

Wilo Group

Code of Conduct

"Responsible Behaviour"





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Foreword

We, the Wilo Group, are one of the world's leading groups of companies in the pump industry. Over more than 130 years, we have developed into a global corporation that operates successfully in markets in over 70 countries and engages in co-operative collaboration with its employees, partners and customers.

This successful development is the result of many factors. In addition to our high-quality, innovative products, our know-how and our strategy, these include the strength of our management and the motivation and skills of our employees.¹

At the same time, our success is largely based on shared values and ethical principles that influence the way we act every day. Because of our global operations, the Wilo Group unites a wide variety of cultures under one roof. Therefore, creating a balanced and shared system of principles and values for all cultural groups is of fundamental importance to the Wilo Group. The introduction of this code of conduct is an important step in achieving this objective. Wilo's basic ethical values are the core and key starting point for the principles of our self-image outlined here.

Integrity, Respect and Fairness.

We see this code as an instrument to strengthen the loyalty and honesty of our employees, to prevent conflicts between private and corporate interests. It also acts as an instrument for ensuring trusting and productive co-operation with our customers, suppliers and service providers. As well as integrity and honesty, we also promote a sense of duty and individual responsibility. In turn, this can only be achieved through exemplary responsibility on the part of management for our corporation and its employees.

Our stated objective is to permanently implement this code of conduct as an integral basis for our corporate activity. We expect and trust that every employee – from trainees to members of management – will use the specifications in this code of conduct as a yardstick for their own behaviour at all times and in full and that their responsibility will be an example.

Executive Board

¹ While the wording in this code of conduct may use masculine forms, this is for the sake of simplification. Every statement covers both genders.



Scope

The code of conduct is a binding basis for the corporate activities of the Wilo Group and is aimed at all managers and employees in the Wilo Group worldwide, as well as anyone who represents or works on behalf of Wilo. They all strengthen and live these principles in their own behaviour and actively contribute to continuous observance and reinforcement of our principles.

Business partners as referred to in this code of conduct are customers (including indirect customers and customer advisors), suppliers and service providers, but also third parties engaged by suppliers and service providers to fulfil their contractual obligations towards the Wilo Group.

As a corporate group that is aware of its social responsibility and wants to live up to this at all times, we require our business partners to adhere to a comparable code of conduct in their own companies and to observe the principles set out in our code of conduct. This code of conduct is the basis for all business relationships between the Wilo Group and its business partners.

In addition to the principles from the code of conduct, the relevant national and international legal requirements, collective agreements, operational and wage agreements and internal rules of the Wilo Group are applicable.

Where the principles in the code of conduct permissibly regulate situations more strictly than national law, the code of conduct is binding. National law that imposes stricter requirements must always be observed.

The code of conduct represents a commitment on the part of the Wilo Group to actively live out the precepts and principles set out below.



Wilco principles

Basic social principles

The Wilco Group believes that human dignity is inviolable. In addition, international human rights are respected and protected.

For this reason, the Wilco Group categorically rejects forced labour, slavery and comparable forms of deprivation of liberty and coercion. The same applies to child labour and the exploitation of young people. Business partners of the Wilco Group are always to be judged against this yardstick.

Within the Wilco Group, the principles of non-discrimination and equal opportunities play a central role. All employees in the Wilco Group, particularly those in management positions, are strictly bound by these principles and must emphasise adherence to them.

Compliance of laws

For the Wilco Group, it is a matter of course that all internal and external processes will be conducted in compliance with national laws, ordinances and regulations, internationally binding rules and social norms (referred to below as "applicable regulations"). To pursue our interests within the framework of applicable law, we base our operations on a reliable social and political environment.

Adherence to the applicable regulations is the personal responsibility of our managers and employees. We also expect our business partners to observe all applicable regulations in their co-operation with us.

Conflicts of interest

Legally and ethically sound behaviour requires the avoidance of conflicts of interest. Therefore, strict separation between the private interests of employees of the Wilco Group and the interests of the Wilco Group companies is essential. A conflict of interest occurs where private interests, regardless of nature, collide with the interests of Wilco Group companies. Even the appearance of a conflict of interest is to be avoided.



Environmental protection and sustainability

**"We are responsible for
our environment and
society"**

Pump systems are of essential importance for the fundamental requirements of life and the conservation of our environment for future generations. Linking economic efficiency and environmental protection is therefore a central issue in the Wilo Group and is decisive for our operations and actions.

This is primarily documented by our guidelines on sustainable business development, which focus on economic, environmental and social issues, and is reflected in our sustainable strategy. We work continuously on improving the environmental impact of our products and we handle our natural resources responsibly and as economical as possible. Within the Wilo Group, compliance with the relevant national environmental laws is a matter of course, along with the endeavour to go beyond their requirements. All employees in the Wilo Group are encouraged to make suggestions for improving our handling of natural resources.

Fair competition

The Wilo Group is convinced that the interests of our customers and those of our Group can best be protected through fair competition. The Wilo Group therefore aims to base its business activity in a competitive environment on the highest possible ethical and legal principles.

As a consequence, any agreements between competitors that aim at or could result in restriction or adulteration of competition, such as sales quotas, price arrangements and fixing or patent infringements are prohibited. Even the suspicion of such an infringement can permanently damage the reputation of the Wilo Group. Even concerted actions, informal discussions or informal agreements which could lead to restraint of competition are not permitted.

We respect the right of our competitors to protect their information. Information about competitors that is obtained in such a way that employees or business partners of those competitors have violated their contractual obligations will not be used.



Contract awarding

As regards procurement of goods and services, our procedure is always to be based exclusively on objective criteria. Personal interests and relationships may not influence any contract and may not be the basis for awarding contracts. This is intended to eliminate any influence on or adulteration of competition and to protect the Wilo Group against economic disadvantages.

To ensure fair contract awarding, several quotations must be obtained in writing beforehand as stipulated by internal rules and be available at every company in the Wilo Group. Any exceptions are only possible through the senior management of the relevant company in the Wilo Group.

Our suppliers

Only suppliers who recognise both the legal and our ethical and moral obligations will be considered when we invite quotations and award contracts. Our "Code of Conduct for Wilo Suppliers" is to be agreed with every supplier.

Our customers

"We are customer-oriented."

We offer our customers outstanding products and services at competitive prices. Therefore, we consider it to be our task to constantly review and improve the quality of our products, services and processes, in order to meet the preferences and needs of our customers in the long term. We identify our customers' needs at an early stage. We depend on a sound, trusting and fair relationship with our customers who we support as a reliable partner. We utilise our experience and expertise to provide our customers with the maximum possible benefit and economic added value. These measures strengthen the trust that our customers place in the Wilo Group.

Granting and accepting courtesies

Courtesies in this sense are any type of benefit that goes beyond the contractually agreed payment and can be exploited by an individual. This includes cash, gifts, any form of hospitality, meals, sporting and entertainment events, tickets, accommodation, perks, services, price reductions and other benefits.

In general, employees may not offer any courtesies to customers, business partners, employees of private or public companies and authorities or any other third parties, nor may they accept any benefits from them, if this



- violates national laws and regulations,
- conflicts with customs in the country and business sector
- results in a conflict of interests or a potentially reputational damage or
- could justify sufficient and obvious suspicion of bribe or secret commission.

Any such courtesies offered must be rejected and the process highlighted to a line manager.

Particularly with public authorities and departments, the regional laws and regulations, some of which are very strict and restrictive, must be observed.

Our employees

"We trust in our employees and develop them"

Our employees are our most important asset for which we, as a family company, assume a special responsibility. Their personal commitment, creativity, versatility, skill and energy are of critical importance for our leading position in our markets and for our long term success.

Staff of the Wilo Group are employed and evaluated exclusively on their skills, abilities, performance and knowledge. There will not be any differential treatment of individuals due to their race, colour, religion, caste, world view, nationality, origins, political opinion, ideology, trade union or coalition activities, sexual orientation, disability, age, family circumstances, gender or any other personal characteristics.

Physical abuse, threats of physical violence, unusual, inappropriate or illegal penalties or disciplinary measures, sexual or any other harassment, as well as bullying, discrimination or intimidation are prohibited. Every employee has a right to protection against treatment of this kind. This protection also applies to the employee's personal dignity and privacy.

Our managers embody our management culture. Every manager achieves the respect of their employees by acting as an example, both in terms of their personal performance and their social skills. Every manager in the Wilo Group places considerable trust in their employees and conveys confidence through consistency, integrity and loyalty.

Our employees' dealings with one another are based primarily on mutual trust. This trust is ensured by open communication and transparency. Team skills combined



with individual initiative are key success factors for reaching our shared corporate objectives. Our employees are required to conduct themselves honestly and fairly, respectfully and with integrity in their working environment. Friendly, objective and appropriate dealings with colleagues, business partners, official bodies and other third parties is expected.

The behaviour of every employee also reflects on the Wilo Group and thus shapes its reputation, both externally and internally. We expect our employees to take this into account at all times in their conduct.

Personal skills, expertise and technical qualifications of every employee are developed through targeted training and education measures in order to maintain and enhance their high performance level and ensure high quality work. This enables us to guarantee the future capabilities of the Wilo Group.

The right of our employees to form coalitions to represent their interests is also fundamental.

Working environment and health

Ensuring an appealing and satisfying working environment in every respect is a primary business objective of the Wilo Group.

The Wilo Group believes it is of crucial importance that employees work in a clean and safe working environment. Health and safety measures in the workplace are promoted to prevent accidents, injuries and sickness. Compliance with all regulations in respect of health and safety at work is a matter of course for us.

Our employees are responsible for protecting their own health as well as that of their colleagues. Therefore, every employee must strictly adhere to the local health and safety regulations.

Management style

"We manage our company responsibly"

All managers pursue a fair and co-operative management style and a clear management structure, which is always objective and transparent. Our managers demonstrate respect, tolerance, honesty and trustworthiness towards their employees. Our managers are crucial to performance, demonstrating expert knowledge, enthusiasm, decisiveness



and focus, and are responsible for the motivation and development of our employees. Our managers are conscious of their function as role models and act in line with our guiding principles.

Transparency

“We provide openness, transparency and flexibility in our organisation”

Within the Wilo Group, we implement transparency through intensive communication between the various levels in the hierarchy and between different organisational units in the company, in order to uncover and improve any problems and weaknesses. As a modern and forward-looking family company, we communicate openly and actively.

For this reason, all employees have an obligation to ensure a speedy and smooth exchange of information within the companies of the Wilo Group. Other than exceptional cases such as confidentiality obligations, any information relevant to our activity may not, particularly not illegally, be withheld, falsified or selectively passed on.

We consider dialogue with shareholders, business partners, public authorities and the general public to be an opportunity to promote understanding and acceptance of our actions and the reputation of our company.

In addition, it is essential that information provided to third parties about the Wilo Group is both correct and consistent. The accuracy and completeness of our business documentation must be reliable, for us and for third parties.

All companies in the Wilo Group have an obligation to maintain business documents, records and accounts that ensure the transparency of all transactions and appropriately and accurately reflect the economic situation of the Wilo Group at all times. Records must comply with the applicable accounting directives and invoicing regulations.

The statutory archiving periods must be observed. All business events must be documented correctly, completely and accurately as this documentation is the basis for management and control of the Wilo Group.

Discretion/Confidentiality

Sensitive business information and trade secrets of the Wilo Group must be treated confidentially at all times. Sensitive business and trade secrets include financial data, technical data, business strategies, information about products and product developments, inventions and research results.



However, other information whose confidentiality could be in the legitimate interests of the Wilo Group or its business partners is also subject to the same confidentiality requirements. Communication of sensitive information requires the prior signing of a confidentiality agreement, where confidentiality obligations are not already assured by applicable local legislation.

Direct or indirect use of confidential business information or trade secrets for individual benefit or that of a third party, or to the detriment of the Wilo Group, is prohibited.

Data Privacy

The Wilo Group is aware of the importance and sensitivity of data privacy. Collection, processing, use or communication of personal data is only permitted if, and to the extent that, this is necessary to achieve previously defined, legal and clearly formulated objectives. Transparency towards the affected persons must be guaranteed. In addition, it is essential to ensure that unauthorised parties cannot access this data. All applicable legal regulations in respect of privacy must be strictly adhered to.

Implementation/Monitoring

The code of conduct is provided in clearly understandable language on the Intranet. The management of the relevant company in the Wilo Group must also display the code of conduct in an appropriate location.

In their function as role models for employees, managers must observe and implement the code of conduct in full and at all times. At the same time, employees at all other levels have an obligation to observe, accept and, where possible, promote the principles outlined. Where employees require support in meeting the requirements set out and performing their duties in compliance with this code of conduct, they can consult their line manager, the Compliance Director or Compliance Support at any time.

Every manager has an obligation to instruct employees, inform them of the objectives and monitor compliance with the code in their area of responsibility.

Violations or incorrect behaviour in contravention of the code of conduct can be sanctioned by disciplinary measures and/or action under employment law. Where there is definite suspicion of punishable behaviour, the state



authorities will be notified. Claims for damages are also possible.

Encouraging or misguiding other employees to violate the code is also considered to be an infringement of the code, as is failure to co-operate in investigations to uncover a violation. If a line manager does not initiate any action despite having received information indicating that an employee in his area of responsibility is contravening or has contravened the rules set out in the code, both parties involved will be held responsible for the violation.

Where employees identify violations of this code of conduct or have legitimate suspicion of a violation, they should report this to their line manager or the responsible Compliance Director. All reports can be made using a confidential reporting process.

This code of conduct becomes effective on 1st January 2011.

Executive Board