Code of Conduct for Business Partner
Festo Group

Foreword

As an international, family-owned company with long-established tradition, the Festo Group attaches great importance to integrity and requires a high standard of ethically unimpeachable actions that are in accordance with the relevant laws and rules.

This Code of Conduct constitutes a binding guideline for all Business Partners of Festo within their daily actions. This is a minimum standard of the principles of conduct Festo considers appropriate and mandatory across all types of business activity.

1.1 Legislation, human rights, occupational health and safety regulations

Business Partners shall observe all locally applicable laws and minimum industrial standards in any country in which they are active. They also ensure compliance with local data privacy legislation as well as the General Data Protection Regulation (GDPR) with its binding level of protection, especially where the data of natural persons from the EU are transferred to non-EU countries.

Festo expects full commitment from its Business Partners to the values set out in the United Nations International Bill of Human Rights. This covers all 30 articles of the Universal Declaration of Human Rights, the SA 8000 standard of Social Accountability International together with the core labor standards of the International Labour Organization (ILO), namely the freedom of association and the right to collective bargaining, the elimination of all forms of forced labor, the elimination of child labor, the elimination of discrimination in employment and occupation, and occupational health and safety. Child labor in this context means not employing anyone under the age of 15, without exception. The protection of employees under the age of 18 is also preconditioned.

As a company, we are responsible for ensuring worldwide that working conditions are safe and fair, and that pay and working hours comply with national laws and applicable industry standards. We also expect the same of our Business Partners.

We further expect our suppliers to comply with all applicable conflict minerals regulations (3TG).

1.2 Tolerance and equal opportunities

As a company that operates globally, the Festo Group maintains relationships with employees and Business Partners from different countries, cultures, and with different beliefs. We value an approach to others characterized by respect, tolerance, esteem, fairness, and openness.

We therefore expect our Business Partners to take a clear stance against all forms of discrimination, mobbing, disadvantage, and humiliation, as well as all other types of disrespectful or harassing behavior. In particular, we expect a prohibition on discrimination due to color, ethnic background, religion, disability, age, sexual orientation, or personal belief.

1.3 Sustainability and environmental protection

The Festo Group is guided by the principles of sustainability and environmental protection. We are aware of the scarcity of resources and our responsibility towards future generations. The Festo Group therefore also expects compliance from its Business Partners with all applicable environmental protection laws, including the relevant local provisions of the individual countries, and an endeavor to continuously improve the impact of business activities on people and the environment.

1.4 Fair competition

The Festo Group is committed to fair and open competition, both nationally and internationally. We also expect our Business Partners to behave fairly in competition and to comply with the applicable legal regulations protecting free competition. In particular, no agreements or concerted practices may be entered into with other companies that have the purpose or effect of preventing, restricting, or distorting competition in accordance with the applicable antitrust regulations; any dominant market position of the Business Partner must not be unlawfully exploited.

1.5 Anti-corruption

The Festo Group will not tolerate any form of corruption and acts strictly in accordance with the United Nations Convention against Corruption. Festo expects its Business Partners not to offer, promise, or grant benefits of any kind to third parties, business partners, the staff or representatives of their business partners, public officials, politicians or relatives or associates of any of these groups in return for preferential treatment when procuring goods or services. In this context, the Festo Group requires its Business Partners to comply with the "ICC Rules on Combating Corruption", the provisions of the United States FCPA (Foreign Corrupt Practices Act) and the UK Bribery Act 2010.

1.6 Benefits and remunerations

Festo expects its Business Partners not to directly or indirectly offer, grant, demand, or accept any gifts or benefits in connection with business activities. This shall not apply to occasional hospitality and gifts which are of no significant financial value and which conform to the usual level of local business etiquette.

However, the offering and acceptance of hospitality and gifts of this kind shall at all times be subject to the requirement that no laws are violated and the possibility of influence on business decisions can be excluded from the outset. The requesting and acceptance of gifts of money in dealings with Festo employees is forbidden in all cases.

Remuneration for services, particularly in the form of commissions paid to third parties, e.g., representatives, brokers, consultants or other intermediaries, must be commensurate to the service provided and shall be documented in writing in full, particularly in terms of the subject of the remunerated activity and the settlement date. These remunerations must be of such a size that they do not create a basis for, or lead to the assumption that they are used for bypassing the existing rules.

1.7 Payments

All payment transactions shall comply with the applicable laws on combating money laundering and the financing of terrorism.

Payments for goods and services received shall be made directly to the contractual partner, and in principle to the corresponding bank account in the country of the contractual partner's registered office, unless legally valid assignment agreements or compulsory collections exist. Payments in cash are in principle prohibited, except for amounts up to EUR 250 or the equivalent in local currency, provided that a properly issued receipt is available that fulfils the legal, accounting, and taxation requirements.

1.8 Selection of Business Partners

The Festo Group selects its Business Partners purely on the basis of objective and economic criteria and examines all offers from its suppliers fairly and impartially. Unprofessional preference or disadvantaging of suppliers, especially for private reasons, is prohibited as a matter of principle. In the case of invitations to tender, contracts shall be awarded to the most cost-effective tenderer unless other reasons (quality, service, long-standing business relations, creditworthiness, etc.) justify a different decision.

Festo attaches importance to the incorporation by its Business Partners, wherever possible, of the principles contained in this Code of Conduct into their contractual agreements with suppliers, customers, and other third parties.

1.9 Regulations covering foreign trade, export control, and customs duties

The Festo Group complies with all foreign trade, embargo, customs, and control of terrorism rules and regulations, as well as existing payment transaction regulations in this context, that apply in the respective countries in which it conducts business, and expects the same from its Business Partners.

1.10 Taxes and duties

Festo is committed to the principle of strict compliance with all fiscal and taxation regulations and the payment of all taxes owed. The Festo Group does not undertake or initiate any actions or measures that could even create the impression of aiding and abetting tax fraud or tax avoidance by third parties. Festo expects its Business Partners also to uphold these principles.

Final statement

Festo expects all of its Business Partners to respect, for their part, the values expressed in this Code of Conduct, and to observe and comply with them in their business activities. Violations of this Code of Conduct and incitement to violations will not be tolerated and shall lead to appropriate action using all available legal means including termination of the business relationship.

Any violation of this Code of Conduct is to be disclosed. This can be done via our anonymous whistleblower system, compliance@festo.com, which can be accessed via the official Festo website www.festo.com/group.

Date, Place _____

For acceptance

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Business Partner’s legal representative