



# GENERAL CODE OF CONDUCT

This Code of Conduct applies to all employees of Eichenauer Heizelemente GmbH & Co. KG, Eichenauer Spol. s r.o. and Eichenauer Heating Elements (Huai'An) Co. Ltd., in the following called Eichenauer.

## 1 General Code of Conduct

### 1.1 Code of Conduct for employees of the company

Eichenauer expects the conduct of all employees to contribute to a positive atmosphere in the workplace. The opportunity to become familiar with a range of different nationalities, cultures and philosophies in the framework of their professional activities offers enrichment to all employees. A positive climate supports the motivation of employees and creates the foundation for ongoing business success. Tolerance and respect for one another are among the fundamental beliefs of all employees. Additionally, all employees are required to engage in responsible and ethical conduct. The dignity of each individual must be respected. Mutual respect is based on inner confidence and is expressed in a willingness actively to advocate for this. Only in this way can an open, tolerant and cooperative working environment develop.

### 1.2 Code of Conduct for managers

The managers promote productive conduct by carrying out their management duties in a performance- and value-orientated way. The leadership conduct of the management should set an example of respect for the value of each individual employee. By engaging with their staff in an open-minded way, they create a workplace atmosphere that promotes employee satisfaction and an open exchange of ideas. They encourage professional and target-orientated dealings with others, based on politeness, tolerance and mutual consideration.

### 1.3 Code of Conduct for dealings with third parties

All employees and the management team in particular must be well aware that their conduct represents and reflects the company. Their conduct influences both the external image of the company and its corporate culture. All employees are expected to treat other people, including customers and other external persons in a business relationship with the company, in exactly the same way as they would expect to be treated themselves. This naturally also applies to employees of other companies active within the company's sphere of influence.

## 2 Scope of application

### 2.1 Employee responsibility

All employees are required to familiarise themselves with Eichenauer's Code of Conduct and the company's principles and guidelines and to fulfil these requirements in the spirit and to the letter. Employment contracts, operational policies such as operational agreements and codes of conduct must be complied with by all employees. Even out of working hours and away from the company premises, employees are seen as ambassadors for Eichenauer. Protecting Eichenauer's excellent reputation therefore means that the Code of Conduct must be followed at all times and in all places. It is also important that employees encourage each other to observe the Code of Conduct of Eichenauer and work with the company in enforcing its provisions. The excellent reputation and long-term business success of Eichenauer also depend on this.

### 2.2 Scope of application

The nature of certain objectives of the company may lead to a requirement for standards of conduct that are more specific than those laid down in this Code of Conduct. In such cases, additional standards shall also be developed for specific business units, regions or individual departments in cooperation with the Human Resources Department. Legal regulations for the participation of employee representatives are respected.



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## 2.3 Legal compliance

The fundamental principle underlying the Eichenauer Code of Conduct is the obligation of the company to carry out its business in full respect of the applicable laws. All employees are responsible for understanding the legal requirements applicable to their duties and for determining their conduct on this basis and for communicating these standards to all employees under their management.

## 3 Dealings with authorities, state institutions, public offices and their representatives

### 3.1 Party donations

Payments, gifts, loans or services made, given or provided by Eichenauer to political parties, activist groups or candidates for political office are permissible only if they comply with the valid laws and local guidelines.

### 3.2 Payments or loans

Payments or loans from company, branch or own resources or the transfer of any assets of any kind to government representatives or employees for the purposes of achieving or maintaining business advantages of Eichenauer Heizelemente GmbH & Co. KG or its subsidiaries or affiliated companies or other persons or for the purpose of gearing business opportunities to the above-mentioned companies or persons are prohibited.

## 4 Conflicts of interest

### 4.1 Relations with suppliers, distributors, customers and other business partners

Eichenauer supports maintaining good relationships with suppliers, distributors, customers and other business partners. Employees must avoid any conflict between their own personal interests and those of Eichenauer or create the appearance of this and must ensure that their judgement or actions are not influenced in the execution of their duties as employee or create the appearance of this. Employees whose duties include purchasing tasks or contact with suppliers or service providers shall not use their position for personal gain. In particular employees must comply with the following guidelines relating to gifts, corporate entertainment, accommodation and other benefits offered by business partners. These guidelines cover only professional conduct which does not require codetermination, and not organisational conduct within the workplace.

#### 4.1.1

Eichenauer employees may at no point demand or request invitations to entertainment events, business dinners, gifts or other allocations or personal services or favours from their business partners.

#### 4.1.2

Invitations to business dinners as a guest of a business partner may be accepted as long as they are freely offered, pursue a legitimate business purpose and are an integral part of a programme of work (e.g. lunch during a seminar or meeting or cocktail reception after a meeting or a dinner as part of a continual period of activities).

#### 4.1.3

Travel and hotel accommodation paid for by business partners are not permitted. In the event that a business partner pays for accommodation or makes "in-house" company accommodation available, employees must calculate the corresponding market value, make the corresponding payment to the business partner and secure a reimbursement through their expenses account.

#### 4.1.4

Participation in sporting events and activities, shows or other entertainment events or business activities as a guest of the same business partner is permissible no more than twice per year. A representative of the host company must be present.

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## 4.1.5

In the event that employees, suppliers, distributors or customers of Eichenauer attempt to provide or to supply goods or services for personal purposes, the market value of the goods or services must be paid, and the payment must be proven.

## 4.1.6

Requesting or accepting any type of personal financial support from a supplier, distributor or customer is prohibited.

## 4.1.7

The sponsorship of Eichenauer events, birthday, retirement or other company celebrations by suppliers, distributors or customers is not permitted. Furthermore, employees may not ask for or accept, in their own names or that of the company, the involvement of a supplier in any charitable or quasi-charitable commitment sponsored by employees or the company. Such participation may bring about variables other than costs, quality and lead time in the supplier selection process.

## 4.1.8

Employees may accept price discounts and other promotional activities offered by Eichenauer suppliers, distributors or customers if these price discounts are available to all employees of Eichenauer. Price discounts are prohibited if they have been requested or granted in connection with the receipt or supply of goods or services for Eichenauer or were offered only to a limited group of employees.

## 4.1.9

Employees and their family members may never request gifts from suppliers, distributors or other customers of Eichenauer or accept other personal advantages. Promotional materials and other items of a value of up to €50 may be accepted as long as they are freely offered, and it can be reasonably assumed that the gifts will have no influence on the judgement or activities of employees in awarding contracts. Gifts of a higher value may not be accepted, and the giver must be referred to Eichenauer's guidelines. If employees have any questions regarding this (e.g. as regards an international setting in which returning a gift may be seen as impolite for cultural reasons), they should discuss the matter with their line manager or the company management. The occasional exchange of gifts in some cultures may be considered as acceptable business practice, but may become unacceptable if it is considered lavish, compromises professional judgment, or suggests favoring or preferential treatment.

## 4.1.10

The employees in question must comply with the "Code of Conduct for purchasers and employees of other departments involved in the issuing of contracts".

## 4.2 Secondary employment

Without the permission of Eichenauer, employees may not accept duties on the board of directors of companies operating for profit. Employees may not exercise any ongoing private business activities in conflict with their duties for Eichenauer and may not be active on behalf of business partners or competitors or carry out contractual duties for them in any other way without prior permission.

## 4.3 Share ownership

Employees of Eichenauer and their close family members must notify the company management of all shares they own, directly or indirectly, in business partners or other companies with a business relationship with Eichenauer or which may in the future have one. There is an exception for shares which do not affect the performance of Eichenauer employees' duties.



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## 5 Internal controls

### 5.1 Protection of property and information

Employees must protect the property of Eichenauer against loss, theft, misuse and unauthorised use as well as access or disposal. Employees may use the company's property only for purposes related to their fields of responsibility. Employees must maintain the strictest of confidentiality regarding all confidential information (in other words information about the company and its products not in the public domain), both during and after the end of their employment. Employees must comply with the company's guidelines on use, access and security of the software and information technology, email, Internet/intranet/extranet and voicemail systems.

### 5.2 Internal control systems/reports/documents

It is Eichenauer company policy to maintain an effective internal control system to guarantee compliance with all laws and company guidelines, to protect the company's property and to guard it against misuse and to ensure the proper authorisation of transactions and other activities of the company. The company draws up considered reports for external use, which meet all relevant international legal and business requirements. In order to achieve this standard, employees are expected to keep accurate and complete records of all business activities and to ensure proper authorisation and documentation of transactions with and obligations to business partners. In particular, employees are required to invoice business expenses in an accurate and timely fashion. Company documentation is the sole property of Eichenauer and should be drawn up and kept in compliance with the corresponding guidelines.

## 6 Quality

Eichenauer's commitment to quality and quality improvement processes is a major factor in the company's growth and economic success. Employees should make all possible efforts to exceed customer expectations both internally and externally and continuously to improve the quality of Eichenauer factory products and services.

## 7 Principles of social and corporate responsibility

Eichenauer takes its social and corporate responsibility seriously. Eichenauer is guided by the firm belief that its social and corporate responsibility is a major factor in the company's long-term success. This also applies to shareholders, business partners, customers and employees. However, alongside this responsibility, it is also absolutely vital that the company is and remains competitive. Eichenauer has implemented the principles listed below globally and compliance with them is part of its commitment to a diversity of cultures and social values.

### 7.1 Human rights

Eichenauer respects and promotes compliance with internationally recognised human rights.

### 7.2 Forced labour

Eichenauer condemns all forms of forced or compulsory labour.

### 7.3 Child labour

Eichenauer condemns all forms of child labour. Children must not be hindered in their development. Their health and safety may not be compromised. Their value must be respected.

### 7.4 Equal opportunities

Eichenauer undertakes to ensure equal opportunities in recruitment and refrains from discriminating against employees on the basis of sex, race, disability, country of origin, religion, age or sexual orientation, unless a national law expressly provides for selection on the basis of specific criteria.



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## 7.5 Equal pay for equal work

Eichenauer follows the principle of “equal pay for equal work”, unless valid laws or employment contract stipulations require exceptions to be made in individual cases.

## 7.6 Code of Conduct

All employees must comply with the rules of the Eichenauer Code of Conduct.

## 7.7 Employment conditions

Eichenauer is opposed to any form of exploitative employment conditions.

## 7.8 Health protection

Eichenauer guarantees at least the degree of protection of health and safety in the workplace laid down by the national legislation and supports the continual improvement of working conditions.

## 7.9 Payment

Eichenauer honours the right to appropriate payment in the sense of the payment of a minimum wage corresponding to the legal stipulations and local labour market.

## 7.10 Working hours

Eichenauer guarantees compliance with the national regulations and agreements on working hours and regular paid holidays.

## 7.11 Training

Eichenauer promotes the training and further training of employees, with the aim of ensuring excellent work performance of a high quality standard.

## 7.12 Suppliers

Eichenauer advises its suppliers to introduce and implement similar principles in their own companies. Eichenauer sees this as an excellent basis for long-term business relations and, all other things being equal, favours suppliers which are planning to introduce similar principles in their companies or have already implemented them.

## 8 Environmental protection

Eichenauer is committed to protecting the environment for current and future generations and to complying with all valid environmental laws and regulations. The company expects its employees actively to support and accompany it in seeking new products and production methods and encourages them to make careful use of our resources, enable recycling, avoid polluting the environment and thereby to protect nature.

## 9 Commitments to high ethical standards

Eichenauer is committed to abiding by high ethical standards in its business transactions. Eichenauer does not tolerate any unethical or corrupt conduct by its employees or business partners. Eichenauer does not permit any involvement in or tolerance of bribery or any other form of corruption.



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## 10 Relations with competitors and business partners

Eichenauer undertakes to comply with all valid competition, commercial and related laws relating to fair price-setting, fair competition and consumer protection. These laws govern Eichenauer's business relationships with its competitors, suppliers and distributors, sales companies and retail customers. In this context, there is a general prohibition on agreements and other activities to set or agree upon prices or pricing formulas, to share out sales territories or customers or disproportionately to restrict free and open competition. Additionally, the possibility for the company to pass on confidential or competition-related information and to enter into exclusivity agreements with suppliers or other business partners is restricted. These laws also lay down requirements for the disclosure of customer lists and the resolution of customer complaints. Competition and commercial laws are complex and provide the basis for all aspects of Eichenauer's national and international business activities. The penalties for failing to comply with these can be very strict. If employees have any questions as to the impact of these laws on their area of activity, they must approach a member of the management team. Eichenauer uses all legitimate sources to compile information on its business partners and competitors but avoids any type of procedure that is illegal or could lead to the liability on the part of the company.

## 11 Compliance with the Code of Conduct

### 11.1 Questions regarding the Code of Conduct

There may be questions regarding Eichenauer's Code of Conduct or other ethically relevant business situations. In the event that employees have any doubts as to the correct procedure, they may discuss these with their line managers. These issues may also be answered by the locally responsible representative of the Human Resources Department. Alternatively, they may also approach members of the management team. Business partners should approach the management team directly.

#### **Ask us – your contact partner for questions**

If you have any questions related to Compliance, please ask your line manager or the Human Resources Department.

### 11.2 Sanctions

Breaches of Eichenauer's Code of Conduct or other Eichenauer guidelines, directives or procedures may lead to disciplinary measures up to and including dismissal and legal proceedings. All managers and members of the Eichenauer management team are responsible for making sure that all employees are familiar with the contents of the Eichenauer Code of Conduct and follow the rules. Line managers and management team members are also liable for disciplinary measures and legal consequences in the event of any breach of these requirements. The management team must check compliance with these principles. Eichenauer reserves the right to amend the provisions of the company's Code of Conduct and to interpret them accordingly. Legal regulations for the participation of employee representatives are respected.