



**COMPLIANCE**

**CODE OF CONDUCT  
OF THE EIBACH GROUP**

We protect what is important to us.

**#WE  
ARE  
EIBACH**



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## 1. Eibach – a medium-sized family business

It is not without reason that German medium-sized family businesses are seen as something special and of great value to society and the economy. Their success stories are often portrayed against the contrasting profile of the Anglo-Saxon shareholder value principle. When the reasons for the success are to be determined, when it is to be explained why management teams and employees along with the entrepreneurial family have been working with such commitment and motivation leading to the outlined successes, why crises have been prevented, why the company has such a great reputation as a manufacturer and a social community, why it has such a good name, you often hear points like:

- Long-term thinking and planning
- Sustainability-oriented action
- Innovation oriented (foregoing short-term success)
- Regional roots
- Special aspects of staff recruitment, staff care, based on a corporate culture backed by firm values
- Hidden champion – global leader in market niches

This way is how it is to continue in the future:

- an innovative, reliable, long-term partner and problem solver for our customers
- a dependable „anchor company“ for the region
- for us as a „family“ in the best sense

## 2. Leadership principles

Good leadership also impacts customers through motivated employees who deliver services for the customers that cannot be achieved with financial incentives alone. The company operates sustainably by consistently implementing ethical management principles.

- **We take personal responsibility.** We are prepared to give a self-critical account of the success of a project we have taken on, the success of a task we have started, but also bear the negative consequences for ourselves if we do not achieve the target: we show our colours. Taking personal responsibility means carrying out projects in harmony with the common good. Our conduct must be guided by the principles of justice and tolerance towards those who think differently: We support and help employees in need.
- **We communicate openly and unconditionally** with the company's employees as well as with shareholders or investors. We do not raise unrealistic hopes; we rather believe that trust only comes from clear and unconditional communication about successes or failures, about performance targets or obstacles. This is the only way to create the basis for understandable and accepted decisions to further encourage trust-based cooperation
- **We are committed to truth;** this means in particular that we appreciate and expect self-correction, the identification of mistakes and errors – from ourselves and from our staff. Without this self-commitment to truth, responsible action is not possible.
- **We exercise the powers entrusted to us with restraint,** especially in a way that does not hurt anyone personally. The application of the respective options is only permitted for the well-understood benefit of the company in the exercise of its duty of personal responsibility.
- **We are committed to complying with the law.** Acting responsibly always means considering human rights.
- Especially **the promotion of the people** who contribute to the global success of Eibach is close to our hearts. Therefore, we pay special attention to the topic of training and careers. This interest is also expressed in our cooperation with schools and universities.

### 3. Eibach Industries GmbH, Eibach Family Foundation

On Thursday, 30 August 2012, I, Wilfried Eibach, signed the master agreement and the statutes of our Eibach Family Foundation in Dr Sangermann's office. It has become the forth shareholder in the holding company, the parent company Eibach Industries GmbH, which took over the strategic management of today's international Eibach Group.

The Board of Trustees of the Family Foundation is made up of outstanding persons – primarily from the management of the Eibach Group – who stand for the continuation of Eibach's philosophy. With increasing voting weight in the shareholder meeting of Eibach Industries GmbH, this foundation is going to play a significant role in the prosperous development of the Eibach Group and secures the continued existence of the family business.

### 4. Validity

The companies of the Eibach Group act according to this Code of Conduct.

The principles resulting from the Code of Conduct take effect from 1 May 2022. The regulations therein replace all previously applicable regulations within the companies of the Eibach Group.

They may be amended or supplemented in whole or in part at any time and exclusively by the shareholders of the Eibach Group. .



## SOCIAL RESPONSIBILITY AND SUSTAINABILITY

The success of our company is based on the principles of equal opportunities and the diversity of the people working for us. For us, it goes without saying that no one is discriminated against or otherwise impaired in their freedom of action and decision-making, humiliated or harrassed because of their gender, race, ethnic or cultural origin, disability, illness, religion or ideology, age or sexual orientation.

Assuming social responsibility is an indispensable part of our value-oriented corporate management. Therefore, we expect our employees to embrace this responsibility in the same way and to respect the dignity, privacy and personal rights of each individual. Violations of this principle of our corporate culture endanger the most important success factors of the company and can therefore not be tolerated.





## MANAGEMENT SYSTEMS - QUALITY MANAGEMENT

Clearly defined and described global organisational structures and processes guarantee transparency, reproducibility, and traceability in our joint actions worldwide. With the method „Plan - Execute - Control - Optimise“ we ensure that our high quality standards and management systems are continuously improved. Our national and international further development advances us in a consistent and future-oriented way.

In addition to the unconditional commitment to meeting all customer requirements, Eibach has always placed great importance on the compliance with quality requirements, targeted proactive occupational health and safety, environmental protection and the responsible use of energy resources.







## ENVIRONMENTAL PROTECTION AND SUSTAINABILITY

Working in an environmentally friendly and energy-efficient way is an essential principle of the corporate group. Parts of this responsibility are active environmental protection, careful use of resources and an environmentally-oriented product and application strategy.

We include our external partners such as customers, suppliers, system partners and other interested parties in our activities.



## BUSINESS AND OPERATING SECRETS

We are obligated to maintain confidentiality about all operating and business secrets as well as internal confidential matters. This also applies to all confidential information about our customers and business partners.

Innovations, technical know-how and our experience form the foundation for the development and production of our high-quality products. In order to safeguard our competitive edge, these innovations and competencies must be protected from being copied in the best possible way.

Access to sensitive company areas by third parties must be prevented.



## **COPYRIGHT AND INDUSTRIAL PROPERTY RIGHTS**

We protect the valid copyrights and industrial property rights. Patents and other industrial property rights, such as trademarks and designs, are among the most essential corporate resources and ensure that we can operate competitively and effectively in the market. We therefore ensure that they are not misused by third parties.

It is equally important to prevent the unauthorised use of other people's property. For the protection of our customers and our company, we comply with the applicable legal provisions as well as these supplementary regulations.



## LABOUR LAW PRINCIPLES

### **a. In general**

We guarantee fair and safe working conditions.

We uphold the rights of co-determination.

We ensure that the remuneration and working hours of our employees are within the respective legal framework and are fair and appropriate.

### **b. Work safety**

We guarantee the health and safety of the employees at their workplace; we provide a working environment that encourages accident prevention and minimises health risks for employees. We adhere to the applicable legal and statutory occupational health and safety regulations, guidelines and recommendations of the employers' liability insurance association and the occupational health and safety specialists and encourage our employees to comply with them.

### **c. Smoking ban and prevention of addiction**

It is part of Eibach's philosophy to take care of the needs of addicts and prevention of addiction. In the Group companies, smoking is only permitted in designated "smoking areas" during breaks (and before and after working hours).

It is also part of the philosophy of Eibach to support measures that serve the health care of employees.

#### **d. Employment of family members and relatives**

Our decisions on recruitment and staff development are transparent and comprehensible. All potential conflicts of interest based on family affiliation, kinship or close friendship shall be disclosed prior to recruitment, promotion, transfer or assignment.

#### **e. Employment of foreigners**

When hiring foreign employees, the company checks whether the necessary requirements under labour and residence law are met and whether any restrictions by the foreigners authority on the content or duration of employment are to be observed.

#### **f. Child labour**

We observe the provisions of the United Nations on human and children's rights and are committed to the Convention on the Rights of the Child.

In particular, we commit to uphold the Convention on the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.

If a national child labour regulation provides for stricter standards, the company shall comply with them as a matter of priority.

#### **g. Forced labour**

Violations of human rights in the supply chains of the globally connected world economy can take many different forms.

When dealing with suppliers, we are additionally committed to paying attention to social aspects and the protection of human rights in the country of origin of the products.

Therefore, we respect the International Labour Organisation Convention No. 105.

The Convention stipulates that appropriate measures shall be taken to prevent situations similar to slavery from arising out of forced or compulsory labour.

Furthermore, the Convention provides for the abolition of slavery, the slave trade, slavery-like institutions and practices, and the complete abolition of debt bondage and serfdom.

#### **h. Dialogue with workers and employees**

We uphold the co-determination rights of our employees.

We respect our employees' right to freedom of association and assembly and grant them the right to collective negotiations in order to regulate working conditions.

All employees have the opportunity to voice their concerns at any time.



## INTERACTIONS WITH BUSINESS PARTNERS AND THIRD PARTIES

Our interactions with our business partners and third parties are marked by fairness and openness. Employees of our company are prohibited from obtaining personal benefits in connection with business activities. Furthermore, no one may demand, accept, offer or grant an undue advantage. It is also important not to give the impression of exerting influence.

Our employees do not allow themselves to be promised or offered benefits and do not accept them if this can or will give the business partner the impression that our employees are, as a result, influenced in their decisions.

This instruction applies to the initiation, award or execution of a contract. It is irrelevant whether the person is a private individual, a business partner or a public official.

It is generally prohibited to demand, accept or be promised rewards or gifts in direct or indirect connection with the employment relationship. Exceptions are only permissible if the gift:

- is of a kind that is customary in business transactions (small gifts)
- is of a low value not higher than EUR 40.00
- does not enable a general influence on business decisions and interests

The compliance officer counsels on all questions of doubt.



Gifts and invitations addressed to the employee as a private person (e.g. if the gift, voucher, etc. is sent to the private address or is addressed to the family) may only be accepted in consultation with the superior or the compliance officer. Cash gifts or the acceptance of vouchers are prohibited.

The details on how to deal with gifts are furthermore regulated in a separate guideline on the handling of gifts and invitations. It is customary, in the normal course of business, to pay for or accept everyday and occasional business meals as part of the hospitality. They are even essential for maintaining business relationships based on friendship and trust.





## CARTEL LAW

We are committed to open markets and fair competition. Every employee is obligated to comply with the cartel law regulations.

Particularly prohibited are price agreements, the exchange of sensitive information among competitors, market sharing in the form of territorial or customer agreements as well as quotas, boycott measures against suppliers or customers, the abuse of a dominant or strong market position through refusal to supply, predatory competition or the obligation to purchase entire product ranges or discrimination.



## PREVENTION OF CORRUPTION

Any form of corruption is strictly prohibited. Internal processes and procedures ensure that risks are identified and clear measures are put in place, such as:

- comprehensible and transparent documentation of business transactions, including all essential procurement steps,
- compliance with this Code of Conduct, the rules on gifts and gratuities and the company agreements in all business transactions,
- engaging only acknowledged suppliers who have been approved by the company.
- determination of the procurement method prior to supplier selection,
- no granting of unsecured loans or trade credits to suppliers,
- regular monitoring of compliance with the guideline through audits,
- tracing of violations
- (IT) archiving of contracts and supplier selection documents, regular backups of the archive,
- verification of the quotation and calculation documents for the appropriateness of the prices, plausibility check,

- examination of the completeness of contract documents and contract amendments (necessity, price, conspicuousness, contractual penalty provision, liquidated damages, guarantees),
- Auditing (proper accounting, including audit notes, measurement, clear expenses, compliance with internal responsibilities),
- measures to raise awareness and train staff,
- guidelines for the creation and safekeeping of documentations and for signature authorisation,
- ongoing reviews,
- closing reports (reporting).



## IT SECURITY UND DATA PROTECTION

The details of IT security and data protection are regulated in the framework guidelines on IT security, e-mail use, telecommunications and the use of social networks and media of the corporate group.

Company and individual agreements supplement these guidelines, which are binding for all employees as well as for external staff. Personal data, especially of employees may not be collected, stored and used unless this is necessary for specified, clear and lawful purposes. The data is only ever used for the intended purpose.



## REPORTING OF VIOLATIONS

The company has appointed a compliance officer, who employees can turn to for advice or to report a violation of this Code of Conduct. Employees are encouraged to seek immediate assistance when needed and to report any violations identified in their own interest. The supervisor or a manager can consult the employee or refer them to the respective office.

In addition, our compliance guidelines and principles are made available to every employee. Suitable information material is available to all employees and can be obtained from the individual supervisors.

You can also submit indications of violations of the law and of our internal Code of Conduct, reports of irregularities as well as suggestions by e-mail. **To do so, please use the following e-mail address: [compliance@eibach.de](mailto:compliance@eibach.de)**

The information may also be sent informally to the compliance officer. Every employee is also free to contact the supervisor or the human resources department.

All incoming notifications are duly assessed and treated confidentially.

Sanctions against the informant based on a report are prohibited, unless the informant violates applicable law.



## CLOSING REMARKS

We all take responsibility for complying with this Code of Conduct through our personal actions and the decisions we make in our workplace every day, thus ensuring the sustainable economic success of the company, the securing of jobs and the future of the corporate group.

### **Eibach Industries GmbH**

Finnentrop, July 2023

Wilfried Eibach  
Jürgen Schulte  
Markus Simon  
Birgit Kuklinski





## NOTE ON THE USE OF GENDER-SPECIFIC TERMINOLOGY

For reasons of simplified readability, we refrain from using different gender-specific terms in printed and digitally published media and documents. Of course, all information always applies equally to all genders and gender identities. Because we are committed to equal opportunities and diversity.

No one is discriminated against or in any other way impaired in their freedom of action and decision-making, humiliated or harrassed because of their gender, race, ethnic or cultural origin, disability, religion or belief, age or sexual orientation.

We expect all external partners and employees to respect the dignity, privacy and personal rights of each individual.







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