CODE OF CONDUCT
1. Preamble

The German Rubber Association – Wirtschaftsverband der deutschen Kautschukindustrie e.V. (wdk) – represents approximately 140 corporate members, who are either industrial processors of rubber and rubber-like materials (elastomers) or suppliers to the rubber and elastomer processing industry.

The wdk and its members are aware of their social responsibility towards their own company, towards customers and suppliers, towards the environment and towards society. The conduct of the companies and their employees is guided in particular by the values of integrity and fairness, irrespective of whether they conduct their business in Germany or abroad.

The wdk compliance code is a voluntary code that is intended to put substance behind the interests of the Wirtschaftsverband der deutschen Kautschukindustrie e. V. and its members in upholding fair, sustainable, responsible ethical principles of conduct.

The member companies of the wdk observe the wdk’s compliance code. They agree to this code, will adhere to its principles and take this code into consideration when writing their own “Code of Conduct”. If they do not have their own “Code of Conduct”, they shall view this code as the basis for all of their business relationships. The member companies are at liberty to decide whether or not to impose stricter rules than those contained in this code.

The ethical guidelines contained in the wdk’s compliance code are based, in particular, on the principles of the UN Global Compact (see appendix), the ILO Conventions, the United Nations Universal Declaration of Human Rights, on the UN Conventions on the Rights of the Child and the Convention for the Elimination of All Forms of Discrimination of Women as well as the OECD Guidelines for Multinational Companies. The following Numbers II to V constitute minimum standards and are intended to prevent situations that may call the integrity of the companies and their employees into question.
II. General Principles, Laws and Statutes

The member companies commit to upholding their social responsibility in all business dealings.

They commit to respecting the applicable laws and any other applicable provisions in the countries where they are active in all of their business activities and decisions. Business partners are to be treated fairly. Contracts are to be upheld, and changes in the framework of the business environment are to be taken into consideration. The member companies shall behave fairly when competing.

III. wdk Compliance Code

Corruption / Antitrust Law / Forced Labour / Child Labour

Corruption
In dealing with business partners (customers, suppliers) and state institutions, the interests of the company and the private interests of employees on both sides are to be kept strictly separate. Actions and decisions are to proceed independent of considerations which do not concern the business at hand and which involve personal interests. Current anti-corruption criminal law is to be upheld. Amongst other things, the following is to be observed:

- The granting of personal advantages (in particular benefits in kind such as payments and loans, including the giving of smaller gifts over a longer period of time) by member companies and their employees to public officials (such as civil servants or public employees) with the objective of gaining advantages for the signing/acceding company or oneself or for third parties, is not permitted.

- Personal benefits in kind in exchange for a favoured position in business dealings may not be offered, promised, granted or approved, nor may personal benefits be demanded or accepted in dealings with business partners. The member company must require from its employees that they will not allow any such benefits to be promised to them. The management and employees of a member company are not allowed to offer, promise, demand, give or accept gifts, payments, invitations or services in the course of business dealings that are provided with the aim of influencing a business relationship in a prohibited way or which risk jeopardising the professional independence of the business partner. This does not generally
apply to gifts and invitations that fall within the bounds of normal business practice with regard to hospitality, convention and courtesy.

The member company may issue a binding policy with regard to the giving and receiving of gifts, invitations to business entertainment and events. This policy may specify exceptions with respect to appropriate gifts of low value and of a symbolic nature, reasonable business meals and reasonable company events as well as those of business partners (customers, suppliers).

The member company shall designate a person who can be contacted if employees of the member company are in a situation where a conflict of interest exists or are uncertain whether a conflict of interest exists or could arise. On request, the wdk is happy to provide its members with assistance in this respect.

**Antitrust Law (Conduct vis-à-vis Competitors)**
The Wirtschaftsverband der deutschen Kautschukindustrie e. V. (wdk) and its members respect fair competition. The member company thus adheres to applicable laws that protect and promote competition, in particular the prevailing antitrust laws as well as laws that regulate competition.

In dealing with competitors, these provisions in particular prohibit collusion and other activities aimed at influencing prices or conditions, dividing up sales territories or customers or using prohibitive means to inhibit free and open competition. Furthermore, these provisions prohibit agreements between customers and suppliers by which customers are to be limited in their freedom to autonomously determine their pricing and other conditions when reselling (determination of pricing and conditions).

Given the fact that it can be difficult to distinguish between prohibited cartels and legitimate collaboration, the member company shall designate a person who can be contacted in case of doubt. On request, the wdk is happy to provide its members with assistance in this respect.

**Forced Labour**
The member company rejects all forms of forced labour.

**Child Labour**
The member company respects the regulations of the United Nations on human rights and children's rights. In particular, the member company commits to comply with the Convention concerning the minimum age for admission to employment (Convention No 138 of the International Labour Organisation) as well as the Convention concerning the prohibition and immediate action for the elimination of the worst forms of child labour (Convention No 182 of the International Labour Organisation).
Organisation). If a national regulation concerning child labour provides for stricter measures, these shall take precedence.

**PRINCIPLES OF SOCIAL RESPONSIBILITY**

**Human Rights**
The member company respects and supports compliance with internationally recognised human rights.

**Discrimination**
The member company commits, within the scope of the applicable laws and statutes, to oppose all forms of discrimination. This applies in particular to unfair treatment on the basis of gender, race, disability, ethnic or cultural origin, religion or world view, age or sexual orientation.

**Health Protection**
The member company guarantees protection of workers in the workplace and health protection in the workplace within the scope of national provisions. The member company supports continuous advancement of the process towards improvement of the working environment.

**Fair Working Conditions**
The member company respects its employees’ right of association within the bounds of prevailing laws and statutes.

**Environmental Protection**
The member company is committed to sustainably upholding the goal of environmental protection for current and future generations. Laws passed for the protection of the environment are to be adhered to. The member company supports environmentally-aware actions by its employees.

**Trade Secrets**
The member company commits its employees to safeguard trade and company secrets. It is forbidden to divulge confidential information or confidential documents, to third parties without proper authorisation or to provide access to them in any other way, unless proper authorisation has been granted or the information is already in the public domain. The legal stipulations governing data privacy protection concerning the personal data of employees, customers, and investors must be complied with.
IV. Suppliers

The member company shall communicate the basic principles of this wdk compliance code to its immediate suppliers, to call for and call for them to also comply with it.

V. Compliance

The member company shall inform its employees of the provisions governed by the wdk compliance code and the obligations that result from it.

The member company shall develop and, as needed, adapting guidelines and processes so that the company complies with the principles of this wdk compliance code.

Last updated: May 2011

Appendix

UNITED NATIONS GLOBAL COMPACT

The ten principles

The principles of the Global Compact are based on a global consensus derived from the following declarations and conventions:

- The Universal Declaration of Human Rights
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development, and
- The United Nations Convention against Corruption

The Global Compact initiative asks companies to recognise, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption and to comply with this set of core values in practice:
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, as well as,
Principle 4: the elimination of all forms of forced and compulsory labour,
Principle 5: the effective abolition of child labour, and

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.
COMPLIANCE - GUIDELINES

ANTITRUST LAW

Code of conduct and guidelines for working with the wdk
Preface

The wdk supports and represents the interests of its members vis-à-vis legislative bodies, the government and public services, it acts as an interface between the economic and political sphere and offers a platform for the joint formation of opinion on technical issues. It lives on the diverse and committed cooperation between its members.

As part of the association’s work, strict observation and adherence to national and international antitrust laws take top priority. The wdk represents the interests of its members in accordance with the antitrust rules and is committed to the principles of free and fair competition. Interaction between the members, which is essential for the association’s work to be successful, is thus governed by the applicable antitrust laws at all times and without exception.

With these compliance guidelines the wdk in July 2011 equipped itself with binding rules on this issue, which are intended to help the association and its members to cope with the challenges of antitrust law, both within and beyond the activity of the association. The members of the wdk as well as the wdk itself ensure that they adhere to the guidelines and follow the code of conduct, since violations of antitrust law can have serious consequences, not only for the member affected, but also for the wdk itself. In the past, heavy fines have been imposed, both by the European Commission as well as by the national competition authorities in cases of antitrust violations against individual companies and associations, amounting to as much as 10% of the group’s annual turnover.

The following guidelines cannot provide exhaustive information or take all legally problematic situations into account comprehensively. They do, however, aim to address the most important principles of legal conduct from an antitrust point of view. The wdk’s managing board can be contacted at any time to settle legal uncertainties and doubts in connection with the association’s work and will, of course, treat all questions and problems in confidence, on request.

Frankfurt, 10 July 2012

Dr. Rainer Landwehr
Chairman

Boris Engelhardt
Managing Director
The business activities of the wdk and its members must, first and foremost, be in line with the standards of German and European antitrust law. However, foreign antitrust legislation may also be applied, if companies do business abroad (e.g. US antitrust law imposes particularly severe penalties for infringements of the law, including imprisonment for the responsible individuals).

According to German and European antitrust law, agreements between companies, decisions by associations and concerted practices, which tend directly or indirectly to prevent, restrict or distort normal competition, are prohibited.

Violations of the ban on cartels can be sanctioned with heavy fines, amounting to up to 10% of the group turnover of the company concerned can be sanctioned (in Germany, fines can also be imposed on the responsible individuals). Over and above that, the injured third party has the right to claim compensation.

Antitrust law first and foremost prohibits restrictive agreements and concerted practices between competitors, but agreements between companies on different market levels (e.g. between manufacturers and distribution partners/customers) may be subject to the prohibition of cartels, and abuse of a dominant position on the market or discrimination by powerful companies is prohibited (see below for further details).

The most important competition restricting agreements/practices between competitors include:

**Fixing Prices and Terms & Conditions**
All forms of agreement with competitors about prices or terms and conditions such as discounts, payment targets, delivery and payment terms are strictly prohibited, as are the use of general terms and conditions etc.
For example:
- Agreements between competitors to increase the gross prices by \(x\%\).
- Understandings, not to grant discounts of over \(x\%\).
- Agreements, not to go below a minimum price \(x\).
- Agreements on the scope of customer service, opening times, marketing expenditure.

Agreements on Quotas
Agreements between competitors that specify quantities supplied or quantities purchased, mutual allocation of sales regions as well as the demarcation of product ranges or product groups are not compatible with antitrust law. Agreements which forbid a company from supplying a competitor’s customer are also problematic.

For example:
- Undertakings, not to expand distribution to include certain product sectors.
- Undertakings to close a distribution centre.
- Agreements not to supply certain customers.

Exchange of Confidential Market Information
Furthermore it is forbidden for competitors to exchange market related information that is usually classified or confidential – this includes, in particular, prices, turnover, market shares and customer data.

In view of the particular importance of the exchange of information for the wdk’s work as an association, this is dealt with in greater detail below in point II.

Boycott
Agreements to boycott specific companies by calling on partners not to supply them or not to purchase certain products from them, are also generally prohibited.

For example:
- Agreements with competitors, not to purchase products from supplier X.

Please note:
The definition of the term agreements/practices is interpreted in a very broad way by the authorities and courts. It covers formal and informal agreements, decisions (e.g. in boards and working groups), gentlemen’s agreements, unspo-
The exchange of sensitive market information between competitors has been the subject of antitrust court cases on several occasions in the recent past, and associations have also come under scrutiny by the authorities.

During association meetings, working group meetings, general meetings and all other committee meeting in connection with the wdk’s work as an association (and also beyond the scope of the association's work) it is thus essential to ensure that the members that are in competition with each other do not exchange any sensitive information.

1. The following information is considered to be sensitive from a competition point of view:
   - Prices (gross and net prices)
   - Timing and level of price increases
   - Turnover, sales revenue, market share
   - Rebates, discounts, bonuses, payment periods
   - Profits and profit margins
   - Customer data
   - Business strategies (e.g. introduction of new products, entry into new markets)
   - Other terms and conditions (terms of delivery, redemption obligations)
   - Costs (e.g. transport and production costs)
   - Capacities
   - Purchase prices (including rebates and discounts)
   - Stock levels
   - Planned investments (if not yet published)

II. Exchange of Market Information

The exchange of sensitive market information between competitors has been the subject of antitrust court cases on several occasions in the recent past, and associations have also come under scrutiny by the authorities.

During association meetings, working group meetings, general meetings and all other committee meeting in connection with the wdk’s work as an association (and also beyond the scope of the association's work) it is thus essential to ensure that the members that are in competition with each other do not exchange any sensitive information.
2. Discussions on the following topics, for example, as part of the association’s work, are generally permitted, however:
- General economic development
- The political background
- Legal provisions (judgements, proposed legislation, administrative regulations)
- Standards (as long as no barriers to market entry are raised)
- Quality labels and labelling
- Trade fairs
- Vocational training/continuing professional development
- Environmental protection
- Cooperation with international associations
- Product safety tests
- Duties and taxes
- Public information
- Legislative activities of the European Commission
- Sensitive data (see point II.1.) that is obsolete, i.e. outdated or no longer relevant

III. Practical Implications for the wdk’s Work

1. Association meetings
In the light of the above, the wdk calls on its members to strictly avoid any topics of discussion that are relevant under antitrust law at association meetings, in working groups, etc. The following rules must be adhered to:

- Every association or working group meeting held by the wdk is led by an employee of the wdk or by a neutral third party appointed by the wdk.
- The wdk will issue a detailed agenda in due time before each meeting, listing all of the topics for discussion.
- No additional topics shall be discussed ad hoc. If a last-minute change/addendum to the agenda should become necessary for important reasons, this will be formally agreed by the members attending the meeting and the decision recorded in the minutes.
- The minutes of each meeting shall be recorded during or after each meeting, to record the positions expressed and the results of the meeting. The members will verify, whether the topics discussed are correctly summarised in the minutes and that no topics that could be misunderstood under antitrust law are included.
− The chair of the meeting shall act as the contact person for the members attending the meeting who wish to raise antitrust concerns. He must be informed, if any topics that are relevant under antitrust law are discussed during or in connection with meetings. Concerns expressed by members and the decision reached by the chair of the meeting shall be recorded in the minutes. If any doubts about the legal conformity of the discussion remain, the discussion shall be adjourned and the Managing Director consulted.

− The wdk does not hold any discussions where each of the members attending the meeting describes their own market situation in detail.

Please note:
This does not eliminate the risk for each member of a violation of antitrust law by not actively taking part in unlawful discussions. Rather, each member has to distance themselves actively from any such discussions and ensure that this is recorded in the minutes of the meeting.

2. Collection of Statistics on the wdk
In instances where the wdk collects statistics on current economic development, the following principles apply:

− The members are allowed to provide the wdk with current confidential information (see above) unilaterally, but not during association meetings.

− The wdk will, under no circumstances, pass this confidential information on to other members.

− Association statistics distributed to the members may only contain aggregated data that does not permit any conclusions to be drawn as to the information provided by individual members. The wdk will therefore only produce and distribute aggregated statistics if more than 5 members are included in those statistics.

− This does not affect the evaluation and sharing of public and generally available information by the wdk.

3. Association Recommendations
The wdk shall continue to maintain and promote the interests of its members by making recommendations. It will not, however, make any recommendations which may result in concerted practice by its members in connection with antitrust law.
IV. Miscellaneous

1. Supply Arrangements
The wdk reminds its members that restrictive agreements can also be made between suppliers and sales partners/customers. Supply contracts that violate antitrust law are generally (partially) null and void, the companies involved may also be fined.

In particular, agreements which impose fixed or minimum prices for resale on buyers are prohibited. Agreements with buyers that call for the allocation of exclusive sales regions or customer groups to a distribution partner or which contain an obligation on the buyer to purchase all contract goods from a single supplier, amongst other, at least require closer scrutiny by the antitrust authorities.

2. Abuse of a dominant market position
Companies that have a dominant position on the market are not allowed to abuse this position to the disadvantage of their competitors, customers or suppliers. Caution should be exercised if the market share is more than one third. It is considered to be an abuse, for example, in the following scenarios:

- Demanding excessively high prices or inappropriately long contract terms or other contractual terms.
- Demanding excessively low prices, in particular selling below cost to drive a competitor out of the market or to prevent them from entering the market (predatory pricing).
- The parallel application of different delivery conditions to equivalent transactions (discrimination).
- Granting of rebates that reward the buyer for concentrating their purchases on a supplier which has a dominant position (loyalty discounts). It is, however, permitted to grant rebates for larger order quantities (quantity discounts).
These guidelines issued by the wdk can only act as a rough guideline to the antitrust laws and prohibitions. Depending on the case in hand, the application of the antitrust rules can be very complex.

In view of the increasing intensity in the prosecution by the antitrust authorities, the consequences of violations of the law for the wdk, its members and the individuals responsible in each case can be very far-reaching. A violation of the law by an individual member can also have serious consequences for other members and the wdk.

The wdk therefore calls on its members to ensure that every one of their employees who takes part in an event organised by the wdk has taken note of these guidelines and documented this fact by signing the declaration included in the appendix. Every employee of a member company who takes part in an event organised by the wdk is thus requested to sign the declaration and return it to the wdk. The declaration is intended to give all of the members of the wdk the necessary confidence that all of the other members of the wdk as well as the wdk itself and its employees are also committed to adhering to the antitrust laws and have understood the fundamental requirements for performing the association’s work in compliance with antitrust law. The wdk reserves the right to refuse access to wdk meetings to representatives of its members who do not wish to sign the declaration.

For the commercial activities of each member that are beyond the scope of the association’s work, the wdk urgently recommends that all of its members should instruct their employees, or at least those who (may) have contact with competitors, on how to adhere to antitrust law in a suitable way – for example by holding information events or training sessions – and to point out the serious consequences of any violation of antitrust law.

**Last updated: July 2011**
Declaration on antitrust compliant conduct in the wdk’s work as an association

Violations of antitrust law can result in the wdk and its members facing severe penalties. The applicable national and international antitrust law must therefore be strictly adhered to in the course of the wdk’s work as an association.

The wdk has adopted guidelines on antitrust law, which are intended to ensure that these laws are adhered to.

I have taken note of these guidelines and will observe them in the course of my work as part of the wdk.

Frankfurt, ____________________________

Name  Company

Signature
Editorial

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