

LORD

AskUsHow™



CODE OF **CONDUCT**



At LORD, we are passionate about innovation and collaboration. We are intensely focused on transforming innovative ideas into long-term value for our stakeholders. We believe in conducting business with integrity and high ethical standards, and providing a work environment centered on employee dignity, safety, and well-being.

The LORD Code of Conduct creates a framework around our beliefs and sets clear expectations for our behaviors. The Code is designed to give you guidance and provide help to deal with ethical challenges you may encounter. However, the Code cannot cover all situations where choices and decisions must be made. If you have any questions or require additional help, or if you come across an ethical challenge not covered in the Code, do not hesitate to ask your manager or any member of the LORD Corporate Compliance Committee until you have a clear understanding of the expected behavior.

Our Board of Directors, our customers, our suppliers, and other stakeholders expect us to operate with the highest level of integrity and in accordance with the beliefs and behaviors in the Code. Every employee of LORD Corporation and its affiliates, including joint venture partners, is required to read, understand, and comply with the behaviors specified in the Code.

It is your duty to report behavior that violates the Code. Our policies forbid any form of retaliation against you for fulfilling this obligation. Our employees who manage others have the additional responsibility of communicating their support and expectations of compliance with the Code to employees and encouraging a culture in which ethical behavior is recognized, valued, and demonstrated throughout the organization.

THANK YOU FOR YOUR INDIVIDUAL COMMITMENT TO OUR CODE.

Gen. James F. Amos, USMC, (ret.)
Chairman
LORD Corporation

Ed L. Auslander
President and CEO
LORD Corporation



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Responsibility

The LORD Code of Conduct (the “Code”) applies to employees of LORD Corporation and its affiliates, including joint venture partners.

Throughout the Code, “We” and “Our” are used to represent the employees of LORD Corporation and its affiliates, including joint venture partners.

We are expected to understand and comply with the Code.

Officers, Directors, Managers, and Supervisors are responsible for communicating their support and expectations of compliance with the Code to employees.

Beliefs

Our core beliefs include: the dignity, safety, and well-being of our employees; integrity and ethical behavior; and, innovation.

We believe conducting business with integrity and high ethical standards is as important as providing other forms of value to our customers, employees, and society.

We are committed to complying with all laws and those regulations applicable to our business.

We support the United Nations Convention against Corruption and the United Nations Global Compact’s 10 principles that represent core values in the areas of human rights, labor, environment, and anti-corruption.

<http://www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html>





People

LORD is committed to protecting internationally-recognized human rights; engaging in fair employment practices; and providing a safe, respectful, diverse work environment that promotes health, well-being, and continuous learning.

- We will comply with all employment and labor laws in all our locations, including but not limited to, those respecting freedom of association, privacy, equal employment opportunity, child labor, working hours, and right to reasonable compensation.
- We prohibit forced labor and involuntary labor.
- We prohibit human trafficking and will do our part to combat human trafficking.
- We prohibit hostile or threatening actions.
- We prohibit working under the influence of illegal drugs or alcohol.
- We prohibit harassment of any employee by another employee or third party.
- We prohibit discrimination against employees based on race, religion, color, national origin, age, gender, sexual orientation, gender identity, marital status, genetic information, disability status, veteran status, or any other characteristic protected by law.

Environment, Health, and Safety

LORD is committed to complying with all environmental, health, and safety laws and regulations in locations where we conduct business and providing a safe and healthy work environment. LORD supports a proactive approach to environmental challenges, undertakes initiatives to promote greater environmental responsibility, and encourages the development and distribution of environmentally-friendly technologies.

- We will comply with all environmental, health, and safety laws and regulations that apply to business operations.
- We will incorporate sustainable practices that minimize our impact on the environment and encourage the reuse of all materials.
- We will provide accurate information to government authorities in connection with applications for any environmental permit, approval, or in any reports that are required to be filed with such authorities.
- We will not make any improper payments to obtain permits, licenses, certifications, or to resolve any other environmental issues.
- We will utilize safety practices that minimize employee injuries and occupational diseases.





Quality

LORD is committed to providing products and services that consistently meet our customers' expectations of quality and value.

- We will continually monitor and improve our processes as a means to ensure overall customer satisfaction, achieve our quality objectives, and share best practices.
- We will build customer loyalty through process excellence and our inherent commitment to quality throughout the organization by:
 - Customer needs driving our actions;
 - Relentless focus on critical to quality features;
 - “Building In” quality and process capability;
 - Focusing on prevention and minimizing risk; and
 - Doing the right thing, the right way at the right time.

Trade

LORD is committed to compliance with all applicable laws and regulations governing the exportation, re-exportation, retransfer, and importation of commodities and technical data.

- We will follow all trade control laws and regulations applicable to our business and locations.
- We will not export, re-export, retransfer, or import in violation of trade compliance laws and regulations.
- We will review and comply with trade compliance policies, procedures, or work instructions relevant to our job function.



Conflict Minerals

LORD is committed to preventing the use of Conflict Minerals that fund armed conflict in the Democratic Republic of the Congo (“DRC”) and its adjoining countries.

- We will use reasonable efforts to ensure that our products do not contain metals derived from tantalum, tin, gold, or tungsten sourced under conflict conditions from the Democratic Republic of the Congo or surrounding countries.
- We will inform our suppliers that we prohibit the use of products and raw materials that contain tantalum, tin, gold, or tungsten sourced under conflict conditions from the Democratic Republic of the Congo or surrounding countries from entering our supply chain.
- We will not knowingly engage with suppliers when LORD Corporation identifies a reasonable risk that such suppliers are sourcing from, or linked to, any entity and/or party violating basic human rights.

Government Contracting

LORD is committed to acting with honesty and integrity and complying with all applicable laws and regulations when doing business with government officials in any country.

- We will comply with applicable procurement policies and applicable laws and regulations when selling goods or services to any government.
- We will not make improper payments to obtain government contracts.

Accurate Books and Records

LORD requires that all financial transactions be recorded in a manner that accurately reflects the true nature of the transaction, in accordance with accepted accounting practices and all applicable laws and regulations.

- We will not create any false, misleading, or artificial records intended to conceal improper transactions.
- We will cooperate with our internal auditors and independent auditors in matters relating to LORD business.



Protection of Assets and Information

Data Protection, Confidential Information, and Intellectual Property

LORD is committed to safeguarding the intellectual property assets, including confidential and proprietary information of LORD, as well as those of our customers, vendors, and other business partners. LORD is committed to the protection and responsible use of personal information collected from and about its employees, customers, vendors, and other business partners.

- We will comply with all applicable laws concerning privacy and data protection.
- We will respect, protect, and secure the intellectual property of LORD, as well as that of our customers, vendors, and other business partners.
- We will not knowingly violate the intellectual property rights of others.

Electronic Information Communications and Social Media

LORD is committed to respecting the rights of other computer users, the integrity of LORD Corporation facilities and systems, and all pertinent license and contractual agreements. Inappropriate use of electronic resources exposes the company to risks including unwanted disclosure of sensitive data, virus attacks, compromise of network systems and services, and legal and compliance issues.

- We will exercise good judgment regarding appropriate use of information, electronic devices, and network resources.
- We will exercise good judgment regarding the reasonableness of personal use of computers and the internet, including social media.
- We will respect all laws governing copyright, trademarks and other intellectual property laws, and we will give credit to the original authors of any content when posting on social media.
- We will properly represent ourselves and disclose our relationship with LORD when discussing LORD in online forums. When posting content in a way that could possibly be attributable to LORD, we will make it clear that the views expressed are our own and do not reflect the views of LORD.
- We will be respectful of fellow employees, customers, vendors, and other business partners when posting on social media.



Physical Property and Assets

LORD is committed to our security and safeguarding physical property and assets. Loss, theft, and misuse of our assets have direct impacts on business profitability. Physical assets include items such as inventory, records, equipment, communication equipment, computers, and supplies.

- We will protect access to our facilities and comply with entry, exit, and badge requirements as required by facility policies and rules.
- We will follow security guidelines designed to protect employees, facilities, information, and technology areas.
- We will use assets under our control responsibly and secure them from theft, waste, or abuse.

Record Retention

LORD is committed to managing the retention, storage, and disposition of its business records, whether they are in paper, electronic, or other formats or media, in a manner consistent with applicable laws and regulations. Employees are required to maintain business records consistent with the record retention schedule and associated record retention policy.





Fair Competition

LORD is committed to open and fair dealing with its suppliers and customers. We ensure these relationships are founded on principles of integrity, high ethical standards, and compliance with all laws and regulations applicable to our business interests and operations.

Competition laws generally prohibit anti-competitive agreements, such as agreeing with competitors to set prices or divide markets. There are a number of practices that, under certain circumstances, may constitute violations of the competition laws.

- We will comply with the letter and spirit of all competition laws applicable to our business interests and operations.
- We will make no illegal or unethical attempts to restrain or limit competition in violation of competition laws.
- We will avoid contacts that may create appearance of improper arrangements.
- We will not discuss or exchange prices with our competitors.
- We will immediately leave a meeting and contact LORD Legal if competitors are discussing territories, sharing of customers, pricing, or regulation of products to be sold.
- We will contact LORD Legal before proceeding with any practices that we are unsure of or that could be considered a violation of competition laws.
- We will make purchasing decisions based on appropriate business criteria such as price, quality, technical leadership, reliability, and reputation of the supplier.
- We will be truthful when representing the quality, features, or potential hazards of our products.
- We will be truthful in bid preparations and contract negotiations.
- We will not make false statements about our competitors.
- We will not engage in any unfair, misleading, or deceptive trade practices.
- We will comply with all applicable laws when gathering competitive information.
- We will disclose any potential conflicts of interest with customers and suppliers to the Director, Global Compliance.



Conflicts of Interest

LORD is committed to making business decisions based on objective criteria and not based on private interests or relationships.

A conflict of interest exists when the interest, duties, obligations, or activities of an employee or an employee's family member are, or may be, in conflict or incompatible with the interests of LORD.

We are responsible for being aware of and avoiding situations involving a conflict of interest. We are required to disclose potential conflicts of interest to the Director, Global Compliance or Human Resources.

The following are examples of potential conflicts of interest:

- You or your immediate family members having ownership of an entity that does business or competes with LORD or an entity that operates in one of the same industries;
- You or your immediate family members being employed by an entity that does business or competes with LORD or an entity that operates in one of the same industries;
- Performing activities during business hours such as running your own business, working for another company, or providing consulting and/or management services for another organization;
- Having secondary employment that conflicts with LORD business interests;
- Being involved with the hiring process of a relative or a person with whom you are romantically involved;
- Having work responsibilities that involve a vendor, customer, or other business partner with whom you or your immediate family members have ownership or employment;
- Having a direct reporting relationship with a family member or a person with whom you are romantically involved; and
- Giving or receiving gifts or entertainment that can influence or appear to influence decision-making.

The examples are not intended to be an exhaustive list of potential conflicts of interest.



Gifts and Entertainment

We recognize that gifts and entertainment are often exchanged as part of building business relationships, but we also recognize that gifts and entertainment can influence or appear to influence decision making.

LORD prohibits offering or accepting gifts or entertainment that could be considered a bribe, an exchange for preferential treatment, or an attempt to influence a business decision.

- We will not offer or accept gifts in cash or cash equivalent (LORD employee recognition programs are exempted).
- We will not offer a gift that is more than modest value by local standards and customs or is in violation of local laws.
- We will not offer or accept entertainment that is inconsistent with customary business practice.
- We will not offer or accept entertainment that is sexually oriented.
- We will not offer or accept gifts with conditions attached.
- We will not offer or accept gifts in a situation where we are about to make an offer or enter into negotiations.
- We will not offer or accept entertainment in order to influence a negotiation or purchase.





Acceptable gifts and entertainment must meet the following criteria:

- Given or received in compliance with legal requirements and appropriate to business relationship and business practice;
- Given in compliance with receiver's code of conduct;
- Reported accurately in accounting records;
- Given or received without obligation or expectations;
- Given or received clearly as an act of appreciation;
- Given or received infrequently;
- Likely to be perceived by the public as being acceptable and of appropriate value; and
- Given or received openly.

The following types of gifts and entertainment are generally considered acceptable:

- Non-cash gifts of nominal value (e.g. chocolate, fruit basket, flowers);
- Gifts bearing the company name or product image that are of insignificant value; and
- Business lunch or dinner that would likely be perceived by the public as being appropriate.

We will obtain pre-approval from a LORD Corporation Officer for gifts and entertainment that do not clearly meet the generally acceptable criteria and report details to the Director, Global Compliance. Specific laws may apply to interactions with government officials, including employees of government-owned or government controlled companies. Contact the Director, Global Compliance for specific guidance on gifts and entertainment offered to government officials.



Anti-Corruption

LORD is committed to working against corruption in all its forms, including extortion and bribery, and to developing a program to implement and support these principles.

LORD prohibits any form of corruption or bribery. Refusing to pay bribes or facilitation payments, even if it may result in loss of business, will not result in demotion, penalty, or other adverse consequences.

- We will comply with applicable anti-corruption laws and regulations.
- We will not offer or accept a bribe in any form.
- We will not make facilitation payments.
- We will not offer or accept gifts or entertainment that could be considered a bribe, an exchange for preferential treatment, or an attempt to influence a business decision.
- Contributions of LORD funds or the use of LORD assets or facilities for the benefit of political parties or candidates anywhere in the world is prohibited unless approved in advance by LORD Legal.

A bribe is an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an encouragement to do something which is dishonest, illegal, or a violation of trust. Bribes can be paid disguised as a commission, gift, benefit, favor, or a donation.

A facilitation payment is a payment made to secure or expedite the performance of a normal action or service to which the payer of the facilitation payment has legal or other entitlement. Facilitation payments occur when a person uses a position of power (authority to perform a normal action or service) to demand a payment to perform, expedite, or not perform a normal action.



Listed below are examples of situations where requests for facilitation payments are most common:

- Obtaining permits, licenses, or other official documents;
- Processing governmental paper (e.g., visas, work orders);
- Providing police protection, mail pickup, and delivery;
- Scheduling inspections associated with contract performance or related to cross-country transit of goods;
- Providing phone service, power, and water supply;
- Loading and unloading cargo or protecting perishable products or commodities from deterioration; and
- Customs clearance.

Business Partners

- Business Partners are agents, distributors, representatives, consultants, contractors, freight forwarders, and others who act on behalf of LORD. Business Partners are one of the most common channels through which bribes are made. This can occur when a company intentionally uses a Business Partner to make improper payments or when a Business Partner makes improper payments on their own to achieve their contractual obligations. LORD prohibits improper payments made through Business Partners.
- We will require that that our Business Partners comply with the LORD Business Partner Code of Conduct.
 - <https://www.lord.com/business-partner/code-of-conduct>
- We will perform due diligence on our Business Partners.
- We will include an anti-corruption provision in written agreements with Business Partners.





Corporate Citizenship

Corporate Citizenship is built on our three Core Beliefs — in the dignity, safety, and well-being of our people; in continuous innovation; and in integrity and ethical behavior — and it is expressed through our commitments to Performance Assurance, Sustainability, and Responsible Leadership.

These commitments serve as the solid foundation of an enduring and sustainable business that enables us to create lasting value for our customers, our shareholders, our employees, and the communities in which we operate. Our commitments in these three areas position us for success with our customers and other critical external stakeholders, and therefore support our business goals. We believe our Corporate Citizenship initiatives contribute positively in the communities where we work and live, and help us advance toward our long-term goals of global growth, expansion beyond our traditional markets, making our customers' jobs easier, continuously increasing the sophistication of our products, and positioning our employees to succeed in an ever-changing and complex world economy.

Additional information regarding our Corporate Citizenship program is available on <https://www.lord.com/our-company/corporate-citizenship>.





Policies and Procedures

We will comply with all policies and procedures applicable to our role and responsibilities. Below is a listing of policies that support commitments outlined in our Code.

- 14-64 Workforce Diversity
- 10-71 Workplace Violence Prevention and Response Program
- 14-81 Drug and Alcohol-Free Workplace
- 14-83 Employee Conduct
- 14-94 Harassment
- 10-51 Environmental, Safety, and Health
- 10-57 Quality Management
- 10-63 Global Trade Compliance-Export and Import Compliance Administration and the LORD Export Control Manual
- 15-53 Protection of Confidential Information and Trade Secrets
- 10-69 Travel Security Program
- 15-57 Electronic Information and Communications
- 18-01 Acceptable Use of Electronic Resources
- 18-03 Information Security
- 16-53 Social Media Policy
- 10-55 Purchasing Operating
- 14-70 Employment of Immediate Family Members/Related Persons
- 308 Business Partner Due Diligence
- 10-56 Corporate Contributions





Corporate Compliance Program

The Corporate Compliance Program (the Program) was created to promote an organizational culture that encourages integrity, ethical behavior, and compliance with all laws and regulations applicable to our business and to prevent, detect, and remediate business misconduct.

Key aspects of the Program identified in the Program Charter include:

- Program Charter
- Commitment from Senior Management and a Clearly Articulated Policy Against Corruption
- Code of Conduct and Compliance Policies and Procedures
- Oversight, Autonomy, and Resource
- Risk Assessment
- Training and Continuing Advice
- Disciplinary Measures and Incentives
- Third Party Due Diligence and Payments
- Confidential Reporting and Internal Investigation
- Continuous Improvement: Periodic Testing and Review
- Mergers and Acquisitions: Pre-Acquisition Due Diligence and Post-Acquisition Integration

The Program Charter (<https://lordcorp.sharepoint.com/sites/LORDweb/globalcorporatecompliance/lordcomplianceprogramcharter>) includes descriptions of all the key elements.



Corporate Compliance Committee

The Corporate Compliance Committee (the Committee) was created to advance and align Program efforts with LORD Corporation's beliefs and evaluate the effectiveness of the Program. The Committee is comprised of the Chief HR and Enterprise Systems Officer, Chief Legal Officer, Director, Global Compliance; and the Director, Internal Audit.

The Committee members provide oversight of investigations and serve as resources that employees can use to report concerns, ask questions about the Program, request guidance related to ethical dilemmas, and obtain advice in any situation where the laws, regulations, or acceptable business practices are unknown, unclear, confusing, or difficult to understand.

Training

LORD is committed to providing training to employees to support our beliefs, the Code, and the Program. On an annual basis, employees and the LORD Board of Directors are required to affirm understanding and compliance with the Code and the Business Partner Code respectively. On an annual basis, employees are required to complete ethics training. LORD continuously develops and implements additional education and training events as appropriate for employees. Employees are required to complete all training assigned by Global Compliance.

Reporting

LORD is committed to providing effective reporting methods for employees to report violations, seek guidance, and provide feedback.

- We will promptly report any suspected or actual conduct that may result in a violation of the Code, LORD policies and procedures, and laws and regulations applicable to LORD business activities.
- We will obtain advice from the Committee in any situation where the laws, regulations, or acceptable business practices are unknown, unclear, confusing, or difficult to understand.
- We will obtain advice from the Committee if the local laws conflict with the Code.



The LORD Ethics Hotline (the Hotline) is a simple, secure, and confidential mechanism that is available for all employees and business partners to report their concerns. LORD has partnered with an external company that specializes in providing independent methods for reporting ethical concerns to provide the Hotline. The Hotline is also a central repository of key information used for reporting and analyzing allegation and investigation trends. Employees can access the Hotline using <https://LORD.com/LORDHotline> or the telephone numbers listed at the end of the Code.

Reports of suspected violations, questions, requests for advice, or suggestions for improvements can be submitted through any of the following channels:

- Supervisor, Manager, Director, Officer;
- Member of the Committee;
- Human Resources;
- Global Compliance;
- Legal; and
- The Hotline.

Supervisors, Managers, Directors, Officers, Human Resources, and LORD Legal who receive reports are required to promptly report the allegation to a member of the Committee or through the Hotline.

Investigation

LORD is committed to investigating suspected or reported misconduct in a way that is respectful, confidential, and fair. The Committee provides oversight of investigations. The Committee receives notification when there is a report through the Hotline. The Committee takes reasonable steps to respond appropriately to violations of any company specific policy or rule as well as laws and regulations applicable to LORD business activities and to prevent further violations. The Director, Global Compliance is responsible for establishing and maintaining a standard procedure for conducting investigations, coordinating the investigation process, and providing statistics related to reports and investigations.



If a possible violation is reported or detected, the Committee or its delegates take appropriate and reasonable steps to examine the information and conduct an impartial and formal investigation, using an established investigation procedure, to determine if an actual violation occurred and document the response, including any disciplinary or remediation measures taken. Employees are required to be cooperative and truthful during an investigation.

Retaliation

LORD prohibits retaliation against those who report a potential violation of law or the Code or who participate in an investigation. Reports of retaliation will be investigated. Employees are required to report retaliation to a member of the Committee or through the Hotline.

Disciplinary Action

The Program is promoted and enforced consistently throughout the organization. LORD enforces compliance requirements with appropriate disciplinary action, including but not limited to termination of employment.

Material policy violations will be brought to the attention of the Chairman of the Audit and Finance Committee of the Board of Directors of LORD Corporation.





Country	Number
Brazil	0800.892.2299
Canada	1.800.235.6302
China	400.120.3062
France	0805.080339
Germany	0800.181.2396
Hong Kong	800.906.069
India	000.800.100.4175, 000.800.100.3428
Indonesia	62.21.29758986
Italy	800.727.406
Japan	0800.170.5621
Korea (South)	080.808.0574
Malaysia	60.1548770383
Mexico	01.800.681.6945
Singapore	800.852.3912, 001.800.1777.9999
Switzerland	0800.838.835
Taiwan	00801.14.7064
Thailand	1.800.012.657, 001.800.1777.9999
United Kingdom	0.808.189.1053
United States	800.461.9330

The Code is not intended as an exhaustive treatment of expected and/or prohibited conduct by employees and others. Also, the Code is not intended nor shall it serve to create any rights in any party other than LORD and its employees, joint venture partners and members of the Board of Directors.

