



## FABER-CASTELL CHARTA

Dear Employees,

Our treatment of employees, business partners, customers and suppliers alike based on fairness and mutual trust has always been one of our great assets ensuring the sustainable success of Faber-Castell's business. We remain committed to, and continue to preserve, the long-standing values at the core of our corporate philosophy, which are also enshrined in the "Corporate Essentials".

In order to provide our employees with a sense of orientation and security, we must ensure that clear rules are in place within the company that can foster a culture based on mutual trust and loyalty towards each other. The FABER-CASTELL CHARTA (*Code of Conduct*), as set out below, brings together the company's key corporate philosophies and core values as well as basic principles and rules. Compliance with the Code of Conduct is also vital for growing a successful and sustainable business in the future. The Code of Conduct, which is binding on all employees of the Faber-Castell Group (collectively referred to as "Faber-Castell" in the text of the Charta), provides concrete guidelines on how to act. Passed on through successive generations of employees, Faber Castell's core values are embodied in our everyday work.

It is of utmost importance to us that we continue to uphold and preserve the guiding principle of a "reputable" merchant, which dates back to medieval times and which still rings as sound and true today as it did hundreds of years ago. Special standards of conduct were established by merchant guilds, who enjoyed influence at that time. A merchant could refer to himself as a reputable merchant and benefit from the reputation and standing of that title if he acted in line with the recognised standards at that time.

The FABER-CASTELL CHARTA is additionally designed to raise awareness among employees about critical practices which can, for example, entail major financial risks for the company or damage the company's good reputation, thereby constituting a threat to the success or the continued existence of the company as a going concern.

We maintain what is termed a Compliance Management System ("CMS") to monitor and ensure adherence to, and the further development of, the rules provided for in the FABER-CASTELL CHARTA. The CMS consists of the Compliance Committee, the Chief Compliance Officer and the Ombudsman.

You are obligated to immediately report to your supervisor or to the Chief Compliance Officer ("CCO") any violations of this FABER-CASTELL CHARTA which come to your attention, or



any unusual or suspicious activities. Alternatively, you have the option of reporting (anonymously, if so requested) any matters which come to your attention to Faber-Castell's Ombudsman. The Ombudsman is a fully independent attorney and thus under an obligation to maintain confidentiality. The responsible persons shall carefully and impartially examine all the surrounding facts and circumstances of the case and, as a matter of course, shall process information in the strictest confidence.

Each and every one of us shares a common goal: For the company to achieve further, sustainable profitable growth and to enhance our customers' confidence in our brand. We therefore look forward to working together to jointly implement the FABER-CASTELL CODE OF CONDUCT – for the benefit of all parties concerned.

By doing so, you will be contributing to the sustainable business success of our company.

Stein, 29 November 2018

Katharina Gräfin von Faber-Castell

Charles Graf von Faber-Castell

Sarah Gräfin von Faber-Castell

Victoria Gräfin von Faber-Castell

Mary Gräfin von Faber-Castell (Member of the Management Board)

Gerhard Berssenbrügge (Chairman of the Supervisory Board)

Prof. Dr. Mark K. Binz (Vice Chairman of the Supervisory Board)

Dr. Hans-Peter Binder (Member of the Supervisory Board)

Detlef Spigiel (Member of the Supervisory Board)

Annick Prignitz (Member of the Supervisory Board)

Stefan Hübner (Member of the Supervisory Board)

Daniel Rogger (Chief Executive Officer)

Rolf Schifferens (Member of the Management Board)

Dr. Hans-Kurt von Werder (Member of the Management Board)

André Wehrhahn (Member of the Management Board)

Thomas Wagner (Chief Compliance Officer)



## FABER-CASTELL CHARTA

### **1. Basic Principles – Law-abiding, Compliant, Responsible and Fair Behaviour**

Faber-Castell undertakes to abide by all applicable national and international laws, regulations and guidelines and, in so doing, to observe cultural differences in the respective countries.

All Faber-Castell employees, as ambassadors of the company, undertake to comply with the FABER-CASTELL CHARTA in their dealings with third parties and not to engage in any conduct that may harm the reputation of Faber-Castell in the public.

### **2. Product Quality and Safety**

Faber-Castell customers have confidence in the quality of our products and services. At Faber-Castell, we ensure that our products and services satisfy applicable statutory quality and safety requirements in effect from time to time.

### **3. Anti-corruption**

Faber-Castell does not tolerate corruption in any form. Corrupt behaviour on the part of employees or business partners is a criminal offence which leads to distorted competitive practices as well as resultant financial loss and reputational harm to Faber-Castell.

Corruption entails the act of promising or conferring a benefit, e.g. to public officials, business partners or employees of our business partners, as a way of exerting an influence on their decision-making.

Faber-Castell employees are also prohibited from receiving or accepting a benefit or the promise of a benefit offered to them by a third party, e.g. by customers or suppliers, who are chiefly looking to profit for own personal gain instead of acting in the best interests of the company. In instances where an employee is unsure about whether a particular act constitutes bribery or corruption, such as accepting an invitation to attend an event or a business meal, or to accept a gift, the employee in question should immediately contact their supervisor, the Legal Department or the Chief Compliance Officer (“CCO”) for advice.

*For further details, please refer to our Anti-Corruption Policy and our Gifts & Entertainment Policy.*



#### **4. Adherence to Fair Competition**

Compliance with the relevant regional, national and international competition rules is essential for ensuring fair competition.

Faber-Castell undertakes not to engage in any unfair trade practices such as deceptive or misleading advertising practices or sales and distribution programmes.

Any types of arrangements with competitors in violation of antitrust law or engaging in any form of collusive practices, including but not limited to, agreements on prices, conditions, market allocation schemes, allocations of customers, or any other competitively sensitive data are strictly prohibited. The sharing of competitively sensitive information with competitors and other third parties is also covered by this prohibition.

Faber-Castell undertakes not to abuse its market power in contravention of applicable laws in effect from time to time, to the extent that it holds a dominant market position.

*For further details, please refer to the Fair Competition Directive.*

#### **5. Preventing Conflicts of Interest**

All Faber-Castell employees are obligated to ensure that business decisions are made based on fair and objective criteria at all times. Situations where personal interests of any given employee (such as direct or indirect financial, business or personal interests) conflict with the interests of Faber-Castell should be avoided in course of their professional duties.

All employees are therefore obligated to immediately disclose any potential conflict of interest to their supervisor, the CCO or to the Ombudsman.

#### **6. Prevention of Money Laundering**

“Money laundering” is defined as the concealed introduction of illegally acquired assets into the legal economic cycle. Money laundering is a criminal offence in numerous jurisdictions. Faber-Castell will not tolerate any violations of anti-money laundering laws and is committed to combatting all forms of money laundering.

#### **7. Data Security and Confidential Information**

All sensitive data pertaining to employees, customers, suppliers or other contracting partners of Faber-Castell is kept strictly confidential and secure. We ensure compliance with applicable statutory reporting requirements. All employees must ensure that rules and regulations



concerning IT security are adhered to.

The contents of any records and reports (whether for internal or external use) must be compiled and/or rendered correctly and truthfully to the best of one's knowledge and belief.

Data collection and data processing shall be carried out in compliance with applicable data protection laws.

All employees are required to maintain strict confidentiality regarding any confidential information relating to the company. This duty shall survive termination of the employment relationship.

## **8. Protection of Intellectual Property**

All employees of Faber-Castell are obligated to protect the intellectual property of Faber-Castell. Intellectual property comprises, in particular, copyrights (e.g. for the protection of computer software or images), trademarks, designs, patents, utility models, know-how or business secrets such as inventions, product compositions, formulae, as well as confidential information pertaining to customers or suppliers. For Faber-Castell, intellectual property is a significant asset, which may not be used by or disclosed to third parties without our consent.

## **9. Maintaining Accurate Books and Records**

Faber-Castell undertakes to prepare all of its business documents and financial records in an orderly manner with due care and diligence in accordance with the applicable national and international accounting rules. The company shall ensure that its records and books of account are maintained in compliance with the principles of orderly accounting.

Employees who are entrusted with such tasks shall ensure that any recording of data and other records are complete, correct, up-to-date, and compatible with the system at all times.

## **10. Labour Standards and Occupational Health and Safety**

Faber-Castell is committed to promoting cultural diversity, tolerance, fairness and equal opportunity. For this reason, in 2000, Faber Castell became one of the first, small and medium-sized enterprises, to voluntarily sign up to a social charter with the trade union IG Metall, setting out Faber-Castell's commitment to uphold the employment and working conditions recommended by the International Labour Organization (ILO). It conducts audits on a regular basis to monitor adherence to the social standards set out in the Social Charter. Each and



every Faber-Castell employee undertakes to adhere to the Faber-Castell Social Charter, which is valid worldwide. Read more about the Social Charter [here](#).

Employees who become aware of any breach of the Faber-Castell Social Charter are obligated to report the matter to their supervisor, the Legal Department, the CCO or to the Ombudsman.

All Faber-Castell employees are obligated to comply with the directives, laws and regulations, applicable from time to time, in relation to upholding occupational health safety and must ensure that other employees are not endangered through their behaviour. Engaging in behaviour which compromises a safe and healthy working environment, is to be avoided, and must be reported.

### **11. Customs and Export Control Compliance**

Faber-Castell is explicitly committed to the strict observance of applicable customs and foreign trade regulations and shall ensure proper implementation thereof. In our contracts involving the granting of funds and/or economic resources, Faber-Castell therefore takes great care not to violate any embargoes that may be in effect.

### **12. Environmental and Climate Protection**

Sustainability is firmly embedded in Faber-Castell's corporate values, as we have always attached great importance to environmental and climate protection. The company is committed to complying with all applicable national and international guidelines, laws and regulations in order to preserve and protect the environment and the climate, including the procurement, production, distribution and disposal of Faber-Castell products. Priority is given to available certified, sustainable raw materials and natural resources (such as PEFC™, FSC®, and RSPO certification).

This is reflected in the day-to-day work of all Faber-Castell employees who are committed to the sustainable and sparing use of energy and resources wherever possible.

### **13. Illegal Utilisation of Company Property**

Faber-Castell has a zero-tolerance policy with regard to any kind of fraud, theft, embezzlement, data misuse etc., and will file criminal charges, as applicable, and will cooperate with state investigating authorities, if necessary. Any business information or other assets of Faber-Castell may not be misused by employees, even after the termination or expiry of their



employment contracts. The property of Faber-Castell may only be utilised for permissible transactions or legitimate business purposes and never for illegal purposes.

#### **14. Communication**

In order to safeguard the company's reputation and brand, Faber-Castell employees are obligated to ensure that all media inquiries are immediately referred to the press department (Corporate Communications).

#### **15. Accountability – Internal Control System**

The rules contained in this FABER-CASTELL CHARTA, and/or any additional company rules based thereon, apply to the relations between the respective Faber-Castell company in the Faber-Castell Group and their employees. They are mandatory directives. Third parties may not derive any legally enforceable individual rights from this FABER-CASTELL CHARTA. This FABER-CASTELL CHARTA shall be distributed to all Faber-Castell employees, who are required to undertake mandatory code of conduct training on a regular basis. The FABER-CASTELL CHARTA is available online at [www.faber-castell.de](http://www.faber-castell.de) and via our intranet site.

#### **Reporting violations and concerns**

If you become aware of, or suspect, any violations of this Faber-Castell Code of Conduct or any other policies, please report the matter to one of the contact persons or departments specified below. We also strongly encourage you to use the following channels to raise any matters pertaining to the Faber-Castell Code of Conduct or any other compliance-related issues.



Contact persons:

- your supervisor
- the Chief Compliance Officer of Faber-Castell
- members of the Compliance Committee of Faber-Castell
- the Legal Department of Faber-Castell
- the Ombudsman (an external attorney, to whom you may also report any actual or suspected violations anonymously and who can advise you about possible further courses of action)

Contact details:

**Chief Compliance Officer (CCO)**

Thomas Wagner

Head of Legal & Compliance

Faber-Castell Aktiengesellschaft

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90546 Stein

Phone: +49 (0) 911 9965-5333

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**Ombudsmann**

Jesko Trahms

BDO Legal Rechtsanwaltsgesellschaft mbH

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Please be assured that any incidents reported in good faith of actual or suspected violations or misconduct will be dealt with, properly investigated and assessed in strict confidence by the contact persons and without any risk of reprisals against the whistleblower by Faber-Castell.