



Sumitomo Drive Technologies

CODE OF ETHICS

Sumitomo Drive Technologies EMEA



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1. THE PHILOSOPHY OF SUMITOMO DRIVE TECHNOLOGIES EMEIA

Our conduct as a company and as employees during business transactions is characterised by the philosophy of Sumitomo (SHI) Cyclo Drive Germany GmbH (SCG) and all its subsidiaries (hereafter referred to as Sumitomo Drive Technologies EMEIA).

The leadership principles upon which the corporate governance of the Sumitomo Group is based are derived from the rules established by the founder Masatomo Sumitomo and have been intensified and developed over 16 generations. We call them "Sumitomo Business Principles" or the "Spirit of Sumitomo". They have evolved into the corporate governance policy of the Sumitomo Group.

Principles of Sumitomo's philosophy:

1. As an organisation, Sumitomo achieves power and prosperity by placing the utmost importance on integrity and impeccable management in the course of carrying out its business operations.
2. Sumitomo administers its activities with foresight and flexibility so as to be able to effectively address the changes wrought by time. However, the company will, under no circumstances, pursue the goal of hastened earnings, nor will it act imprudently.
3. All employees should bear in mind that Sumitomo and our company are based upon these principles of integrity and that adherence to these principles is critical to our future prosperity

The principle by which Sumitomo Drive Technologies EMEIA, a subsidiary of Sumitomo Heavy Industries Ltd., Tokyo, Japan, abides, consists in carrying out business transactions in accordance with Sumitomo's philosophy, the ethical principles of the organisation, corporate regulations and all applicable laws, rules and provisions. The company promotes strict adherence to the highest ethical standards while dealing with its customers, suppliers, business partners and its own employees.

This "Code of Ethics and Guidelines for Honest and Ethical Business Conduct" (the "Code of Ethics") applies to all employees of the company.

This Code serves to promote:

- honest and ethical conduct, incorporating the ethical handling of actual or apparent conflicts of interest between personal and business relationships;
- adherence to prevailing governmental laws, rules and provisions;
- the immediate communication, internally, of infringements of these guidelines to the responsible point of contact; and
- responsibility for compliance with the Code.

Based upon this philosophy, Sumitomo Drive Technologies EMEIA recognises the following principles as being fundamental principles of conduct and shall implement them at a staff and managerial level.

2. COMMITMENT TO STATUTORY PROVISIONS, THE LAW, RESPECT AND BUSINESS ETHICS

- 2.1 The companies in Sumitomo Drive Technologies EMEIA and their employees shall observe legal requirements applicable within the country, abroad and at an international and supra-national level in the course of discharging their activities.
- 2.2 The companies in Sumitomo Drive Technologies EMEIA and their employees shall observe the principles of business ethics, which are characterised by respect towards our business partners, customers and suppliers.
- 2.3 We can comply with design specifications defined by our customers, suppliers and business partners only within the parameters of the respective legal requirements. Actively perpetrated legal infringements or those occasioned by a failure to take action, as well as the promotion of any legal infringements by our customers, suppliers and business partners, are to be avoided at all costs, even if this results in the company being unable to take advantage of business opportunities or being able to avail of them only to a limited extent.

3. POSITIONING IN SOCIETY

- 3.1 Respect for human dignity in all its manifestations is just as much a matter of course for Sumitomo Drive Technologies EMEIA as is the condemnation of any type of discrimination, exploitation of the workforce and child labour.
- 3.2 Sumitomo Drive Technologies EMEIA companies stand by their obligations vis-à-vis the community and strive to achieve a high degree of acceptance within their respective area of activity.
- 3.3 Correct procedures to be followed at all times, particularly by the senior management team and also by middle management, in accordance with the mission statement of Sumitomo Drive Technologies EMEIA, are the hallmark of Sumitomo Drive Technologies EMEIA's public image. Every employee shall represent the organisation in an appropriate manner when in the public eye.
- 3.4 The employees of Sumitomo Drive Technologies EMEIA shall conduct themselves in public in such a manner that the reputation of the organisation is not harmed. Personal statements made by employees in the media must be identified as such by the employees concerned. If an author is identified, no reference is to be made to Sumitomo Drive Technologies EMEIA.
- 3.5 Assumption of public office by Sumitomo Drive Technologies EMEIA employees is to be agreed with their superior if exercising such a mandate could give rise to a conflict of interest.
- 3.6 In view of the scarcity of global resources, we understand sustainable commercial operations to be a given. Many of our product upgrades serve to increase efficiency and thus save energy. This is our contribution to ensuring that the world remains worth living in for future generations. Every employee shall use workplace resources sparingly.

4. CONDEMNATION OF BRIBERY AND CORRUPTION – COMPLIANCE

- 4.1 The companies in Sumitomo Drive Technologies EMEIA support the global battle against corruption.
- 4.2 Efforts to prevent all forms of active or passive bribery shall be supported by an internal compliance programme and a specific anti-bribery policy. All employees who carry out a risk-related activity in Sumitomo Drive Technologies EMEIA will be informed of the risks and will be advised to refrain from exposing themselves in any manner to possible criminal liability.
- 4.3 Every employee must be fully aware that active forms of bribery are punished severely under local law, even if the acts are committed abroad. The same applies to passive corruption. Specific punishments apply in the instance of bribery of public officials and members of parliament at home and abroad.
- 4.4 Every employee confronted with such suggestions must know that, apart from the possible punishment, there will also be specific disapproval on the part of Sumitomo Drive Technologies EMEIA and that personal consequences – which may include the loss of employment – will inevitably result. This shall also apply if activities are supposed to be carried out for the alleged benefit of the company.
- 4.5 Every company within EMEIA is required to seek qualified advice concerning the risks of corruption in civil law and penal law under their respective legal systems, and to provide suitable educational measures in their companies.
- 4.6 The EMEIA Management Team and the Ethics/Compliance Council (see appendix 1) are the initial point of contact for any questions that employees may have. The Ethics/Compliance Council can be contacted at any time using the e-mail address hit.ethics@shi-g.com or scg.ethics@shi-g.com.
- 4.7 Any doubts that arise specifically referring to compliance problems will be addressed and processed following personal consultation with the entity internally responsible for compliance (see appendix 1).
- 4.8 Sumitomo Drive Technologies EMEIA shall ensure that all employees can consult the entity internally responsible for compliance in reference to other employees without the risk of reprisals, but expressly warns against any form of misuse of this consultation for inappropriate purposes.

5. PROHIBITION OF ACCEPTANCE OF BENEFITS OR GIFTS

- 5.1 No employee of Sumitomo Drive Technologies EMEIA may use his/her official position to demand, accept, procure or receive promises of benefits for him/herself, family members or third parties. Acceptance of low-value gifts and other acknowledgements within standard and appropriate parameters remains permissible (see appendix 2).
- 5.2 Benefits or promises from our business partner, which have the potential to influence a business decision or create personal dependence, must be rejected politely but firmly.
- 5.3 Invitations from business partners may only be accepted if they are appropriate to the instigation of the invitation.
- 5.4 In the instance of doubt, consult the entity internally responsible for compliance.

6. PROHIBITION OF GENERATION AND USE OF 'SLUSH FUNDS'

No employee is permitted to generate 'slush funds'. Anyone who generates 'slush funds' not only fails to meet his/her obligations towards the company, but also exposes him/herself to criminal liability due to breach of trust. A 'slush fund' is any part of the capital of a company in Sumitomo Drive Technologies EMEIA which is moved to special accounts, or to disguised transaction accounts, or is directed to an external 'custodian' or agent, or is otherwise removed from Sumitomo Drive Technologies EMEIA's access by the action of an employee.

No employee is permitted to use funds derived from 'slush funds'. In particular, the use of 'slush funds' to finance benefits or gifts as defined in anti-bribery policy shall be prohibited.

7. SENIOR MANAGEMENT AND COMMUNICATION, EQUAL TREATMENT

- 7.1 Members of the senior management team are responsible for their assigned employees and shall inspire others by virtue of their exemplary conduct, social skills, fairness, performance and openness. Members of the senior management team promote and develop employees to the best of their ability for the benefit of Sumitomo Drive Technologies EMEIA. Every senior manager shall ensure that all employees under their supervision are familiar with this Guideline independent of the latter's publication in electronic media.
- 7.2 The knowledge and commitment of each and every employee is crucial to the long-term success of Sumitomo Drive Technologies EMEIA in terms of competitiveness at the European and global levels. For this reason, we invest in skills training and further training of our employees.
- 7.3 All employees shall interact with each other in a friendly and open manner. Our decision-making processes are guided by objective arguments, and we treat our fellow employees in a fair manner.
- 7.4 Inside and outside the Group companies, there is no discrimination on the basis of sex, nationality, ethnic origin, religion, sexual orientation or culture. Active and passive discrimination against individual persons, in particular, older or disabled persons, is not compatible with our understanding of a company with global operations.
- 7.5 Recordings, reports and memoranda about internal and external processes must be complete and correct.

8. PROTECTION OF INTERNAL AND EXTERNAL INTELLECTUAL PROPERTY

- 8.1 In the course of our activities, we shall accord respect to the companies' legal assets, to our colleagues and to our business partners, including to their intellectual property.
- 8.2 We shall safeguard our inventions in the legally prescribed manner. Without a binding confidentiality agreement, no employee is permitted to pass on inventions of Sumitomo Drive Technologies EMEIA, or other company secrets in any form, to third parties.
- 8.3 Our employees shall respect the protection of external intellectual property and refrain from any unauthorized use of external property rights.
- 8.4 Industrial espionage is incompatible with this understanding of our identity. No employees are therefore permitted to acquire or make use of external company secrets without authorisation thereto.

9. PROTECTION OF PERSONAL DATA

- 9.1 We respect the protection of personal data. Personal data shall be permitted to be collected, processed or utilised only insofar as this is legally permissible. The companies in Sumitomo Drive Technologies EMEIA shall secure this data against unauthorised access in accordance with good industrial standards and shall accordingly obligate any external service providers to do the same.
- 9.2 Affected persons are to be provided information on the use of their personal data at any time.
- 9.3 Any incorrect data must be corrected; rights to block, delete and raise objection must be retained.
- 9.4 Where applicable, compliance with all legal requirements is ensured by the data protection officer of Sumitomo Drive Technologies EMEIA

10. PRODUCT QUALITY

- 10.1 In our business transactions, we only make promises that we can actually keep.
- 10.2 The operational safety of our products has top priority. In this way we protect the life and limb of our employees, the employees of the customers and third parties.

11. CONFLICTS OF INTEREST

- 11.1 Sumitomo Drive Technologies EMEIA attaches great importance to avoiding conflicts of interest and loyalty. No employee of Sumitomo Drive Technologies EMEIA must allow business decisions to be influenced by private interests. Each employee must therefore immediately inform his/her superior of any personal interests (including those of family members and friends) that are connected to, or that could become connected to, the business activity of Sumitomo Drive Technologies EMEIA.
- 11.2 Running another company or holding substantial equity in a company which is a competitor of Sumitomo Drive Technologies EMEIA, or which has a business relationship with Sumitomo Drive Technologies EMEIA that is of central importance to the partner company, is not permitted. This shall also apply if the company is run by close relatives.

12. DIRECT AND BINDING EFFECT

- 12.1 The prescribed Code of Ethics must be observed by every employee.
- 12.2 All employees are requested to proceed in accordance with Clause 4.7 in the instance of matters relating to compliance.
- 12.3 All employees are requested, in the case of other circumstances within their remit that indicate a violation of this Code of Ethics by other staff members, to inform their superior, the Works Council or Human Resources management. The Ethics/ Compliance Council can be contacted about this at any time using the e-mail address hit.ethics@shi-g.com or scg.ethics@shi-g.com.

13. DIFFERENCES OF OPINION

- 13.1 In the instance of differences of opinion about this fundamental Code of Ethics, the principles of openness and honesty described herein should be taken into consideration.
- 13.2 Any mediation is to be carried out within the company and no information is to be released to outsiders. Persons to be contacted in the instance of differences of opinion arising may be Board Members of Sumitomo Drive Technologies EMEIA, the Executive Team, the Works Council and/or the Ethics/Compliance Council.

APPENDIX 1 – ETHICS COUNCIL & LEGAL ENTITY INTERNALLY RESPONSIBLE

Ethics Council SCG Group EMEIA

- CEO
- CHRO
- General Manager/Country Manager – depending on the employee involved (plant Markt Indersdorf/plant Edegem/Cyclo Center)
- President of the SCG GmbH workers council – in case an employee of SCG GmbH is involved

APPENDIX 2 – DONATIONS AND RECEIVING GIFTS

Donations

Any kind of donations (social, charitable organisations, ...) have to be requested by a member of the middle management and approved by the Board of Directors. Donations to political or religious organisations are not permitted.

Receiving gifts

Employees of Sumitomo Drive Technologies EMEIA are only allowed to accept gifts of minor value (less than 35 EUR). In case a gift of higher value is offered, the gift should be rejected politely yet firmly, or can only be accepted after approval by the manager and the management team member of the department.



Find your closest Sumitomo Drive Technologies facility here.

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