoffmann K.G. Qualitätswerzeuge was founded in 1919, the company has grown from a local tool supplier in Munich into a global company with branches and partners in more than 50 countries.

The name of Hoffmann and the own brands Garant and Holex stand for reliability, performance, continuity, perfection and progress.

We have the responsible action of our employees¹ and the management to thank for this story of success. This has enabled us to become the number 1 of the tool industry.

The reputation we have developed by great commitment among customers, business partners and the public can be harmed even by individual violations of laws. We are certain that only entrepreneurial results based on ethically impeccable conduct will lead to true success in the long term.

Therefore, every individual is asked to behave responsibly and to act according to the applicable law.

We trust in the competence and the willingness of our employees to perform and provide this code of conduct to all Hoffmann employees as a binding guideline that meets the corporate culture of Hoffmann. It also serves as an instrument for a trusting and productive cooperation with our customers, suppliers and other business partners.

All employees are asked to fill this code at Hoffmann with life.

Munich, in September 2016

The management


Alexander Eckert


Robert Leurs


Siegfried Neher


Martin Reichenecker

¹ For better legibility, the following text will only refer to employees in the masculine form. The term is meant to refer to men and women equally. The reduced language form is used for editorial reasons and does not evaluate.

II. From the management – for all employees

This code of conduct was produced by the management and issued by it. It represents the consistent implementation of the corporate values and is the basis for responsible and ethical behaviour of all Hoffmann employees, no matter in which area the employee is working.

Our managers have a special exemplary function. The prerequisite for company-wide implementation of the code of conduct is that the values of Hoffmann Holding are actively used by the managers and that the managers actively counter any behaviour that is not in correspondence with the law or the basic values of the company.

We ask all employees to confidentially ask their supervisors or the contacts named here for advice and help when decisions on ethical or legal subjects must be made or when they notice any behaviours in their working environment that they consider cause for concern.

III. Scope of application & handling of the code of conduct

1. Scope of application

The code of conduct applies to all employees of Hoffmann Holding nationally and internationally and its subsidiaries (hereinafter: "Hoffmann employees").

Regarding cooperating companies that are not subject to the above scope of application (e.g. partner companies), Hoffmann will provide this code of conduct and suggest introduction of the corresponding rules so the principles specified here are guaranteed to be met.

We expect the same integrity from our business partners that we demand from our employees.

2. Effectiveness of the rules

Hoffmann acts towards compliance with the code of conduct under consideration of the laws and cultural specifics applicable at the sites in the different countries.

We actively promote publication of this code of conduct and its implementation (e.g. by trainings). Every supervisor is asked to inform employees of his area of the code of conduct and ensuring that it is complied with.

IV. General values and code of conduct

1. Responsibility for the reputation of Hoffmann Holding

The reputation of Hoffmann Holding is essentially characterised by the appearance, action and behaviour of every single employee. We all are responsible for this. Inappropriate behaviour even of an individual may harm Hoffmann Holding considerably.

Therefore, it is the obligation of every employee to ensure when performing his tasks and when appearing in public that he does not harm the reputation of Hoffmann, but conveys a positive image.

2. Respect for human rights and prohibition of forced and child labour

Hoffmann Holding respects human rights and works to maintain and protect them. We respect the dignity and personality rights of our employees and third parties.

We refuse forced and child labour and any form of exploitation and ensure strict compliance with the corresponding laws.

3. Equal opportunities and prohibition of discriminations

Our employees are the foundation for Hoffman's success. We create a working environment that actively shows this valuation and promotes integrity to enable them to unfold their strengths.

We represent equal opportunities. There is high potential specifically in the diversity of employees. Therefore we employ employees of different origins and experience out of conviction, no matter their ethnical or social origins, nationality, gender, religion, world view or political attitude, disability, age or sexual orientation. Our employees are chosen, employed and promoted solely based on their qualifications and their technical as well as social skills.

Every single employee is obliged to not engage in any kind of discrimination and to exhibit a respectful and collegial interaction.

4. Management culture and cooperation

Every manager is responsible for his employees. The relationship towards each other must be based on mutual respect and open-mindedness. Supervisors have an example function, especially in compliance with and implementation of this code of conduct. Managers place trust in their employees, agree on clear, ambitious and realistic targets and grant employees own responsibility and freedom to perform their tasks.

In the scope of their management tasks, supervisors prevent inappropriate behaviour. They bear responsibility for there not being any violations of rules in their areas that could have been prevented by the corresponding management and instruction.

5. Working time and compensation

We observe the applicable rules on the working time in all companies of Hoffmann Holding. We meet the claim of our employees to appropriate compensation and observe the applicable laws in the respective countries.

V. Handling of business partners

1. Conflicts of interest

We put value on our decisions not being controlled by personal interests. No employee is to experience any conflict between his private interests and the interests of Hoffmann. The supervisors as well as the employees pay attention to this. Business relationships are based on factual criteria, including price and quality, as well as the existence of a grown, fair cooperation. Our success is, of course, also based on a trusting relationship with our customers; however, this may not be guided or even overlaid by personal interests.

2. Bribery and corruption

Successful and sustainable transactions can be achieved in competition by convincing quality and performance of our products and services. The principles of honesty and integrity must be complied with in all business and social activities.

Hoffmann employees do not directly or indirectly accept bribes and do not offer them either.

None of our employees must use the company's business connections to his own benefit or the benefit of another. This specifically means that none of our employees will grant or accept any inadmissible private benefits (e.g. money, benefits in kind, invitations) outside of the socially adequate framework. Special restraint is required towards office-holders and state employees, since this group comes with a high risk of inadmissibility of benefits.

Each of our employees is obliged to inform his supervisor, the legal department or the compliance officer if there is any justified suspicion or legal doubt regarding the presence of economic crime.

3. Cartel and competition law

Hoffmann complies with the rules of fair competition. These rules include that information exchange on prices, price-forming factors or price components, distribution of area and customer groups, coordination or information on delivery relationships and their conditions are not permitted among competitors.

Our employees are obliged to comply with the rules of competition and cartel law.

Apart from this, we expect that our business partners fully take their responsibility to ensure fair competition.

4. Gifts and invitations

With branches in North and South America, Europe and Asia, morally sound action and fair competition across all country borders is the basis for our success. Benefits in everyday business are common in a great many cultures. The exchange of presents and invitations is legitimate when these benefits do not exceed an appropriate framework in value and frequency.

Details on handling of presents and invitations are provided for in a separate directive "Gifts and invitations". Every employee is obliged to independently learn about internal rules before he gives or accepts any gifts, accepts or issues invitations.

If there are any questions, legal doubts and justified suspicions, coordination with the supervisor, legal department or the compliance officer is required.

5. Donations and sponsoring

Hoffmann is aware of its responsibility for education and science, culture and sport, as well as for social matters. Social responsibility and social commitment have been a fixed part of Hoffmann's corporate culture for decades. Since 2006, Hoffmann actively supports project promoting the development of socially disadvantaged and traumatised children and teens with the charitable foundation "Hoffmann Group Foundation".

Apart from this, Hoffmann Group is currently committed in sports sponsoring, supporting the Team Audi Sport at the DTM.

Generally: Hoffmann only provides donations and sponsoring in the scope of the respective law. We do not pay donations to organisation with which there may be conflicts of interest. Donations are given transparently. The purpose, recipient of the donation and confirmation of the donation from the recipient are documented and verifiable.

VI. Handling of resources

1. Sustainability

Hoffmann is committed to the idea of sustainability. We document in regular audits and certificates (e.g. ISO 140001) that we meet the highest claims to safety and quality.

Our employees must use natural resources sparingly, ensure that wastes are reduced and working materials handled with care.

2. Internal knowledge & third-party property rights

Our employees are obliged to keep any business and operating secrets that are entrusted to them in the scope of the operational activities or that have otherwise become known to them secret. Business and operating secrets, as well as know-how, must not be passed on to third parties without legal protection (e.g. by non-disclosure agreements) or even published.

Inventions, know-how and our brands are of outstanding value. We protect these intangible assets because they are of essential economic importance for our company's future.

3. Data privacy & data security

We design our relationships with current and former employees, applicants, business partners and other persons so that business-relevant, confidential, secret and personal data are protected.

We collect, process or use personal information only where this is required for specified, clear and legal purposes. The use of data is to be transparent for the affected persons. We maintain the right to information and correction, as well as, if necessary, objection, locking and deletion of the data.

Our employees commit to complying with the data-privacy provisions, statutory and operational rules, and to protect them from abuse.

We commit to complying with an appropriate standard in securing data. All components of data processing must be secured to prevent unauthorised internal or external use.

4. Health

Hoffmann Holding sustainably invests in the qualification, competence and health of its employees.

We create an environment that opens up personal and professional perspectives for our employees, where outstanding performances and results can be achieved and that promotes the employability of our employees by operational health management, e.g. in the form of healthy nutrition, fitness offers, different campaigns (work-bike-balance, various running events), regular lectures, ergonomic consulting, trained first-aiders, a training centre for employee and customer trainings and various employee events.

5. Company property

Our employees are obliged to handle the property and assets of the company appropriately, economically and responsibly.

VII. Contact

1. Contact

Hoffmann always maintains open doors for asking questions, raising concerns about possible misconduct and making suggestions for improvement.

A suitable contact in addition to the supervisors, the management or ombudspeople, if they exist at the respective location, also is the

Head of Legal

Thomas Weitl, compliance@hoffmann-group.com, Phone: +49 89 8391 9409

2. Confidentiality

All contacts commit to absolute confidentiality where the reporter desires or where necessary to protect him.