



Sartorius Anti-Corruption Code
Guidelines for Dealing
with Corruption

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Preliminary Remarks

Tolerating corruption as a fact of life is unacceptable because of its damaging effects on business. Corruption undermines the trust that all those who take part in the economic circuit have in the integrity and functional capability of the economic system and, moreover, causes considerable economic damage.

Corruption as defined by this Anti-Corruption Code is any abuse of one's position instigated by a third party or done on one's own initiative to gain an advantage for oneself or for a third party in an active or a passive manner. In particular, corruption includes offering and taking bribes or granting and accepting undue advantages, which constitute the facts of criminal cases under German law, as well as comparable criminal acts of other legal systems. Early prevention is the basis for combating corruption successfully over the long term. To ensure that corruption is prevented and fought successfully, all those capable of preventing and uncovering corruptive practices have to work together.

1 Goal

1.1 Management's goal is not only to rigorously prosecute any cases of corruption that have occurred. Management primarily seeks to counteract corruption early on by taking preventative measures and by creating and strengthening an organizational structure that is not susceptible to corruption. The present terms of this Anti-Corruption Code are to serve as the basis for making all employees aware of the risks of corruption, while providing guidance, instructions and help to enable them to take the appropriate company- and department-specific action to prevent and fight corruption.

1.2 The goal of all measures for preventing corruption is to make it impossible for potential perpetrators to actually engage in their corruptive practices. This goal can be achieved if individually adapted prevention policies are developed and rigorously implemented.

2 Work Areas Exposed to the Risk of Corruption

2.1 Every department in which the information available or decisions made represents a material or a non-material benefit for third parties outside the company is considered to be exposed to the risk of corruption. There is an increased risk of corruption if the advantage possible is of special significance or of a significant scope.

Departments that are especially exposed to the risk of corruption are those in which:

- Contracts for purchasing products or services are awarded
- Contracts are signed and contractual performance or the services supplied are monitored

- Tests and inspection, supervisory or surveillance activities are performed
- Transactions with confidential information are processed or there is access to confidential information that could be of importance to third parties

2.2 Within the entire company, the departments that are exposed to the risk of corruption must be identified at regular intervals and for specific, compelling reasons.

2.3 For these departments, the risk of corruption related to each specific job, including the effectiveness of the available safeguards against such corruption, must be analyzed (risk analysis). This risk analysis must be repeated no later than every five years. If security gaps are discovered, the appropriate preventative measures must be promptly implemented.

3 Group Anti-Corruption Officer

3.1 Management shall appoint an anti-corruption officer as the person to contact for prevention of corruption.

3.2 This anti-corruption officer must have the required professional and social skills to ensure that employees are given informed advice and guidance concerning anti-corruption measures. The anti-corruption officer's duties must be compatible, and not interfere with, his or her other regular duties within the company.

3.3 In particular, the following tasks shall be assigned to the anti-corruption officer:

- Advise management
- Serve as a contact and a person of trust for employees in any suspected case of corruption (also without requiring them to go through official channels in reporting any suspected case of corruption)
- Educate and make employees aware of corruption and its risks
- Observe and assess signs of corruption
- Provide suggestions for in-house investigations of suspected cases of corruption within the company
- Analyze weaknesses within the organization (risk analysis)
- Provide suggestions for taking suitable preventative measures

3.4 The company maintains an appropriate organization to give company employees the opportunity to report information to this person, while retaining their anonymity. This includes in particular a free hotline for the anti-corruption officer and an e-mail address for this officer.

3.5 The anti-corruption officer will perform his or her respective anti-corruption duties independently, without being bound by a superior's instructions. The anti-corruption officer shall maintain secrecy about employees' personal circumstances of which he or she receives knowledge, even after terminating his or her duties as an anti-

corruption officer. This obligation to maintain secrecy shall not apply to company management or law enforcement agencies or authorities in cases where there are sufficient grounds for a reasonable suspicion of corruption.

3.6 Files containing personal data, which the anti-corruption officer has in his or her possession, are to be treated like personnel files with respect to the technical and organizational measures to be taken.

4 Instructing and Training Employees in Preventing and Fighting Corruption

Employees must be made aware of the issue of corruption. Their awareness of the problems associated with corruption must be extended, in particular by the following measures:

4.1 As part of their induction, new employees shall be instructed about the severity of the unlawful act of corruption and about the consequences it entails concerning their employment contract and prosecution under criminal law. These precautionary instructions are to be repeated if an employee is transferred to a department or unit exposed to the risk of corruption. The employee shall sign a document confirming that he or she has received such instruction.

4.2 The most effective way of making employees aware of the issue of corruption is by speaking to them personally about this. At regular intervals, managerial employees shall clearly explain to their staff the importance of preventing corruption, its types of manifestation and the resulting consequences. Besides giving information on preventative measures and on the rules and provisions concerning employment contracts and prosecution under criminal law, it is important for managerial staff to discuss among themselves the observations made by their employees about the weaknesses detected in the system for preventing corruption and to jointly develop countermeasures. Management and the anti-corruption officer shall use suitable means to inform and make their employees aware of the entire issue of corruption, such sending an employee letter or posting information on the intranet.

Furthermore, Guidelines for Dealing with Corruption attached to this Anti-Corruption Code name on the one hand chosen behavior by which every company employee can actively support combating corruption as well as a catalog of indicators portending to an increased corruption exposure.

4.3 Employees who work in departments exposed to the risk of corruption shall be instructed at regular intervals on the relevant anti-corruption rules, such as the prohibition of accepting rewards and gifts, on the basic requirement to furnish information before engaging in any sideline activities and on the sanctions or penalties they will incur if any of these rules are breached. Each employee shall sign a document confirming that he or she has received such instruction.

5 The Multi Reviewers Principle and Transparency

5.1 It must be ensured within the Group that the multi reviewers principle of "four or more eyes are better than two" is applied by involving several employees (usually two) or organizational units as part of a peer review approach. This principle is to be implemented through mutual responsibility and involves "checking up on each employee" for the employee's own protection and for the protection of his or her colleagues. For this reason, cross-checking others' decisions and transactions does not entail a loss of trust. If by exception the "four or more eyes" principle cannot be applied, other measures for preventing corruption are to be taken and documented.

5.2 The basis for transparency in processing transactions and in decision-making is formed by defined rules of responsibility and clear limits imposed on the levels of decision-making authority. These must be ensured by complete, clear and easy-to-understand documents. Transaction reviews, reporting and clear rules on signatures support this basis.

6 Conduct with Respect to Suspected Incidents of Corruption

6.1 If any indications of corruptive practices are confirmed, the law enforcement agencies or authorities responsible must be immediately involved at the earliest by the anti-corruption officer or the company management.

6.2 If in-house investigations are initially undertaken on account of any indications of corruption, it has to be made sure that these do not jeopardize the subsequent investigations of law enforcement agencies and, in particular, it must be ensured that those perpetrating corruptive practices are not forewarned. Once the law enforcement authorities are informed, it shall be up to their discretion to further prosecute a particular case under criminal law. Measures for preventing any suspects from concealing their activities or evidence, such as withdrawing an employee's assignment to transactions currently in progress or already terminated or confiscating their work materials or office shall be taken only in agreement and cooperation with law enforcement authorities.

6.3 The manager of the employee engaged in corruptive practices or the anti-corruption officer shall initiate the necessary sanctions against this employee as prescribed by the applicable labor laws.

6.4 If any damage is incurred, claims for damages against employees and third parties must be carefully and thoroughly reviewed in any case and, if necessary, rigorously enforced against them. The pertinent provisions of labor laws concerning compensation for damages shall be strictly applied.

Guidelines for Dealing with Corruption

These Guidelines for Dealing with Corruption are intended to inform employees about typical risk situations in which they may become unintentionally caught up in corruption. In addition, these Guidelines serve to encourage staff to perform their tasks dutifully and in a law-abiding manner and to plainly show them the consequences of corrupt behavior:

- Corruption is detrimental to everyone; corruption damages the reputation of a company and its employees.
- Corruption is not a trivial offense; but a criminal act.
- Corruption already begins when you do small favors.
- Corruption makes you dependent.
- Corruption is punishable under employment law and will lead to job loss.

For these reasons, please follow the rules outlined below:

1 Set a good example:

Show by your behavior that you neither tolerate nor support corruption.

Every employee is obligated to abide by the laws in force and to perform his or her tasks conscientiously. Therefore, all employees must fulfill their duties objectively and fair-mindedly. These duties are not empty platitudes, but rather must be reflected in each employee's daily professional work.

Corrupt behavior is inconsistent with and contrary to employee obligations. It destroys the trust of customers, colleagues and suppliers in the company.

For this reason, each employee has the task of setting a good example through his or own behavior for customers, suppliers, colleagues and even for managers.

2 Even higher standards of behavior are to be applied to managerial staff.

Every manager in the company is obligated to combat corruptive behavior rigorously and by taking his or her own personal responsibility. Part of fulfilling management tasks in departments particularly exposed to the risk of corruption entails that a manager increase the level of monitoring activities, such as random review of discretionary decisions. These monitoring activities serve to protect employees and are intended to make it clear to outsiders that there is a high probability that corruptive practices will be uncovered.

Managers need to watch for signs of corruption and inform the company's anti-corruption officer and their own boss if they have any concrete suspicions concerning activities bordering on corruption; i.e., if they discover any objectively traceable clues to corrupt behavior. Managers shall always be available to their employees to discuss any signs of corruption that their group of employees has detected.

A primary part of managers' function of being a role model is the credibility of their own behavior with respect to incorruptibility. All managers are obligated to be cautious and self-critical about the possibilities and power entailed by their position.

3 Do not accept or give any rewards or gifts.

There is a very fine line separating social courtesy involving small favors or tokens of regard and corruption, as corruption often begins by accepting rewards, gifts, tokens of regard and privileges, personal advantages or preferential treatment.

Therefore, it is not allowed:

- to give government employees any personal benefits, donations or grants of any nature.
- to give employees of private industry any gift with an equivalent value of more than EUR 100.

Exceptions to this rule are promotional gifts from the company's annual product range of promotional materials and business entertainment within the usual scope, which must be in line with a country's particular customs and be reasonable in terms of price and frequency. If this rule is contrary to more stringent local regulations, these local regulations shall take precedence.

Furthermore, any sponsoring of sports, cultural or other such events shall not be permitted unless the prior consent of the Executive Board or the Executive Committee has been obtained. The same shall apply to donations to private organizations, irrespective of the amount, as well as for donations or grants to public organizations of a total annual sum of more than EUR 200.

4 Immediately repel any attempts of corruption and promptly inform your manager and/or anti-corruption officer.

When you contact third parties, i.e., persons outside the company, you need to put this business relationship on a clear footing and immediately repel any attempt at corruption. You must never allow such third parties to gain the impression that you are open to receiving "little personal advantages." Do not shy away from rejecting or returning a gift, requesting that the giver understand that you need to respect specific rules applicable to the company's policy concerning gifts.

If you work in a company department or unit that deals with awarding contracts, you must be especially aware of attempts by third parties to influence your decisions. These departments and units are most prone to the risk of corruptive practices.

For this reason, be sure to adhere strictly to applicable law and jurisdiction and observe the rules prohibiting the acceptance of rewards or gifts.

If you have been asked by a third party to do a favor of a dubious nature, be sure to inform your manager and the anti-corruption officer promptly. On the one hand, this will help you

avoid coming under the suspicion of engaging in corrupt practices and, on the other hand, may help the company take legal measures against this third party, depending on the circumstances. If you repel an attempt at corruption on your own, but do not disclose this to your supervisor, your counterpart will approach one of your colleagues and make another attempt. Therefore, help protect your colleagues from such attempts at corruption by third parties by rigorously disclosing such action to those responsible. All employees, both managers and subordinates, need to pull on the same rope in order to form a bulwark against such attempts and to make a uniform, credible impression.

5 If you suspect that someone intends to ask you for an advantage that goes against the rules, please request a colleague to act as a witness.

Sometimes, a meeting or conversation is imminent in which you suspect that you will be asked to comply with a dubious request and that this will not be easy to reject. In this case, taking a clear stand against complying with such a request often does not help. In such a case, you should not face this situation alone, but rather ask a colleague to join such a meeting or conversation. Be sure to inform your colleague ahead of time about what you suspect and ask him or her to ward off any attempt at corruption through his or her behavior.

6 Always work so that any step you take is transparent.

The way you work should be transparent and understandable to anyone. As you will usually leave your workplace at some time (after being assigned to new tasks or moved to a new department) or may be absent for a short time because of an illness or to go on vacation, your work assignments should be so transparent that a successor or a substitute can take over at any time.

7 Strictly separate your private life from your professional life. Check whether your private interests could lead to a conflict with your professional obligations.

Attempts at corruption are often initiated by a third party's extending professional contact to private social contact. We all know that it is especially difficult to refuse to do a little favor when we get along excellently with someone in a private, social context and you yourself or your own family receives gifts or other advantages, such as tickets to a concert, vacation travel together at a discount, invitations to expensive meals to which you cannot reciprocate, etc. If you have private social contact with such a third party, you should make it clear to this other person right from the beginning that you have to strictly separate your private life from your professional life so that you will not be suspected of accepting favors or even bribes.

Moreover, you need to keep in mind this strict separation between private interests and professional tasks throughout your entire employment, irrespectively of whether you are generally exposed to the risk of corruption. For this reason, review each transaction for which you are also responsible to determine whether your private interests or those of your relatives

or, for example, even those of organizations with which you are affiliated, can lead to any conflict with your full-time job duties. However, do avoid giving the impression that you are trying to influence another's decision and ensure that you do not give anyone cause for concern, not even by "creating an atmosphere" of attempting to exercise influence through a party with a specific interest.

If in a specific task you detect that your professional duties may conflict with your private interests or the interests of a third party to whom you feel obligated, be sure to inform your manager about this so that he or she can respond appropriately and can exempt you from performing such tasks in specific cases on an individual basis.

Regardless of this aspect, if in the case of a conflict you have given your private interests preference over professional duties, this will sooner or later damage your reputation – and that of the entire company.

8 Please support the company in identifying and exposing corruption. Inform your manager and/or anti-corruption officer if you detect any specific clues or evidence of corrupt behavior.

Corruption can be prevented and combated only if everyone feels responsible and all pursue the common goal of ensuring a "corruption-free" company.

For one, this means that everyone within the scope of his or her tasks has to ensure that outsiders are not given any opportunity to unlawfully exercise their influence on decisions. For another, this means that you do not have to "cover" for corrupt coworkers out of a false understanding of solidarity or loyalty. In this case, everyone is obligated to help shed light into resolving criminal activities and to protect their own company from damage. For this reason, do not take part in cover-up attempts.

Do not hesitate to speak to the company anti-corruption officer, your manager or the workers' representative if the behavior of your coworkers gives you specific and verifiable indication that they could be taking bribes or otherwise engaging in corrupt activities. These persons will then decide whether and which measures are to be taken. However, it is absolutely imperative that you do not voice your suspicion unless you have specific and verifiable indication of such behavior. This must not escalate into a situation where colleagues are denounced or their names blacklisted without there being any concrete evidence.

Furthermore there is the possibility to render reports anonymously.

9 Support the company in recognizing flawed organizational structures that favor corruption.

Often, entrenched procedures lead to the formation of niches where corruption can thrive. These can be procedures for which one employee is solely responsible or work sequences which are intentionally or unintentionally kept unclear.

In most cases, a change in organizational structures can remedy this situation. For this reason, all employees are requested to provide information that will help contribute to ensuring clear and transparent work procedures.

Moreover, a further effective means of ruling out any points of risk is to rotate personnel. For this reason, in departments and units exposed to the risk of corruption, increased use of this staff management tool should be made. The willingness of employees to switch to such different tasks is mandatory, even if this usually entails a higher workload (training and adjustment period!).

10 Participate in educational training and further development courses on preventing corruption.

If you work in a department or unit exposed to the risk of corruption, use the seminars offered by the company to educate yourself and receive further development training on the types of manifestation, risk situations, preventive measures and legal consequences of corruption based on criminal and labor laws. These seminars will enable you to learn how you yourself can prevent corruption and how you need to respond when someone tries to "corrupt" you or you discover corruption going on in your work environment. Educational training and further development courses will give you confidence in dealing with corruption in the right and legal way.

List of Indicators

A number of indicators can be warning signs pointing to a risk of corruption if, for example, these are pronounced or frequently occur in combination with others. Considered alone, these indicators have only little informative value and do not necessarily imply that there has been any wrongdoing. For this reason, indicators must be assessed with the greatest care possible on a case-by-case basis. There are so many manifestations of corruption that no list of indicators can claim to be complete and such lists can highly differ from one another depending on the area or department for which they have been compiled. The following provides an example of a list of indicators.

1 Person-related indicators could be:

- A Personal problems (addiction, excessive indebtedness, frustration, etc.)
- B Craving for recognition or admiration
- C Lack of identification with the company and one's own work
- D Systematic bypassing of controls; being secretive about individual task areas
- E Uses of business partner's, in particular suppliers, company institutions and services, e.g. leisure facilities or recreation centers, vacation homes or events organized by suppliers
- F Inexplicably high standard of living
- G Resistance to change in tasks, especially if such a change would entail a promotion or salary benefits
- H Frequent indiscretion, including slight bending of the rules or blatant ignorance of or circumvention of company policy and rules
- I Incongruities or differences between what is documented for a transaction and what has actually transpired

2 System-related indicators could be:

- A Excessive concentration of tasks on a single person
- B Insufficient controls and monitoring; supervision too lax
- C Excessive leeway for making decisions that are not reviewed by supervisors
- D Lack of or difficult-to-understand or impracticable policy rules

3 Task-related indicators could be:

- A Conspicuously accommodating treatment of a person by third parties
- B Avoidance of obtaining comparable offers or bids
- C Planned value of contracts awarded considerably or repeatedly exceeded
- D Noticeably frequent "calculation errors," subsequent improvements in specifications, extensive subsequent work, amendments or similar
- E Employees engage in sideline work for other companies that are simultaneously customers, agents or contractors of the employees' company
- F Frequent "business travel" to certain companies (especially noticeable in cases where overnight stays add up when these are really not required)