



CODE OF CONDUCT

GUIDE FOR OUR ACTIONS

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1. WHY DOES SEW-EURODRIVE NEED A CODE OF CONDUCT?

As a family-owned company with an 85-year tradition that is active worldwide, we can proudly count ourselves amongst the leading providers of drive technology and drive automation. However, as such we have a social responsibility – to our employees, customers, suppliers and the general public – which we want to fulfill. This responsibility includes abiding by applicable laws, respecting core ethical values and basing our actions around the 10 core principles of SEW-EURODRIVE. Misconduct that violates the Code of Conduct may cause damage to SEW-EURODRIVE and is therefore not tolerated.

This is not just the duty of management, but rather of every individual in the company – from management to employees. Everyone must know their responsibilities and act accordingly on a daily basis. Our Code of Conduct is intended as a guide for our actions:

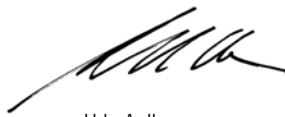
- It covers compliance with all of the applicable laws.
- It underlines the values of our company: freedom, reliability, personal interaction.

If at any stage you are in doubt whether an action meets the requirements of the “Code of Conduct,” we request that you ask your superior or the Compliance Organization for advice. We all share the responsibility for the reputation of SEW-EURODRIVE.



Jürgen Blickle

Managing Partner



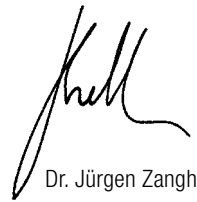
Udo Aull

Managing Director
Sales and Marketing



Johann Soder

Managing Director
Technology



Dr. Jürgen Zanghellini

Managing Director
Finance

“At SEW-EURODRIVE, we believe that customer-focus, for both internal and external customers, is the basis for long-term success. A misconceived customer-focus – such as bribery or other ways of taking advantage – is something we are categorically opposed to. Such behavior cannot and must not be the basis for good long-term collaboration and for the continued development of our company.”

Jürgen Blicke – Managing Partner



2. SCOPE OF APPLICATION

TO WHOM DOES THE CODE OF CONDUCT APPLY?

Our Code of Conduct applies to all of our branches worldwide and to all of our affiliated companies. It is binding for every individual within SEW-EURODRIVE: for managing directors, for managers, and for all of our employees. It also applies to consultants and temporary employees.

Every single employee of SEW-EURODRIVE – throughout the world – is bound to the rules of conduct set out in the Code of Conduct.



“At SEW-EURODRIVE, we believe in consistent compliance with regulations and laws as well as in a relationship with our customers and suppliers based on partnership and reliability. This is the maxim upon which all employees of the SEW Group base their actions. Our personal integrity increases our collective strength.”

3. CORE PRINCIPLES

WHAT ARE THE CORE PRINCIPLES BEHIND OUR ACTIONS?

3.1 Abiding by law

At SEW-EURODRIVE, we are conscious of our social responsibility and base our corporate activities on this responsibility.

With that in mind, we pledge to respect and follow the values and principles listed in the Code of Conduct and to ensure that they are complied with.

At SEW-EURODRIVE, we strictly abide by laws. We see this as a matter of course. The same applies to our orientation around the principle of legality.

We consider this not only to be compliant with the applicable laws in each country, but furthermore also compliant with any other relevant provisions, such as government directives, for instance.

Likewise, we are committed to the 10 core principles of the Global Compact Initiative of the United Nations.

3.2 Management culture

All our managers take special responsibility for their employees and should act as role models. As such they are especially obliged to base their behavior on the Code of Conduct and report any violations of it that become known to them directly to the Compliance Organization.

We always act in accordance with the applicable laws of the country.

All managers have a special responsibility and pay special attention to the regulations of the Code of Conduct.

3.3 Human rights/ban on child labor/forced labor

We respect and comply with internationally recognized human rights at all times. With this in mind, we observe without restriction the respective national regulations and the regulations of the United Nations on children's rights and the elimination of forced labor. In particular, we commit to upholding the Convention concerning Minimum Age for Admission to Employment (Convention 138 of the International Labour Organization (ILO)) and the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Convention 182, ILO).

3.4 Labor rights

We respect the respective national statutory requirements on labor rights together with all of their provisions and support their application in our company.

For this reason, we comply with the fundamental employee protection rights whose principles are expressed in the international conventions of the United Nations (UN), in the standards of the ILO and elsewhere.

3.5 Health and safety at the workplace

Safety at the workplace serves to prevent accidents at work, work-related illness and work-related risks to health. We ensure compliance with occupational safety and health as well as safety at work in accordance with the applicable national provisions. It is all of our duty to prevent hazards for people and the environment.

Furthermore, we support the continuous further development of occupational health and safety measures and health protection in order to improve our working environment. All of our operating facilities and equipment comply with the applicable legal and internal provisions for fire protection.

We reject child and forced labor and are vigilant with regard to any human rights violations.

We respect all of the relevant applicable labor rights and support their application.

We place a major emphasis on the safety and health of our employees and support the continuous further development of safety measures.

3. CORE PRINCIPLES

WHAT ARE THE CORE PRINCIPLES BEHIND OUR ACTIONS?

3.6 Working together and the prohibition of discrimination

At SEW-EURODRIVE, we treat each other with humanity and respect at all times. We treat each other as we expect to be treated by others. We strive for qualification, motivation and identification throughout the company.

We want our dealings with each other to be unprejudiced and open and we commit to oppose any form of discrimination in line with the applicable law. In particular, we reject discrimination against people on the basis of their gender, race, any disability, ethnic or cultural origin, religion or world view, age or sexual orientation.

3.7 Environmental protection

Sustainability is a major part of our company philosophy. For this reason, we commit to the goal of sustainable environmental protection for both today's generation and future generations. With that in mind, comprehensive environmental protection is an equally important objective in terms of safeguarding the future of the company and workforce as the high quality of our products and our efficient health and safety at work. We view the need to prevent hazards for the environment and to conserve resources as a matter of course.

For this reason, we base our actions on ISO standards 14001 (environment protection) and 50001 (energy management).

We respect each other and reject any form of discrimination.

We always consciously act to minimize our impact on the environment and conserve resources.



“At SEW-EURODRIVE, we act in a market-oriented manner and promote innovations to safeguard our leading position amidst the growing international competition in the drive engineering business. In doing so, we always observe the rules of fair competition and antitrust laws in particular.”

4. CONDUCT IN BUSINESS RELATIONSHIPS

HOW DO WE CONDUCT OURSELVES CORRECTLY IN OUR BUSINESS RELATIONSHIPS?

4.1 Conduct in relation to customers and suppliers

4.1.1 Corruption

Corruption is a serious crime and can have serious criminal consequences. SEW-EURODRIVE wants to win customers through the quality throughout its divisions and functions – not through bribery and corruption – which is why we are strictly against them.

Bribery and corruption include:

- Payments as part of the assignment or arrangement of contracts or services that benefit single individuals.
- Preferential treatment and bribery of officials.
- Services that can be assumed to be partly or wholly for the payment of bribes.

Intermediaries that are commissioned by us to obtain authorization or receive orders therefore have to explicitly contractually commit not to make bribes, give preferential treatment or carry out any other form of unlawful or dishonest actions. Any commissions or fees that we pay to intermediaries must always be in proportion to the documented activity.

4.1.2 Agreements

To rule out any suspicion of criminal offense, we document all of our agreements with customers and suppliers clearly, including any subsequent modifications and additions. This applies in particular to the regulations for payments of bonuses, advertising or sales promotion subsidies and to the selection of our suppliers and service providers. We choose the latter exclusively on a competitive basis and based on objective criteria such as total product costs, quality, performance, the economic stability of the supplier and risk criteria for the offered products or services.

If our company finds itself in a special market position, we will not illegally exploit this to enforce price discrimination, deliveries of unrequested products or the refusal of a delivery, for instance.

We reject any form of preferential treatment or bribery as part of our business dealings.

We rule out any suspicion of criminal offense in our agreements through consistent documentation.

4.1.3 Gifts and invitations

Contributions in the form of gifts, invitations or of any other type are common throughout the world of business and are also generally permitted to a reasonable extent. But what is “reasonable?” This is not always unequivocally clear at first glance. With this in mind, when accepting and giving gifts and other contributions or rewards, we are especially cautious to ensure that they never influence any decision-making.

To rule out any risk of influencing decision-making, we therefore adhere to the following rules:

- **Gifts** from or to suppliers or customers with a value of up to 50 euros can be accepted or given as a basic principle. However, the total sum of the gifts from or to an individual customer or supplier within one fiscal year should not exceed 150 euros.
- **Invitations** to events or business meals from or to customers or suppliers with a value up to 50 euros per person can be accepted or given as a basic principle. The total sum of the events or business meals per customer or supplier within a fiscal year should not exceed a value of 150 euros per person.
- **Contributions** in the form of gifts or invitations **above the specified value thresholds** (the individual value or upper annual limit) are not always impermissible. However, they must be

reported to the responsible Compliance Officer together with a reason and – if necessary – agreed with the Compliance Officer in advance.

- The specified value thresholds represent the maximum amounts in each case. For countries with a lower buying power than Germany, comparable scaling is applied that adapts the amounts to the buying power at the relevant location.
- Likewise, we respect the regulations of our customers and suppliers in this respect.
- Furthermore, we send and receive gifts and invitations exclusively through the relevant company address.
- We never use or accept cash payments, vouchers or remittance as payment.

Attempts to influence decisions by customers or suppliers are not trivial offenses and are to be reported to superiors or the Compliance Officer if they become known. We may decide to end the business relationship or place a block on orders on a case by case basis.

Donations must never have an influence on decision-making!

Individual gifts and invitations up to 50 euros do not require approval but higher amounts must be reported.

The upper limit for an individual customer or supplier in the fiscal year is 150 euros, and higher amounts must be reported.

4. CONDUCT IN BUSINESS RELATIONSHIPS

HOW DO WE CONDUCT OURSELVES CORRECTLY IN OUR BUSINESS RELATIONSHIPS?

4.2 Conduct in competition – ban on cartels

Fair and free competition is protected by applicable competition and antitrust laws. We commit to comply with the regulations for fair competition in line with the statutory provisions and in particular the antitrust provisions.

Above all, the following are forbidden in relation to competition:

- Dividing up of territories or customers.
- Agreements on or the exchange of information about prices or price components, supply relationships and their conditions or about capacities or bidding behavior.
- The exchange of information about market strategies and investment strategies.
- In this regard, not only written contracts but also verbal agreements or tacit parallel behavior are fundamentally not permitted.
- Agreements on or the exchange of information about research and development plans are only permitted in strictly limited exceptional cases.

4.3 Conduct in the event of conflicts of interest

At SEW-EURODRIVE, we are committed to the welfare of the company. The company therefore relies on us to make our decisions based exclusively on objective criteria and ensure that personal interests that may conflict with those of the company do not influence us. Since even the suggestion of a conflict of interest may have negative results for our company, we always take special care to avoid them.

There may be a conflict of interest, for instance, if a member of the board, employee or close relative of an employee (partners, children, parents) has interests in a competitor, customer, supplier or service provider of SEW-EURODRIVE.

If a conflict of interest becomes known to us, we inform our superiors or the Compliance Officer about it to safeguard the welfare of the company.

4.4 Conduct in relation to information

4.4.1 Confidentiality

We commit to protect trade and business secrets. We do not hand over confidential information and documents or operational expertise to third parties and do not make them accessible to third parties in any other way, unless we are authorized to do so and we are sure that the secrets will be protected.

In this regard, the Security Policy provisions for classifying and handling information (public, business, confidential, secret) must be observed at all times. The provision on confidentiality retains its validity even after our business relationship ends.

Agreements that affect competitiveness are prohibited.

We always act in a way that puts the company's interests in the foreground and avoids any suggestion of conflicts of interest!

We handle information with care and always ensure the appropriate level of confidentiality.

4.4.2 Data protection

To protect the private lives of employees, customers and suppliers, we adhere to the applicable legal requirements in relation to the handling of personal data. To do this, we take state-of-the-art technical safety precautions to protect the information from unauthorized access.

**We place a strong emphasis on
the protection of personal data!**



“At SEW-EURODRIVE, we strive for sustainable earnings for our expanding company. In the face of increasingly complex international regulations, we take the necessary level of care to ensure that our results are not achieved by fraudulent means.”

Dr. Jürgen Zanghellini – Managing Director Finance

5. REPORTING IRREGULARITIES

HOW DO WE WANT TO WORK?

The branches and business units are themselves responsible for communicating and complying with the contents and rules of our Code of Conduct within their areas of responsibility. Employees that violate the Code of Conduct are to be brought to account through internal disciplinary measures – independently of potential criminal prosecution.

It is important to us to avoid any damage to our company and therefore contribute to the enduring success of the company. With that in mind, we will inform our superiors or the Compliance Organization about any violations or situations that contravene this Code of Conduct.

In all of our regions, we have designated additional contact persons (local Compliance Officers) and established additional ways to report these issues. All of the information provided is treated with the strictest confidence and carefully pursued so that we can take appropriate corrective measures.

If we are made aware of any conduct or situation that contravenes our Code of Conduct, we will report it to our superior or the Compliance Organization immediately.



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