

FAIR BUSINESS PRACTICES

Over the course of a century, the Datwyler Group has evolved from a Swiss family business into a genuine global player. Its strong roots have enabled the business to develop its own style, based around high standards and its own particular values. The principles of ethically correct conduct are neatly summarised in the corporate value of 'We have respect for others'.

Datwyler is aware of the responsibility it shares for ethically sound business practices and signed up to the UN Global Compact as early as 2009.

A fair and responsible partner

Datwyler set out the principles for the kind of conduct it expects as early as mid 2008 in a code of conduct which is binding on all employees at all sites across the Group (see www.datwyler.com/en/governance/code-of-conduct/). This makes it clear that the companies and employees within the Group must respect the national laws, human rights, personal dignity, privacy and rights as individuals of each individual person. Datwyler does not tolerate any discrimination, humiliation, oppression, harassment or insults. The Code of Conduct also sets out the correct way to deal with business partners and competitors. Any kind of arrangements, bribery or corruption are strictly forbidden accordingly. For example, clear rules are laid out in the Code of Conduct for the placing of orders, the awarding of sponsorship money, and for dealing with conflicts

of interest. Datwyler set out its expectations of suppliers in a separate code of conduct specifically for suppliers in early 2014 (see also p. 22 of the text on sustainable supply chains and www.datwyler.com/en/governance/code-of-conduct/).

Compliance reporting process

The Datwyler Group has a standardised compliance reporting process, which is set out in writing and available on the intranet. The managers and management teams at the individual subsidiaries are responsible for adhering to and implementing the Code of Conduct and the various national laws and standards. At the start of the calendar year, the managers of all the subsidiaries provide the Group Compliance Officer (currently the Group Chief Financial Officer) with a signature to confirm that all employees at their company have been made aware at least once during the reporting year of the principles set out in the Code of Conduct at an internal information event. Their signature also confirms that all new employees have received



Adolf Dätwyler (centre) was an ambitious businessman, but also made sure his conduct towards business partners was ethically sound.



As a listed company, Datwyler is transparent about its business and makes information public.

a copy of the Code of Conduct and understand the principles involved, that any violations of the Code of Conduct have been reported, that the processes and procedures for ensuring compliance with the Code of Conduct are regularly reviewed and adapted, and that they are aware of the main risks for their area of responsibility as regards 'compliance and fraud' and monitor these via suitable processes and checks. Based on the compliance reporting process, no complaints relating to anti-competitive conduct or the forming of anti-competitive cartels or monopolies were filed against Datwyler in 2016 either. And no significant fines or non-monetary penalties for infringements of legal provisions were imposed on Datwyler in the reporting year. The confirmation of compliance from subsidiaries is checked for accuracy by the internal audit department as part of its inspection work (for information on the internal audit department, see also p. 26 of the Annual Report 2016).

Zero tolerance objectives

Datwyler underlines its high standards in terms of ethically sound business practices with its zero tolerance objectives. The Group does not wish to be involved in any cases of corruption and is keen to avoid any justified legal action against Group companies. The Code of Conduct should also form an integral part of every person's employment contract, and each employee should be familiar with its content. Each employee is obliged to report any circumstances that suggest a violation of the Code of Conduct. The points of contact for this purpose are an employee's direct line manager, the manager responsible, the personnel department responsible or the Group Compliance Officer (currently the Group Chief Financial Officer). The Datwyler Group also offers its employees a free worldwide whistle blower hotline for reporting violations of the Code of Conduct. Details of the whistle

blower hotline are displayed at all sites, and the facility itself is well established. Reports are forwarded directly to the internal audit department. Each report is treated as confidential in accordance with the relevant data protection provisions and investigated conscientiously. Most reports do not stand up to detailed scrutiny or can be resolved locally with the Group Compliance Officer acting as intermediary. In the reporting year, six reports contained concrete evidence of potential irregular conduct, with one report leading to consequences for certain personnel. Datwyler uses the findings of these incidents to improve and further develop its processes and guidelines. To help promote ethically sound collaboration, Datwyler also offers its suppliers an email address for compliance issues, which is also managed by the Group's internal audit department. No reports were made during the reporting year.

KEY POINTS IN BRIEF

- **Datwyler** has been a member of the UN Global Compact since as early as 2009 and has a Group-wide binding code of conduct for employees and suppliers.
- **Any** kind of discrimination, bribery or corruption is strictly forbidden.
- **A** standardised compliance reporting process ensures the individual subsidiaries implement the Code of Conduct.
- **Whistle** blower hotlines are available for employees and suppliers to report improper conduct.