Creating value(s) – in the corporate culture, too

Armacell adopts a binding code of conduct for all employees

Münster, 24 September 2012. – At Armacell, the world leader in the market for flexible technical insulation materials, values count. As a pioneer in energy efficiency, the company produces and sells products which have been saving millions of tonnes of carbon dioxide all over the world for over 50 years. But that's not all: the insulation manufacturer also commits itself to corporate ethics which go beyond compliance with legislation and laws, putting integrity at the centre of employees' actions. In 2005, the company received the 'Ethics in Business Award' in recognition of its exemplary conduct towards people and the environment. Since 2006, Armacell has been a member of the UN initiative Global Compact, the world's most important business network for sustainable globalization. Now the insulation manufacturer has also established a specific code of conduct against which all business activities worldwide are to be measured.

Question: Why does your company consider it important and necessary to set up these binding rules?
Patrick Mathieu: In an increasingly complex global environment, common values which are anchored in the corporate culture provide important guidance and a good basis for lasting corporate success. They form the foundation for the professional behaviour of each individual employee and for employees' relationships to Armacell's business partners. The Armacell Code of Conduct commits all employees throughout the world to behaving ethically. It is based on values and principles which apply to the entire Armacell group. Each individual employee is personally responsible for doing the right thing, i.e. for behaving legally and honestly towards business partners, colleagues and the public.

Question: What are the specific corporate values which all employees should be guided by and which all partners and customers can rely on? What is behind them?
Patrick Mathieu: The Armacell Code of Conduct is based on five fundamental corporate values: customer experience, commitment, empowerment and accountability, integrity and sustainability. Let me try to bring these terms to life.
For Armacell *customer experience* means creating a positive, customer-focused culture. Customers value the Armacell experience and continuous business relationship.
Commitment is of key importance for us. We are committed to develop and motivate our people, nurture their talents and develop new skills. We intend to build strong teams to support our company performance. The safety of our employees is the first commitment of the company.
Empowerment and accountability: we give our employees operational responsibility and expect them to develop and perform to the best of their talents. The basis for interaction between employees is mutual respect and trust.
Integrity: our employees must be aware of and comply with rules and regulations, wherever in the world they are working. Integrity goes deeper than that. It is about doing the right things in the right way, as individuals and as a company. Ethical and responsible behaviour is fundamental to the way we do business. Armacell is a company that can be trusted.
Sustainability: we are focused on sustainable, profitable growth through development and manufacturing of our products to ensure a positive impact on our community. We contribute to sustainable growth by innovating in thermal and acoustic efficiency.

Question: How exactly do you put these values into practice in daily business all over the world? How do you make them 'watertight'?

Patrick Mathieu: The management act in accordance with these rules of conduct every day in order to show employees that they are not just words. The code of conduct not only defines binding rules of behaviour for all Armacell employees, but also demonstrates how they are put into practice. The code of conduct was communicated at all locations worldwide. If employees are uncertain whether their own behaviour or that of a colleague is in line with the rules they are asked to first seek advice from their superior. In addition, we have set up a hotline – an email address where queries about the code of conduct are dealt with and answered in confidence.

Question: Responsible behaviour involves systematic compliance with minimum standards in the fields of work, environment and social affairs. Can you give some specific examples of how Armacell acts in these areas?

Patrick Mathieu: Armacell joined the UN initiative Global Compact in 2006. The business network was founded in 2000 by Kofi Annan, the UN Secretary General at that time, who challenged business enterprises to make a global pact for sustainable globalization. The initiative has grown into a global network of more than 8000 companies and other organizations in 135 countries. In Germany almost 200 firms now participate in the Compact, including 24 of the DAX30 companies. The members commit themselves to promoting in their sphere of influence the implementation of ten fundamental principles regarding environmental protection, compliance with labour standards, combating corruption and the general protection of human rights. They also undertake to advocate publicly for the objectives of the pact. The companies provide an annual Communication on Progress (COP) in which they describe which measures they have implemented in their companies regarding the 10 fundamental principles. If a company does not submit this Communication on Progress it is excluded from the Global Compact. This is not an empty threat: by the end of 2011 far more than 3,000 companies had been excluded because of missing reports. This form of voluntary commitment has proved to be the right way for Armacell. We document our activities on a regular basis and call upon our employees at all locations worldwide to improve continuously. Naturally, we have ensured that the 10 principles of the Global Compact are also reflected in our code of conduct. The initiatives complement and support each other.

Thank you very much for the interview.

About Armacell

Armacell is a manufacturer of engineered foams and the world leader in the market for flexible technical insulation materials. In the financial year 2011, the company had a gross annual turnover of around 448 million euros. The group of companies has approximately 2,440 employees and 19 factories in 13 countries. It is headquartered in Münster, Germany. Apart from ARMAFLEX, the leading brand in the field of flexible technical insulation, the company also produces thermoplastic insulation materials, covering systems, fire protection and noise control products, special foams for a multitude of industrial applications and foam cores which are used as composite materials. Further information on the company can be found at www.armacell.com.

Photos:

1 Patrick Mathieu, President and CEO of Armacell International GmbH

2 Customer experience is one of Armacell's five key values. Here Application Specialist Michael Weber demonstrates the installation of a new insulation material to Armacell customers at the ISO, the key European trade fair for insulation.

Quote: 'Ethical and responsible behaviour are the foundation of our corporate culture.'

PATRICK MATHIEU