

# CORPORATE POLICY

## Introduction

HERMETIC is a family-owned company run by partners with a commitment to maintaining the identity of HERMETIC as a family-owned business.

The company has been established for the purpose of the "manufacture and sale of pumps and systems as well as the manufacture of hydraulic and pneumatic components and systems. The company is entitled to acquire and establish identical or similar businesses and to acquire interests therein, represent these, set up branch offices as well as pursue all business transactions, as appropriate, to enhance and promote the business undertakings of the company. The company is permitted to perform services of any kind."

The partnership agreement is the foundation for the vision, mission, core values and guidelines of HERMETIC-Pumpen GmbH that form the basis for any action or conduct. They reflect the corporate policy, the organization, the politics and the self-image of the company.

HERMETIC stands for **reliability** and **continuity**, for **predictability** and business operations and management guided by **prudence**, and for **decision-making** and **conduct** that is **responsible** and **sustainable**.

Its commitment to social responsibility is part of HERMETIC's self-image.

For HERMETIC it is essential that its corporate strategy remains focused on **customer satisfaction** and that the great **appreciation** of customers for **HERMETIC products** is ensured.

HERMETIC also pursues the clear quality standard of **being the number one in its market segment**. We offer **high-quality products**.

**Innovation** and **research and development** therefore play an important role at HERMETIC. The **qualification** of employees **through continuous training** is also essential for the company. And it is vital for us to seek new **challenges** and build consumer value through **innovation**.

The achievement of profitable growth is the long-term strategic objective for HERMETIC. For this reason it is essential to broaden current sales capacities and aside from offering innovative new products, to tap into new industries and markets. HERMETIC seeks to implement lean production systems that aim to cut fixed costs while enabling the flexible adjustment of capacities.

Essential aspects of the corporate strategy are **sustainability**, **continuity** and the **minimization of risks**.

Sustainability means

- to maintain the viability of the company for generations to come;
- to think and act with the big picture in mind;
- to remain grounded and act and make decisions based on facts and prior information;
- that we take the time that is needed to focus on important topics and make relevant decisions based on priority;
- that we cannot spend more than we have;
- that we preserve resources;
- that we cultivate a forward-thinking culture to have a head start concerning developments of technical relevance, for example.

Sustainability plays an important role at HERMETIC because the company is committed to both protection of the environment and energy efficiency through hermetically sealed pumps that can also be provided with energy-saving lighting or insulation, for example.

Knowledge is imperative and vital for HERMETIC and it needs to be structured, documented and protected and provided in a format that is accessible and communicable throughout the company.

HERMETIC's commitment to social responsibility is demonstrated in various areas:

- HERMETIC accepts the responsibility for creating and protecting jobs by acting in the interest of the company and ensuring its viability.
- Employees' health and workplace safety are our highest priority. Occupational health and safety is therefore part and parcel of our corporate policy.
- Interesting and challenging tasks provide our employees with opportunities for creative thinking and autonomous work. Good employee alignment makes HERMETIC an attractive and responsible employer.
- With the high quality and the operational safety and reliability of our products we are also encouraging others to make a commitment to social responsibility.
- Protecting the environment and preserving its resources are an essential part of our corporate policy. With the development of environmentally friendly technologies, products and services and their application in pump manufacturing, HERMETIC contributes significantly to environmental protection. Our focus is on reducing adverse environmental impacts and lowering the consumption of energy and natural resources. Sustainable business management helps to preserve our natural resources.
- As a family-owned business, we are part of our community and we want to make a positive impact. One primary focus of our corporate social responsibility is to promote children, teens, education and athletics. It is important to us that promotional activities directly benefit the local community.

### Vision

- ➔ HERMETIC – a step ahead

### Mission

- ➔ HERMETIC produces sealless pumps and solutions for pumping critical media.
- ➔ HERMETIC products feature the highest standard of quality and ensure a high degree of operational safety and reliability.
- ➔ HERMETIC aims to ensure fast response times and straightforward processing and this includes customer services.

### Values

- **Customer focus** The service provided to the customer is of vital importance to HERMETIC. Together with the customer, HERMETIC develops customised solutions, thus enhancing customer benefits. Apart from customised solutions, HERMETIC also offers standard high-quality solutions.

- **Employee alignment** HERMETIC is an attractive and responsible employer. HERMETIC attaches great importance to employees' individual qualifications and supports them. HERMETIC promotes the "We are one" spirit throughout the company through open communication.
- **Environment** Protecting the environment and preserving its resources are an essential part of our corporate policy.
- **Company** HERMETIC is a family-owned company. We are part of our community and we make a positive impact. The partners are committed to social responsibility and act accordingly.

### Corporate guidelines

- **Customers** We work for and with our customers. Satisfied customers guarantee long-term success and ensure the viability of HERMETIC.
- **Strategy** We only engage in business activities we can control and which are consistent with our interests. We want to strengthen our ability to do business in international markets through sustainable growth and increase our market share.
- **Environment** With the development of environmentally friendly technologies and their application in pump manufacturing, HERMETIC contributes significantly to environmental protection.
- **Location** We are committed to our headquarter location in Gundelfingen, but we also take on global opportunities.
- **Compliance** Ensuring compliance with the law and regulations is a core principle of responsible action to us, even if this entails adverse economic effects.
- **Quality** We want the highest quality for our products, processes and employees. Through prevention and consistent separation of waste we are striving for systematic improvement and optimisation.
- **Occupational health and safety** The physical and mental health of our employees and others and safety at the workplace are our highest priority.
- **Profit** Achieved profits help to secure the future.
- **Creativity** In order to create an environment conducive to innovation and progress, we encourage creative thinking among our employees.
- **Energy** The sparing use of natural resources .....
- **Risk management** Not limited to financial risks

## Corporate Policy



### Quality policy

Customer satisfaction and the financial success of the organisation on a partnership basis are the essential core of the quality policy.

HERMETIC pursues the quality standard of being the number one in its market segment by offering high-quality products and services.

Upper level management is responsible for pursuing a suitable quality policy for the purpose of continually improving the QM system. Our quality policy is openly communicated.

The process concerned with how our quality policy is being implemented is available in process instruction VAH0002.

### Environmental policy

Protecting the environment and preserving its resources are an essential part of our corporate policy. With the development of environmentally friendly technologies, products and services and their application in pump manufacturing, HERMETIC contributes significantly to environmental protection. Our focus is on reducing adverse environmental impacts and lowering the consumption of energy and natural resources. Sustainable business management helps to preserve our natural resources.

This corresponds to the following environmental protection guidelines:

- Over and above the requirements of the environmental protection laws and regulations, we are constantly working to reduce negative environmental impact and the consumption of energy and resources.
- Compliance with stringent environmental standards and the sparing use of natural resources are an obligation for all managers and employees of our company. To develop and promote the sense of responsibility for the environment at all levels is an ongoing management task.
- Through compliance with laws and regulations, we make a valuable contribution to sustainable business management and the preservation of our natural resources. We ensure that our environmental policy is effectively implemented. The necessary technical and organisational procedures required for this purpose are regularly reviewed and continuously improved.
- The best possible, waste-free use of resources and the prevention and consistent separation of waste are systematically improved and optimised.
- When developing our products, environmentally-friendly design, technical safety and health protection are fixed targets. By using the best available technology and optimising our production processes, we reduce polluting emissions.
- We support our customers in the use of our products in an environmentally compatible way.
- We achieve maximum integration and acceptance through qualification, information, and involvement of all staff in the interest of environmental management.

### **Occupational health and safety policy**

Employees' health and workplace safety are our highest priority. For this reason, occupational health and safety is part and parcel of our corporate policy and is incorporated in all corresponding company processes, which are subject to ongoing improvement to ensure the protection of employees against foreseeable hazards.

The physical and mental health of our employees and others and safety at the workplace are of vital importance to us.

Occupational health and safety is a responsibility we share:

- Upper level management and executive staff understand occupational health and safety to be a "natural" management task and they are committed to providing a healthy and safe work environment for all employees.
- Executive staff ensure that employees receive adequate instructions regarding the occupational health and safety policy. Furthermore, they make sure that employees understand, follow and implement the policy within the scope of their work environment.
- This means that management and employees alike are equally responsible for the implementation of measures relevant to occupational health and safety.

We believe in open dialogue to develop a mutual understanding. To assure that our occupational health and safety policy remains current, we are committed to ensuring compliance with all statutory provisions and regulatory requirements as well as directives and standards relevant to occupational health and safety. We engage in an ongoing exchange of ideas and suggestions with external specialists in this field.

We act according to the following occupational health and safety guidelines:

- We want to avoid any accident
- We review every procedure so that it can be carried out safely
- We are all role models and take an active role in safety
- We treat external personnel and service providers as we do our staff

- We address mistakes to help correct them and prevent future mistakes. Avoiding mistakes is the reason for ongoing improvement
- Our highest priority is the protection of our employees from hazards and the minimisation of risks
- We offer additional qualification options to our employees
- We check that corrective and preventive measures have been implemented

Gundelfingen, Germany, 25/08/2017

A handwritten signature in blue ink, appearing to read "N. Krämer".

Nicolaus Krämer, CEO