



## Guidelines for the prevention of conflicts of interest and corruption.

## 1. Principles and validity

Integrity and transparency are the key to successful and sustainable business activities. Our image and public reputation are based on objectivity and honesty; neutrality and expertise form a vital part of partnerships with our customers and suppliers.

National and international legal provisions, statutory requirements, the Group's guidelines and policies are mandatory for all TÜV Rheinland companies, i.e. all companies associated with TÜV Rheinland Berlin Brandenburg Pfalz e.V. and TÜV Rheinland AG within the meaning of §§ 15 et seq. of the Aktiengesetz (Companies Act), hereafter referred to as 'TÜV Rheinland'.

These guidelines apply to all employees<sup>1</sup> of TÜV Rheinland.

## 2. Objectives

The purpose of these guidelines is to effectively prevent conflicts of interest and corruption as well as their negative effects on the company, to expose infringements and to efficiently penalise them.

This may be achieved using a set of tools comprised of Prevention and Monitoring.

Managers must act as role models with regard to the risks of conflicts of interest and corruption and should therefore live up to the highest standards. Therefore, all managers have a high degree of responsibility for explaining the risks of corruption and raising awareness of conflicts of interest as necessary. They commit to discussing these topics with employees whenever they arise.

## 3. Definition

Should any conflicts of interest arise through the interplay of personal and business or professional contacts, for example:

- Secondary employment
- Financial interest
- Advisory activities
- The employment of family members by suppliers/ customers/competing companies or
- Orders from family members

these must be declared immediately to the senior management of the respective TÜV Rheinland company who will decide how to proceed according to the internal guidelines.

The definition of corruption includes actions by which employees use their position to gain material or non-material benefits for himself or a third party. National and international regulations will be applied.

## 4. Accepting gifts or other benefits

Unless stated otherwise in certain work and business regulations, the following principles apply to TÜV Rheinland:

We value our objectivity and integrity. Accepting money or objects of monetary value, material assets or other benefits from third parties, particularly business partners and customers, is not permitted.

This does not include appropriate, insignificant and customary gifts of courtesy up to a total value of the prevailing tax-free limits per financial year and per business partner. Differing provisions must be made in writing by the Board of Directors.

If employees are unsure regarding the evaluation criteria for the value of gifts, they should consider whether objective third parties (managers, friends, the public etc.) would also consider the gift to be insignificant.

### The following gifts are acceptable (for example):

- Seasonal gifts, i.e. traditional Christmas and New Year gifts such as calendars, stationery, promotional gifts, individual food and luxury food items of insignificant value.
- Invitations to meals if they are within the usual limits (not particularly expensive or at regular intervals). Preferably the employee pays for his/her own part of the meal.
- Objects of non-material value with insignificant material value to the recipient.

### The following must be declined (with regard to third parties such as customers or business partners):

- Invitations to events and trips which are not directly related to the business relationship
- Gifts/benefits for partners or family members
- Money/monetary benefit/objects of value
- Regular invitations to meals
- Private use of facilities or objects belonging to third parties

If a gift exceeds the permitted value or if there are doubts regarding its value, the compliance officer should be consulted or the gift returned to the giver if possible. If the gift cannot be returned, the Compliance Office decides about its disposition.

Non-material benefits should be declined. These may damage the company and may be sanctioned (according to section 12).

## 5. Business meals

Business meals should only be accepted if the invitation is voluntary and within an appropriate and customary business context.

The invitation must serve a demonstrable business purpose and should be part of the usual methods of working together without damaging the employee's integrity. A more detailed definition can generally be obtained from the manager or an appointed authorised body. Line managers should be informed of the frequency and reason for invitations.

## 6. Other events

The relevant guidelines, local regulatory statutes and the Group's code of conduct should be observed with regard to any sponsorship activities or events. Please also take into consideration that

- invitations to other events such as sporting and cultural events, product information events and seminars require approval from the responsible manager, and
- business partners are not generally permitted to cover travel and accommodation expenses unless this is part of a contractual agreement.

## 7. Participating interests in companies

The Board of Directors of TÜV Rheinland AG must be informed in writing of any participating interests of more than 4 per cent in companies with which TÜV Rheinland has business connections. If in doubt, employees should consult TÜV Rheinland AG's Compliance Officer or legal department. Secondary employment for such companies must also be reported to the Board of Directors. Existing regulations regarding secondary employment in employment contracts or working regulations remain unaffected by this provision.

If there is a risk of conflict of interest, the responsible corporate management may request that the participating interest is relinquished or the activities terminated. Approved secondary employment which could result in a conflict of interest must be reported.

## 8. Other conflicts of interest

Employees should avoid situations which could lead to personal conflicts of interest. It is prohibited to issue evaluations, tests or certifications to one's self: e.g. a vehicle inspection engineer cannot inspect his own vehicles.

The management of the TÜV Rheinland companies shall take reasonable care that all orders accepted or given and all provided inspection services and any other business operation are free from any conflict of interest which could affect them or their employees and, if in doubt, inform the responsible manager or the Compliance Office. These decide on the basis of the Group's existing principles and Guidelines whether a business relationship should proceed, be limited or terminated.

## 9. Report suspected instances of corruption

All employees should immediately inform one of the office holders named in section 10 if they have specific reason to suspect corruption. Employees should immediately report attempts at bribery.

The process outlined in section 10 should be followed in order to protect employees from the inconvenience of unfounded accusations as well as to inform the auditing services and, if necessary, the prosecution authorities promptly and to support them in their investigations.

## 10. Duty to seek advice

All employees of TÜV Rheinland must seek advice or help if they have reasons for suspicion or if they are unsure of the laws on corruption or business crime. They should consult their line manager, the responsible Compliance Officer or another authorised body appointed by the management.

If the authorised body cannot be contacted for practical or other reasons, an anonymous helpline may be used at any time to contact the Ombudsman's office.

The contact persons must investigate any information with due discretion, confidentiality and diligence while protecting the personal interests of the employee as well as the interests of TÜV Rheinland. They must also implement the necessary measures.

If necessary and appropriate, the appointed bodies may involve the legal department, the internal auditing service, the HR department or the works council.

## 11. The Compliance System

The Chief Compliance Officer (CCO) is assigned and dismissed by the CEO of the Group. The CCO is appointed to a staff position to carry out his duties. The CCO is entitled to preventive, auxiliary and advisory functions. Controlling and revision activities are carried out by the corresponding departments (Controlling, Revision). On instruction of the CEO, the CCO can be consulted to clarify corruptive issues in specified amplitude.

A Local or Regional Compliance Officer can be assigned by the management for all national and international departments of the TÜV Rheinland Group. In their function they are assigned to the Group's Compliance Office and the CCO. The Compliance Officers fulfil advisory functions regarding compliance matters. They are qualified to give recommendations and to address relevant issues on corruption in consultation with the upper management.

TÜV Rheinland has an external Ombudsman (also referred to as the Compliance Helpline) which is bound to professional discretion. Hints and complaints will be checked and in case of suspected corruption forwarded to be investigated.

A more detailed description of the Compliance System and the competencies can be found in the Compliance Guideline.

## 12. Sanctions and employment law provisions

If circumstances relating to a case of corruption arise, general employment law provisions including extraordinary termination of employment are applied. TÜV Rheinland reserves the right to make claims for damages on behalf of all its companies and subsidiaries if the company is affected by damages caused by corruption or crime-related activities.

In particularly serious offenses and cases, the company will actively support the criminal prosecution brought by the relevant government body.

## 13. Prevention and control

Supervision by means of appropriate information procedures and sufficient control measures is recommended to prevent and eliminate corruption. In areas at risk from corruption, the following measures achieve the best results:

- Careful selection of staff consisting of reliable managers and employees
- Clear, recorded rules of responsibility
- The “four eye principle”
- Internal control system
- IT-based procedure controls
- Transparent documentation
- Traceable grounds for decisions in records/ internal comments

The relevant managers are responsible for implementing suitable measures in the business streams. The rights of workers’ participation committees remain unaffected.

<sup>1</sup> Employee“ includes all male and female part-time or full-time staff members as well as managers, members of the Boards or members of the Supervisory Boards.

## Principles of the UN Global Compact

TÜV Rheinland has been committed to the 10 Principles of the UN Global Compact since 2006 and supports their implementation. Each TÜV Rheinland employee is required to act according to the Global Compact Principles.

## Principles

The ten principles can be divided into four categories:

### Human Rights

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 make sure that they are not complicit in human rights abuses.

### Labour Standards

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 the elimination of all forms of forced and compulsory labour;
- Principle 5 the effective abolition of child labour; and
- Principle 6 the elimination of discrimination in respect of employment and occupation.

### Environment

- Principle 7 Businesses should support a precautionary approach to environmental challenges;
- Principle 8 undertake initiatives to promote greater environmental responsibility; and
- Principle 9 encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.





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