

# CODE OF CONDUCT



## EBERSPÄCHER GROUP CODE OF CONDUCT



## MANAGEMENT FOREWORD

As a global partner of the automobile industry with sites in more than 25 countries, the Eberspächer Group makes a contribution to environmentally sustainable, safe and comfortable mobility through innovative solutions in the areas of Exhaust Technology, Vehicle Heating Systems, Air Conditioning Systems and Automotive Electronics.

Ever since Jacob Eberspächer founded his first craftsman's workshop in 1865, the name Eberspächer has stood not only for excellent products but also for the values of a family business that has been owner-managed for five generations. Together with our employees we have enshrined these values in our mission statement.

Obedying the law and legislation, complying with internal regulations and observing basic ethical standards always and everywhere (Compliance) constitute the foundation on which our economic success is based.

We acknowledge our social responsibility to our employees, business partners and the community at large, and our responsibility to protect the

environment and to preserve natural resources. In doing so, we strive not only to make a contribution to the sustainable development of our company and of the community at large, but also to win and retain the trust of all our employees and business partners.

This Code of Conduct, which expands upon and replaces the previously applicable Business Conduct Guidelines, summarizes the most important principles of our business activities. It is intended to provide our employees with guidelines for their day-to-day dealings with colleagues, suppliers, clients and competitors and to support employees when faced with legal or ethical issues.

In order to meet the numerous local and global requirements, the Eberspächer Group has implemented a worldwide Compliance Organization to which all employees are required to give their active support.

Esslingen, January 2016

Handwritten signature of Heinrich Baumann in blue ink.

Heinrich Baumann

Handwritten signature of Martin Peters in blue ink.

Martin Peters

Handwritten signature of Dr. Thomas Waldhier in blue ink.

Dr. Thomas Waldhier

Handwritten signature of Joachim Tosstorff in blue ink.

Joachim Tosstorff

Handwritten signature of Dr. Dirk Walliser in blue ink.

Dr. Dirk Walliser

# I. STATEMENT OF PRINCIPLES

## 1. INTRODUCTION

**Integrity, compliance with the law and responsibility towards people and the environment are the guiding principles for Eberspächer's Corporate Governance.**

This Code of Conduct outlines in one document the fundamentals for legal and regulatory compliance as well as moral and ethical behavior while conducting business and working together within the Eberspächer Group.

In line with our slogan, "driving the mobility of tomorrow", it is essential that people's needs are met, not only today but into the future. The preservation of the environment for future generations is of particular importance to us.

This is why the Code of Conduct will also form the basis for the sustainable development of the company.

It offers a guide to promoting correct, honest and responsible behavior in our daily work.

The aim of this Code of Conduct is to win and retain the trust of all stakeholders, in whichever way they are connected with Eberspächer.

The provisions of this Code of Conduct represent a minimum standard. In the case of stricter rules, standards or requirements, these are not limited by this Code of Conduct and remain applicable.



# I. STATEMENT OF PRINCIPLES

## 2. SCOPE OF APPLICATION

**This Code of Conduct is binding for all Eberspächer Group employees worldwide, including management, but also for all others working for Eberspächer.**

Every manager has the responsibility to inform his or her employees of the content of this Code of Conduct in an understandable way and to urge them to comply absolutely with all of the rules. In addition, the Eberspächer Group will provide training and practical instruction to its employees to assist in implementation.

As non-compliance with the Code of Conduct can lead to serious economic losses, legal repercussions and significant damages to the reputation of the Eberspächer Group, therefore endangering the long-term development of the company, the company management will not tolerate any breach of the principles of this Code of Conduct.

Every employee must therefore assume personal responsibility for compliance with all applicable laws, regulations and standards of and, in the event of a breach – independently of action undertaken against him or her by public authorities – must expect that disciplinary measures and claims for damages will be brought against him/her.

The provisions of this Code of Conduct are supplemented by internal Eberspächer guidelines relating to specific areas of operation. These internal guidelines must be consistent with the Code of Conduct; this also applies for guidelines that have already been issued prior to this Code entering into force, which continue to apply in so far as they are consistent with the Code.

This Code of Conduct sets out company internal procedures and does not imply any third-party rights.

Eberspächer imposes a special Business Partner Code of Conduct upon its business partners.

The currently applicable version of the Code of Conduct can be downloaded from [go.eberspaecher.com/compliance](http://go.eberspaecher.com/compliance)





### 3. OUR IDENTITY - FUNDAMENTALS

**We are dedicated to putting people first in our organization thereby ensuring compliance with the law and observing ethical principles. We acknowledge our social and environmental responsibility.**

Respect for human rights, protection of personal rights and respect for the private and individual sphere of others are key basic principles at Eberspächer.

In the course of our business, we work together successfully with people of all ethnicities, nationalities and social and cultural backgrounds, irrespective of their gender, age, language, disability, religious, political or other views, or sexual identity. We do not tolerate discrimination or harassment on the basis of the aforementioned.

Strict compliance with all laws and legal requirements applicable to our business on a national and international level is one of our key principles. This commitment extends to all applicable regulations and standards put in place by other regulatory bodies and to internal company rules and guidelines (Compliance).

Additionally, we are committed to the values set out in the Eberspächer Group's mission statement such as loyalty, tolerance and respect and to

the guiding principles set out there, for example regarding interactions with our customers and suppliers, or the quality of our products and brands. These values form the ethical framework for our commercial and social conduct. We therefore expect personal integrity from our employees, which forms the basis of our culture of trust.

As a global partner of the automobile industry, the Eberspächer Group with its innovative products and solutions, contributes to environmentally sustainable, comfortable and safe mobility. The commitment to people and the environment is therefore at the heart of our business model. We are actively working to reduce the impact of vehicles on the environment and climate and are paying particular attention to the conservation of resources and recycling of raw materials. Fulfilling our social responsibility to our employees, business partners and society in general is an ongoing task which we accomplish in a variety of ways.



We regard the conventions and recommendations of national and international organizations such as the “United Nations Global Compact”, the “UN Guidelines on Business and Human Rights” and the “OECD Guidelines for Multinational Enterprises” as being important guidelines. Compliance with the Eberspächer Code of Conduct is mandatory for every person working for Eberspächer. Every manager is to promote compliance by leading by example.



## II. CONDUCT IN BUSINESS OPERATIONS

### 1. FAIR COMPETITION, PROHIBITION OF CARTELS

Free, unrestricted and fair competition is a fundamental principle of the market economy and is at the core of our corporate culture. We support all efforts to promote a free market and open competition worldwide. Our policy is to rely solely on performance, focusing on the needs of our customer and the quality of our innovative products in matters of competitiveness. We do not tolerate any conduct by our employees which contravenes any applicable national or international competition or cartel regulations.

Any and all anti-competitive or anti-trust practices are prohibited. For example:

- Agreements, deals or conversations whatsoever with competitors about competitively sensitive information such as prices, costs, capacities or conditions of sale
- The passing on of such information to competitors in any way, either formally or informally, for example at trade fairs or association events
- Arrangements with competitors relating to a waiving of competition, the submission of phantom bids in tender procedures or the allocation of customers, markets, areas or production plans
- Influencing customers and licensed distributors in relation to pricing or distribution channels, or enforcing unlawful import or export bans
- Exploitation of a dominant market position in an unlawful manner
- Acquiring competitively relevant information by illegal means, or disseminating of false information about competitors or their products or services

As it can be difficult to make an assessment of individual factual scenarios for antitrust law purposes, and expert legal knowledge is needed in order to identify exceptions to the prohibition on cartels that are permissible under antitrust law, any intended contact with competitors, for example in the form of joint ventures or distribution systems, must be presented in advance to the central legal department (BLI) for approval in writing.

▶ *Further details can be found in the Eberspächer Competition and Antitrust Guideline.*



## II. CONDUCT IN BUSINESS OPERATIONS

### 2. PROHIBITION OF CORRUPTION

**We compete for contracts based on innovation, quality and price of our products and services. Our relationships with holders of public office and elected officials are characterized by respect, compliance with the law and propriety. Any form of corruption is unacceptable and prohibited.**

Eberspächer does not tolerate any unlawful offering or granting of benefits or advantages to business partners, their employees, holders of public office or elected officials, intermediaries or any other person in connection with the arrangement, award, approval, performance or payment of contracts.

This applies to activities either within or outside of other relationships with public authorities. It is irrelevant whether this occurs directly or indirectly, for example via intermediaries or relatives.

In dealings with Eberspächer business partners, the following are examples of prohibited benefits and gifts:

- Disproportionate expenditure on hospitality for a business partner
- Invitations issued to the business partner which are not directly associated with a business visit, or are unusual or disproportionate
- Invitations with an incentivizing character, unless permitted by the Eberspächer Hospitality and Gifts Guideline
- Gifts of cash or with cash value, for example in the form of vouchers
- Promotional gifts to business partners where such gifts appear dishonest to the recipient and cannot be expected to be approved by the recipients manager
- Gift articles of more than minor value
- Benefits to any institutions, associations or parties capable of improving the social standing of the business partner.

Even the appearance of corruption must be avoided.

No gifts or unlawful benefits are to be given to any elected official, holder of public office, employee of public authorities or other public bodies.

No Eberspächer employee may, in the context of his or her position as an employee, demand, accept, obtain or even only be promised advantages for him or herself or third parties. This applies to business partners, their employees, elected officials and holders of public office, intermediaries or any other person to whom no legally enforceable right to said advantages exists. Exceptions are governed by the Eberspächer Hospitality and Gifts Guideline.





Employees who are involved in the awarding of contracts must comply with the following rules in particular:

- Potential personal conflicts of interest between an employee and a business partner must be promptly reported to the employee's line manager or the Compliance Officer
- No employee may award private contracts to suppliers or service providers of the Eberspächer Group if he or she could gain advantages through this
- Invitations and gifts from business partners must be declined and/or returned unless permitted by the Eberspächer Hospitality and Gifts Guideline

- Suppliers are not to be given unfair preference or unfairly hindered

► *Further details can be found in the Eberspächer Hospitality and Gifts Guideline.*

Agreements with consultants, representatives or other intermediaries must be entered into in writing and must go through central legal department (BLI). Professional fees, commissions and other remuneration must be based on customary market rates and be proportionate to the verifiable service provided. Any arrangement meant to circumvent internal regulations or to grant or receive unlawful advantages is prohibited.



## II. CONDUCT IN BUSINESS OPERATIONS

### 3. RULES ON DONATIONS AND SPONSORING

Eberspächer acknowledges its social responsibility and, as part of its sustainability strategy, is involved in social projects and in the spheres of science, culture, education and sport by way of donations and sponsoring. This must however occur in strict compliance with the applicable law.

Donations and sponsoring are voluntary and must neither appear to exert undue influence or be capable of damaging the reputation of

Eberspächer or its employees. The rules set out in II.2 (Prohibition of Corruption) must be complied with.

Donations to political parties, organizations similar to political parties, elected officials, holders of public office and candidates for elected positions are not permitted.

Any sponsorship of initiatives or projects must have a connection with Eberspächer's core business or with its sites.

► *The Eberspächer Donations and Sponsorship Guideline regulate the approval process and limits on permissible amounts.*

### 4. COMPLIANCE WITH EXPORT CONTROLS AND CUSTOMS REGULATIONS

Strict observance of national and international trade law regulations and export restrictions is a priority for Eberspächer.

As a global company, the cross-border exchange of goods, technologies and services is an important part of our business. Eberspächer is aware of its significant responsibility in this regard.

For this reason all national and international rules and embargos which restrict or prohibit the import, export or domestic trading of goods, tech-





nologies or services or the movement of capital or payments on the basis of the nature of the goods, the country of origin or of destination, or the identity of the business partner must be complied with. The same applies for export controls, customs laws and approval procedures arising from them.

► *Further details can be found in the Eberspächer Export Control Guideline.*

## 5. SELECTION OF BUSINESS PARTNERS

**Business partners are selected with care and in accordance with objective criteria. The business partners are obliged to respect Eberspächer's values.**

Eberspächer's business partners, such as suppliers, service providers, commercial representatives, distributors, project partners or consultants are impartially selected through the assessment of offers using predefined objective criteria (Business Partner Due Diligence). Any discrimination or preference without objective basis is prohibited.

Eberspächer expects its worldwide business partners to comply with the principles set out in the Business Partner Code of Conduct and act in accordance with our principles such as respect for people and the environment, the requirement of

strict compliance with the law, zero tolerance of corruption and integrity in competition.

► *Further details can be found in the Eberspächer Business Partner Code of Conduct.*

## 6. DOCUMENTATION AND REPORTING

**Business transactions must be correctly documented and reported.**

All business transactions that have to be documented in accordance with internal or external regulations must be recorded correctly, appropriately, comprehensively and promptly in the respective system provided and must show author and date of creation. Documentation should be produced electronically and retained in accordance with statutory and internal regulations and retention periods.

All employees are obliged to submit truthful and complete verbal and written reports.



## III. EMPLOYEE AND MANAGEMENT CULTURE

### 1. MANAGEMENT CULTURE

Sustainable success is based particularly on reliable and motivated employees. Eberspächer therefore takes its social responsibility towards its employees seriously.

Eberspächer is aware of the great responsibility it bears for its employees. We therefore promote the professional and personal development of every employee of Eberspächer, ensure a safe working environment and fair working conditions and invest in training and qualifications. Performance and commitment are promoted and particularly appreciated. We rely on the loyalty of our employees and expect legal and ethical integrity and behavior based on the principles of this Code of Conduct.

### 2. FAIR WORKING CONDITIONS AND SAFETY AT WORK

Eberspächer promotes fair working conditions and high standards of safety at work.

We ensure that our employees are treated fairly, do not tolerate any discrimination or harassment, offer appropriate remuneration and comply with employment and labor laws. We respect the lawful representation of the interests of our employees. We do not tolerate any form of forced labor or child labor. This applies to Eberspächer's entire supply chain.

Our employees' health and their safety in the workplace are a high priority for us. Eberspächer follows the relevant rules on health protection, safety at work and fire and environmental





protection (HSE). We continuously strive to avoid hazards and to improve the health and safety of our employees.

### 3. AVOIDING CONFLICTS OF INTEREST

**It is of great importance to Eberspächer to ensure that neither company managers nor employees become involved in any conflicts of interest with the company.**

In particular these can occur:

- in transactions between companies of the Eberspächer Group and company managers, employees or persons closely associated with them
- in the event of a participating interest being held in other companies or work being carried out for other companies by company managers, employees or persons closely associated with them

Eberspächer managers and employees are not permitted to run a company which is in direct or indirect competition with the Eberspächer Group or to hold a direct or indirect participating interest in a competing company or to work for such a company. Only the holding of a participation in a publically listed company (for example ownership of shares) which is in competition with Eberspächer is exempted from this prohibition.

If a person closely associated with the employee (close relative, spouse, partner) has such a connection with a competitor, this relationship must be disclosed to the relevant personnel department in order to completely rule out such conflicts of interest.

If an employee operates, holds a participation in or carries out work for a company with which Eberspächer has a commercial relationship, this must be reported to and approved by the respective Compliance Officer.

Employees are encouraged to disclose possible conflicts of interest and to consult with the relevant personnel department.

Eberspächer values social, community, civil or charitable involvement by its employees in their free time. This must not conflict with the interests of Eberspächer.

## III. EMPLOYEE AND MANAGEMENT CULTURE

### 4. CONFIDENTIALITY, DATA PROTECTION AND INFORMATION SECURITY

**At Eberspächer, the principle of confidentiality applies when dealing with commercial information. Eberspächer is committed to securing and protecting sensitive and personal data.**

Every Eberspächer employee is subject to a confidentiality obligation in relation to the internal affairs of the company with respect to third parties unless previously published or lawfully made available to the third party. This applies primarily to all types of business and trade secrets, relationships with our business partners and personal data. The private use of information acquired in the course of doing business is prohibited. The obligation of confidentiality continues to exist after the end of the employment relationship.

Every manager and employee of Eberspächer is obliged to comply with the statutory and company internal regulations governing the handling of personal data. Eberspächer uses the high European standards of data protection as a benchmark worldwide with regard to the collection, processing and use of personal data.

Eberspächer recognizes the risks involved in the exchange of information as part of its worldwide

business activities. The security and exchange of information is therefore of great importance to Eberspächer in all business activities. High technical and organizational standards are applied in order to secure and protect business data against unauthorized access by third parties.

### 5. CARE OF COMPANY PROPERTY

**Eberspächer's company property must be properly handled.**

Eberspächer requires that all tangible and intangible assets which constitute the basis of our business are properly handled in accordance with their intended purpose. In addition to buildings and equipment, these also include operational materials, products, financial resources, information systems, software and industrial property rights (e.g. patents).

Instances of damage must be reported. Private use and removal of company property is prohibited unless express permission has been given. Unlawful acts may be pursued under criminal or civil law and may lead to consequences under employment law.

## IV. IMPLEMENTATION OF THE CODE OF CONDUCT

### 1. COMPLIANCE ORGANIZATION

The principles and values set out in this Code of Conduct form the basis of the ongoing sustainable economic, social and ecological development of the Eberspächer Group. They serve not only to minimize and control business risk, but also to codify Eberspächer's responsibility to people and the environment. Eberspächer also expects implementation of and strict compliance with this Code. To assist its employees the company has implemented a worldwide Compliance Organization.

The Compliance Organization is steered by a Compliance Committee. For each business area, Division Compliance Officers are nominated, to whom Compliance representatives in all business units are assigned. The Compliance Organization coordinates risk analyses in all areas of business activity and assists employees worldwide in risk management by providing information, advice and training and is the point of contact for all questions relating to Compliance.

Each individual employee is responsible for their own awareness of and compliance with this code, for integrity in business dealings and for adherence to laws and regulations. Breaches of laws and regulations are never in the interests of the company and not only threaten the sustainable

economic success of Eberspächer, but jeopardize the livelihood of employees and business partners. Any breach is therefore taken extremely seriously by company management and punished accordingly. The Compliance Organization assists in this.

### 2. SPEAK-UP CULTURE

Eberspächer nurtures a speak-up culture and treats compliance related information confidentially.

In our company culture, problems, conflicts and issues can be brought up with a person of trust by our employees. Any employee can notify their responsible Compliance Officer or a member of the Compliance Committee of any breach of this Code of Conduct without suffering any disadvantage as a consequence. In this case, their identity will be protected as far as legally permissible and may be disclosed only with express consent.



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## CONTACTING THE COMPLIANCE ORGANIZATION

Information, questions and suggestions relating to  
Compliance issues can be sent to  
[compliance@eberspaecher.com](mailto:compliance@eberspaecher.com)

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Eberspächer Group  
Eberspächerstrasse 24  
73730 Esslingen/Germany  
[www.eberspaecher.com](http://www.eberspaecher.com)

