

# Compliance at BENTELER

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## 1. Foreword

As a fourth generation, family-owned business, the BENTELER Group today employs approximately 30,000 employees worldwide in 81 factories, 72 subsidiaries and trading firms in a total of 40 countries. Our shared objective is to take on a leading role in all areas where we are active and thereby act in line with our BENTELER values at all times. In doing so, our highest priority is to maintain and ensure the legitimacy of our business everywhere and at all times.

In the BENTELER Group, compliance means that we comply with and actively implement applicable international and local legal principles, legal provisions and our own established company regulations.

The Compliance Management System (CMS) that is applicable for the entire BENTELER Group supports us in acting in compliance with rules. Every individual is responsible for ensuring that his/her actions comply with the BENTELER principles for legal and ethical behavior as well as personal integrity (the BENTELER Code of Conduct).

To ensure lawful conduct within the BENTELER Group, it is important to ensure that compliance breaches are internally recognised, resolved and will be prevented in the future. Employees and business partners are therefore requested to notify of any information regarding breaches. False reports are prohibited.

In this way, we deliver an essential contribution to the long-term success of the BENTELER Group. That's because the importance of compliance has changed considerably in recent years. An effective Compliance Management System does not only minimize liability and reputational risks. It also helps to ensure the trust of our stakeholders, especially our customers and creditors, thus laying the cornerstone for achieving our company's objectives: increasing the company's value and securing financial independence.

## 2. Compliance at BENTELER - an Overview

The Compliance Management System of the BENTELER Group includes the following components, which are inseparably linked to each other and are coordinated with one another in the framework of the continuous process of further development:

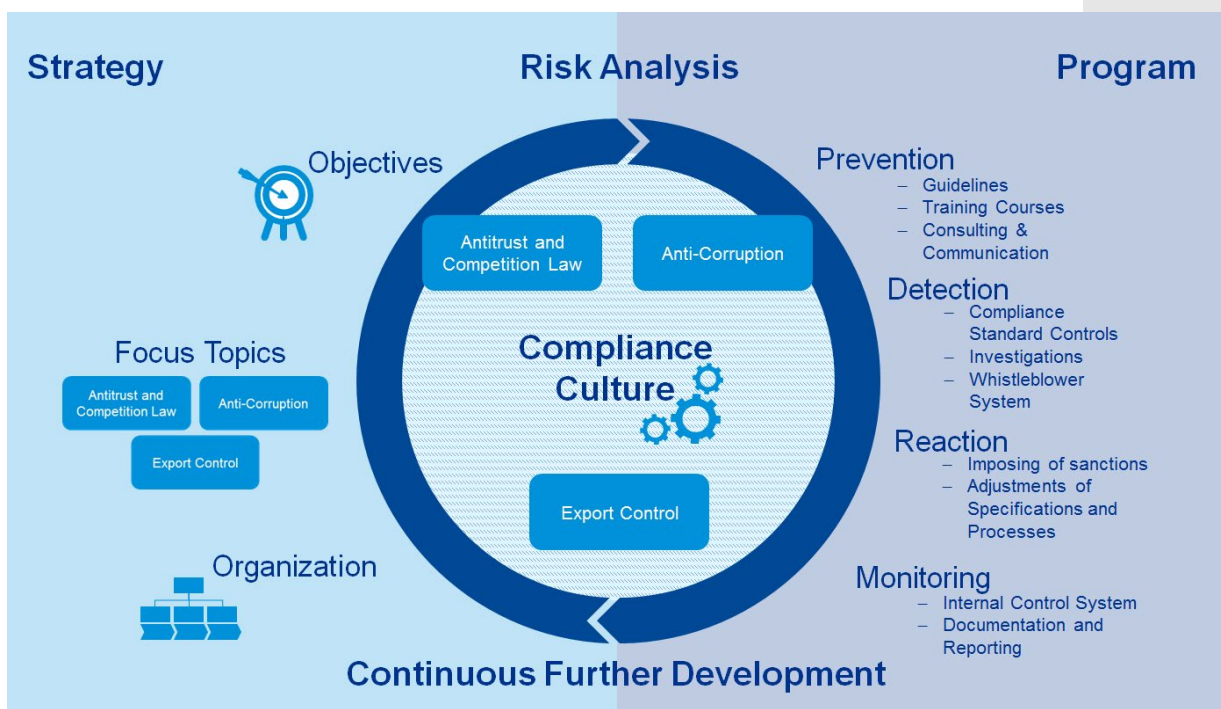
The fundamental objective, task, and use of BENTELER's compliance activities are the prevention or reduction of reputational damage, damage claims and legal sanctions against the Group, and of the personal liability of the employees and the BENTELER institution.

Therefore, the following focus topics were established:

- Antitrust and Competition Law,
- Anti-Corruption and
- Export controls

### What is a CMS?

A Compliance Management System (CMS) is the totality of the organizational structures and coordinated objectives and measures for the prevention of legal and regulatory violations and for ensuring integrity.



The activities of the compliance organization include risk analyses, sharing know-how, issuing binding internal rules, advising on compliance with legal provisions and intra-group provisions, as well as current changes in law, the development and conduct of training courses, performing internal investigations in connection with possible violations of compliance rules and advising management on possible consequences and sanctions.

The BENTELER CMS is based on the leading national and international standards for Compliance Management Systems - IDW PS 980, ISO 19600 and ONR 192050.

### 3. Compliance culture & objectives

Our values form the basis for our daily action for the sustained development of the BENTELER Group. Compliance with regulations is an essential prerequisite in order to live according to the BENTELER set of values.

The executive board is committed to ensuring that the necessary structures are created and the resources are made available so that applicable laws and voluntary commitments can be complied with.

Compliance objectives are determined in accordance with the BENTELER's Group strategy and in consideration of the available resources; they are reviewed at regular intervals and adjusted where necessary. The Chief Compliance Officer is responsible for this in close collaboration with the executive board of the BENTELER Group.

The objectives of the CMS are in particular:

- Ensuring compliance with legal requirements in the areas of antitrust and competition law, anti-corruption and export controls, and observance of the corresponding internal Group provisions.
- Promotion of the company's internal legal security in the selected focus topics.
- Setting a reliable orientation framework for all employees.
- Building up and promoting a seamless compliance culture.
- Sensitizing employees or the target group to compliance with the relevant policies.
- Identifying the essential compliance risks.
- Preventative measures to prevent/minimize the identified compliance risks.
- Identification of compliance violations and creation of recommendations for action for appropriate sanctions and prevention of similar misconduct in the future.

Further development and ultimately the achievement of objectives are possible by continuously monitoring compliance activities and comparing them with the objectives set.

The compliance organization has defined performance indicators for this, which are regularly recorded and reported to the executive board.

#### **BENTELER Values**

##### **COURAGE**

Curiously seeking out new paths  
and taking decisions  
autonomously

##### **AMBITION**

Striving for excellence every day

##### **RESPECT**

Appreciative collaboration and  
direct communication

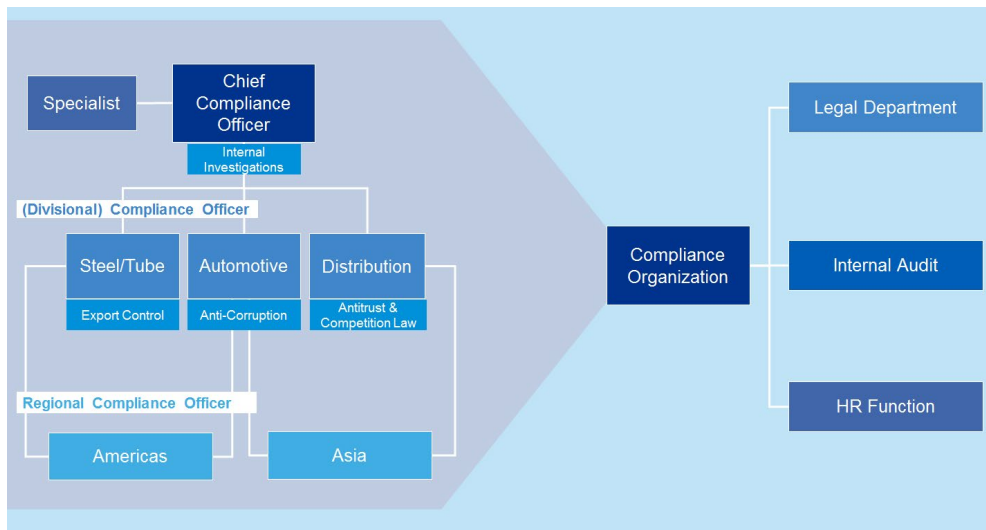
#### **"Tone at the Top":**

The executive board is committed unreservedly to compliance with all applicable laws and our ethical standards, and will make the necessary resources available so that these can be observed and implemented.

Compliance objectives are continuously measured and regularly communicated.

## 4. Compliance Organization

The executive board has transferred functional responsibility for the conception, implementation and review as well as further development of the CMS to the Chief Compliance Officer.



The compliance organization is, in particular, a functional interface for the legal department, Internal Audit, and the HR function.

Activities of the compliance organization mainly include:

- Carrying out Risk analyses,
- Sharing of know-how,
- Issuing of binding internal rules,
- Development and conducting of training courses,
- Consulting on the compliance of legal and internal group provisions and current legal changes,
- Development and carrying out of communication measures,
- Conducting internal investigations in connection with possible violations against compliance specifications and
- Consulting with the management on possible consequences and sanctions.

## 5. Risk Analysis

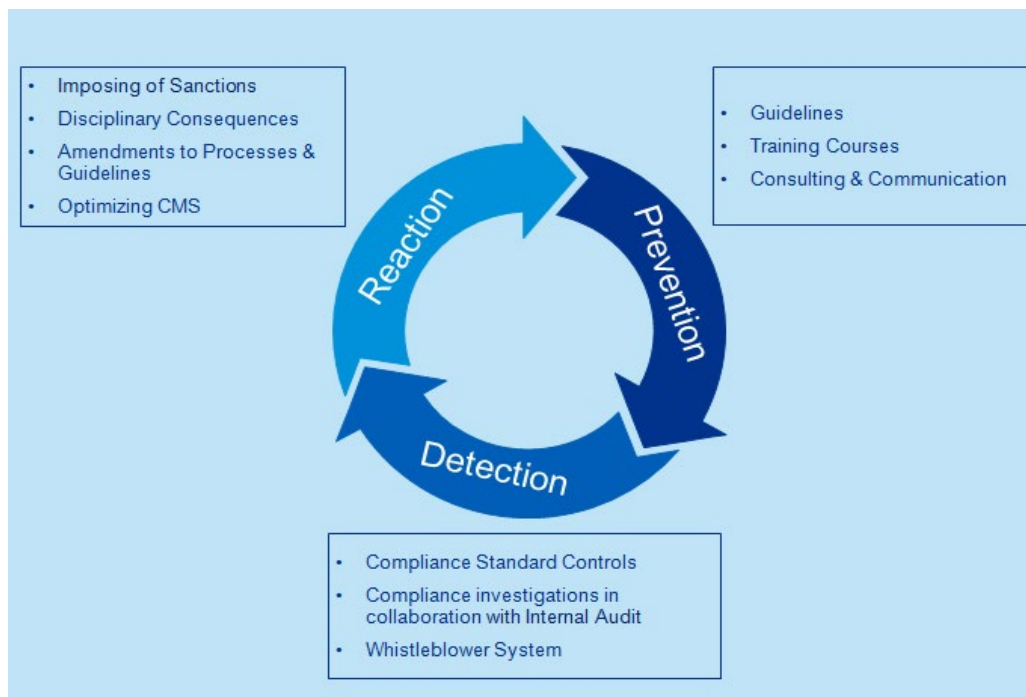
A holistic compliance risk analysis will be conducted at regular intervals following the compliance focus topics and the results integrated into risk management throughout the Group

On the basis of the identified operational risks, the Chief Compliance Officer analyzes the need for internal company compliance processes and measures, and agrees the compliance program jointly with the executive board accordingly.

Compliance risks are regularly evaluated and internal group processes and measures are coordinated in line with this.

## 6. Compliance Program

The compliance program includes all of the guidelines and implemented measures for prevention, detection and appropriate reaction for compliance violations, initiated and issued by the compliance organization.



## 6.1 Prevention

### The BENTELER Code of Conduct

BENTELER's self-commitment with respect to ethical standards and requirements is enshrined in our company values as well as in the BENTELER Code of Conduct. This presents a guideline to all our employees and the executive board.

BENTELER's Code of Conduct refers to the topic areas:

- Social responsibility and legal compliance
- Dealing with employees
- Competition and antitrust law
- Corruption, gifts and benefits
- International trade
- Environmental protection
- Data protection
- Relationships to business partners

They apply for all activities of the company and the internal collaboration as well as to our business partners, state institutions and society. They describe the essential principles, which are the basis for legal and ethical conduct and for the personal integrity of all employees.

Each BENTELER employee is responsible for ensuring that they conduct themselves in accordance with these principles. Managers have a special exemplary function due to their responsibility for employees.

Violation of these principles leads, in addition to possible legally prescribed sanctions, to disciplinary consequences.

The BENTELER Code of Conduct applies to all activities of the BENTELER Group, both in internal collaboration and in respect of our business partners, state institutions and society.



## Further Compliance Guidelines

Based on the defined compliance focus topics, BENTELER has issued the following guidelines in addition to the BENTELER Code of Conduct:

- Organization & Control of the BENTELER Group
- Anti-Corruption
- Gifts & Entertainment Guidance Notes for BENTELER China
- Antitrust and Competition Law
- Export Controls
- Gifts and Invitations (BDI Internal Directive Invitations – Business Expenses)

The guidelines must be adhered to by all employees of the BENTELER Group or the respective target group.

## Employee Sensitization

Compliance basic training courses are offered in the form of local and eLearning training and are obligatory for all employees or specific target groups. Refresher training courses are held on a regular basis.

In addition, group-wide compliance awareness training “Integrity Now” is to be used for sensitizing the employees and management.

Employees also receive all current and relevant compliance information by various communication channels (for example NEWS Compliance, information events, publications in the BENTELER “Insider,” DOs & DON'Ts cards for the topic antitrust and competition law, Intranet).

## Compliance Advice

Employees can contact the compliance organization and get relevant assistance regarding any questions about correct conduct in cases of doubt, in emergency situations and for fundamental questions about compliance with BENTELER guidelines and the BENTELER Code of Conduct. Compliance officers also advise on all questions regarding the compliance focus topics and on compliance and current changes to the respective legal provisions.

The guidelines must be adhered to by all employees of the BENTELER Group or the respective target group.



Compliance Awareness Training “Integrity Now”



DOs & DON'Ts cards

## 6.2 Detection

### Whistleblower System

Each employee is required to inform his or her supervisor or the compliance division about suspected violations of the BENTELER Code of Conduct or internal guidelines.

Reports regarding violations of business activities of BENTELER as well as with regard to activities that are contrary to the company's own Code of Conduct can be reported by email to [compliance@BENTELER.com](mailto:compliance@BENTELER.com). The compliance officers also receive tips and complaints directly, personally, by email or telephone.

Suspected violations can be reported anonymously by using the contact function of the BENTELER website and the email address listed ([compliance@BENTELER.com](mailto:compliance@BENTELER.com)).

### Auditing Business Partners

New and existing business partners are audited on the basis of the sanctions list control in the internal SAP systems; detailed audits of business partners are carried out as required. A comprehensive process for auditing business partners is currently going through a preparation and test phase at the time of preparation of this information brochure.

### Internal Audit and Internal Control System

The controls introduced within the framework of the Internal Control System (IKS) - which, among other things, applies the "dual control principle" to the entire Group - are also applied to compliance relevant processes and are constantly monitored by Internal Audit.

An investigation will be initiated if there is concrete information about violations of legal provisions or internal policies. The Compliance Organization and Internal Audit will agree this.

For additional topics, there is a regular exchange of information between Internal Audit and Compliance in accordance with the need-to-know principle.

Each employee is required to inform his or her supervisor or the compliance division about suspected violations of the BENTELER Code of Conduct.

## 6.3 Reaction

### Sanctioning in the event of Violations

The BENTELER Group takes compliance with the principles of conduct and internal guidelines set forth in the BENTELER Code of Conduct seriously.

Violations are prosecuted and appropriate disciplinary consequences are taken for all persons involved. In their role, the compliance officers advise the management regarding possible consequences and sanctions and have veto rights in individual cases.

## 7. Communication

Only those who are aware of the rules, principles and measures established can also practice and live by them. That's why communication is a decisive building block of the Compliance Management System and a key component for day-to-day compliance at BENTELER.

Compliance focus topics are developed and corresponding Group guidelines are explained and refreshed at local training courses, as well as via eLearning. Regular "NEWS Compliance" and publications in the BENTELER staff magazine "Insider" and in the intranet serve as communication channels for ongoing updates and changes. Questions, uncertainties, tips, but also ideas and further development potential can be sent directly at any time to the respective compliance officer or by email to [compliance@BENTELER.com](mailto:compliance@BENTELER.com). Anonymous tips and complaints are also processed at this email address. Anonymous contact with a compliance officer is also possible by using the contact function of the BENTELER website.

Any relevant information will promptly be communicated to the employees and questions and tips are carefully and promptly processed by the compliance officers.

### Communication formats & channels:

- Intranet
- BENTELER Code of Conduct/Policies
- Classroom training
- eLearnings
- NEWS Compliance
- BENTELER "Insider"

## 8. Monitoring and Improvement

On the basis of ongoing internal control measures, the established processes are reviewed in detail, optimized, supplemented and, where possible, potential loopholes are closed by new measures. Compliance officers regularly monitor their respective areas of responsibility and implement improvement measures in consultation with the functional interfaces.

The Chief Compliance Officer summarizes all essential developments and changes in the yearly compliance report and submits this to the executive board on an annual basis.

The Chief Financial Officer of BENTELER International AG will provide a yearly report (Fraud Report) about possible actions and behavioral patterns that are damaging to the company or to the existing controls and regulations.

Internal Audit performs regular standard controls of established processes.

Additionally, if needed, external advisors and auditors become involved in order to evaluate the effectiveness of the Compliance Management System or individual sub-areas and to improve them correspondingly.

BENTELER understands itself as a learning organization, constantly scrutinizing the existing systems and promoting continuous improvements of the Compliance Management System.

BENTELER promotes continuous improvements and further development of the CMS.

## 9. Internal investigations

Information regarding possible compliance breaches can be directed via general channels such as in particular, by telephone, in writing or by email to the responsible Compliance Officers. Information that is received by the BENTELER Group at other locations, must be forwarded to a Compliance Officer immediately, without any processing and without any copy to third parties.

In addition to general channels, the Compliance organisation provides a Compliance email address that makes it possible to submit the information in confidence to the Compliance Officer.

After receiving information, the responsible Compliance Officer checks it (e.g. whether it is based on mere rumour without any evidence).

Within the scope of plausibility checks, the underlying situation is validated subject to the need-to-know principle by asking questions, background research, etc.

If the plausibility check of the information has specific evidence for a compliance case, the responsible DCO or the CCO initiates an internal investigation that lies within the area of responsibility of Compliance.

All BENTELER employees and bodies are obliged to fully support the investigations. In individual cases, the CCO or the DCOs can arrange to include external lawyers or consultants (e.g. interpreters, forensics, detectives) in consultation with the Executive Board or Management Board.

Internal investigations must comply with the principles of lawfulness, transparency and limitation of purpose and be documented comprehensively.

The presumption of innocence and the principles of objectivity and neutrality apply.

After clarification of the facts to be examined, the Compliance Officer tasked with the investigation creates a final report (compliance investigation report).

The report is transferred to the senior Compliance Officer and to the member of the divisional Management Board responsible for the area of compliance.

The need-to-know principle means only those persons can receive the relevant information that is actually required to fulfil their specific tasks.

The principle should primarily protect the employees affected by an investigation.

If the investigation has confirmed an allegation against an employee, the divisional Management Board concerned (if necessary, local management) will decide the next steps taking into account the local employment conditions.

Irrespective of the final results, findings from the investigations should be used with regard to the prevention of policy or legal breaches. The final reports should refer to whether and to what extent within the scope of the investigation process weaknesses have resulted and changes are required.

## Legal notices / Contact

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