

## Code of Conduct



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**Dear employees and colleagues,**

Acting ethically and in accordance with the rules in our daily working life – this is what our Brose Code of Conduct describes in a worldwide valid set of regulations that provides the guidelines for respectful, honest and fair conduct between our employees and business partners.

Social responsibility is a given for us and has a long tradition in our globally oriented family-owned company. Compliance with legal requirements and ethical principles creates trust among our business partners and are the basis for our success.

A handwritten signature in blue ink that reads "Philipp Schramm". The signature is stylized, with the first name clearly legible and the last name written in a more cursive, flowing style.

Philipp Schramm  
CEO/CFO  
Brose Group

# Principles



## Compliance with laws, honest and truthful conduct

Our employees respect and follow all applicable local, national and international laws and regulations. Their actions are guided by honesty and truthfulness and they apply their sense of judgment in a rational way. Employees may neither abuse their social position nor use it to their personal advantage, nor may they encourage any actions that violate the Brose Code of Conduct and company principles.

The rules laid out in this Code of Conduct represent the minimum standard for Brose. If locally applicable laws are more restrictive than the rules outlined herein, then these laws take precedence.

## Conduct towards employees and business partners

In their everyday interactions with one another, our employees contribute to a corporate culture that is shaped by respect, honesty and fairness. They respect the personality and dignity of every individual.

## Leadership

Our managers lead by setting a good example. A focus on performance along with respectful, fair and honest treatment of others makes them role models for our employees. Brose managers are the points of contact for all professional matters and, if necessary, also personal affairs. They are guided by the Brose leadership and company principles. Supervisors set clear, realistic goals for their employees.

They encourage their employees to take personal responsibility and they provide the necessary latitude for this.

All managers have a supervisory duty. They must ensure compliance with legal requirements and the Brose Code of Conduct. Delegating tasks does not absolve them of this responsibility.

## Conduct towards business partners and third parties



### Integrity

Our employees show integrity in all dealings with business partners and third-parties. Our company also expects our business partners to comply with all applicable laws, general standards for social responsibility and principles of integrity.

Brose only maintains business relationships with third parties who act in accordance with ethically sound principles and who do not pose any risk of liability under criminal or civil law or risk of damage to our reputation.

Every confirmation, acceptance and payment for services or deliveries must be in reasonable proportion to the value of the service performed or the goods delivered. All circumstances, postings and payments related to business operations must be fully documented. The purpose and relationship to the business transaction must be clear and traceable.

### Fair competition

Brose stands for performance, quality and fair competition. Our employees observe anti-trust and competition regulations in the markets in which our company operates in all of their dealings with competitors, business partners and customers.

For example, conspiring with competitors regarding prices, offers, terms and conditions of business, production capacities, sales quotas or market shares is strictly prohibited.

The same applies to conduct that could impede competition in any way. Even the mere appearance of a violation must be avoided.

Information may only be shared with business partners and competitors within the permissible scope of anti-trust and competition law. Brose is convinced that the interests of business partners and other market players is best protected through fair competition. This is why our company never obtains any unfair advantages vis-à-vis customers, suppliers or competitors.

### **Awarding contracts**

Employees responsible for awarding contracts select business partners solely on the basis of objective criteria. This includes the quality, terms and performance of the products or services offered, for instance. Every offer is reviewed in a fair and unbiased manner. Personal or subjective reasons have no influence on decision-making. Even the mere appearance of immaterial considerations must be avoided.

If employees are related to supplier or service provider business owners by blood or by marriage, then they may not be involved directly or indirectly in decisions regarding the awarding of contracts to these companies. If employees are co-owners or shareholders in an external company (except for shareholdings of less than 5 percent), then Brose is not permitted to accept orders from or award contracts to these companies.

Our employees may not have personal orders fulfilled by companies if they might be able to benefit from the business relationship in any way. This is especially true if employees have direct or indirect influence over contract awards to these suppliers. Exceptions to these principles require permission from Purchasing Brose Group.

### **Export controls**

Brose's business activities are subject to a number of national and international customs and export controls as well as embargoes that regulate the free movement of goods and services. Statutory provisions and corresponding internal measures are anchored in the internal guidelines. Compliance with these regulations is critical to the integrity of our global business.

# Fighting corruption

## Ban on corruption

Brose does not tolerate bribes or any other forms of corruption. Employees may not solicit, accept, offer or grant benefits or other advantages in the course of business if this is intended to influence business decisions in an impermissible manner.

Special caution and restraint is advised when conducting business with domestic and foreign public officials, such as representatives of authorities or government officials. Payments for the purpose of expediting or carrying out an official act to which a basic entitlement exists are prohibited.

Attempts by suppliers to influence our employees' decision-making processes by means of unjustified financial or material contributions will result in the termination of the business relationship depending on the individual case.

## Gifts and guest services

Gifts and guest services may only be accepted or provided in accordance with applicable laws and internal guidelines.

In general, our employees must act with restraint when accepting or granting gifts and guest services. They must ensure that the scope of these gifts or guest services is not unacceptable or inappropriate. This is the case, for example, if business decisions are influenced or even if the mere appearance of influence could potentially arise.

Mixed expenses, such as vehicle or phone costs must be separated into business and personal expenses. Only business expenses can be reimbursed.

The assumption of travel or accommodation costs by third parties is not permitted.

## Money laundering

Brose is part of the international fight against money laundering within the framework of statutory requirements.

## **Donations and sponsorship**

Brose supports charitable projects in the fields of culture, social affairs, the environment, health, education and disaster relief with donations. This is one way our company assumes social responsibility.

Brose's targeted sponsoring activities focus on projects in the field of sports in particular, but also include education, culture and social affairs.

When selecting donation or sponsorship partners, our company is committed to ensuring transparency and integrity. Sponsoring activities must be in reasonable proportion to the expected advertising impact.

## **Reporting**

All annual financial statements and annual reports, whether in printed or electronic form, must present a clear and full picture of transactions and operations. Moreover, they must conform to Brose's accounting policies and internal requirements. Inaccurate reporting within our company is prohibited, as is information vis-à-vis external organizations or persons. The relevant functions ensure that the content of reports and documents is correct.



## Avoiding conflicts of interest



Brose is committed to ensuring that employees never experience conflicts of interest while performing their duties. This can happen, for instance, if an employee who works for Brose also works for or has an interest in another company. There is an internal guideline for handling conflicts of interest.

### **Secondary employment**

Our employees are required to obtain approval for secondary employment from their responsible HR Business Partner. Operating a company as well as the direct or indirect participation in a company also requires prior written consent from Human Resources. Stock purchases for investment purposes are exempt from this rule.

Approval can be withheld if secondary employment conflicts with Brose's legitimate interests. Possible reasons may include the impairment of job performance or a possible conflict of interest.

### **Social involvement and political activities**

Brose supports its employees' social commitments in clubs, organizations and public functions at both the local and national level. Supervisors grant employees the appropriate leeway for these activities, particularly for participation in city and municipal councils and district assemblies. Within the context of their personal involvement, every employee must ensure that our company does not become involved in political campaigns or public disputes.

# Corporate Communications



## Media, publications and public appearances

All media inquiries relating to the Brose Group or its companies must be referred to Communications & Marketing Brose Group. Only shareholders and authorized company spokespersons make statements to the press and media outlets.

All press releases, statements and interviews related to Brose must be approved by External Communications Brose Group and the responsible executive vice president prior to publication. This also applies if an employee acts as a representative or our company or is addressed as such. It must also be determined whether the contents of any such statement need to be coordinated with the legal department.

Exceptions to this rule include statements made by the works council if they are necessary for the performance of its statutory duties and if the employer has given reasons for this. The right to express one's own opinion – which is expressly referred to as an expression of personal opinion – remains unaffected hereof.

# Handling information

## Patents and protecting intellectual property

Intellectual property that employees create for Brose as part of their professional duties and that is important to our company is sufficiently protected by corresponding property rights for Brose. This applies to patents, utility models, designs and trademarks, for example.

Brose will investigate any and all violations of our proprietary rights through unauthorized use by third parties. Employees should also be prevented from using the property rights of our business partners and competitors without authorization.

## Protecting trade secrets

Our employees are obliged to treat confidential information and trade secrets as such. This applies not only to internal business, technical and financial information, but also to information Brose receives from its business partners.

## Privacy

Brose treats all personal data with the utmost care. Compliance with statutory requirements concerning data protection and privacy is assured in all business processes. All employees who process personal data are obliged to comply with the relevant data protection regulations and maintain confidentiality.

## Information and IT security

Our company has a risk-based Information Security Management System (ISMS) that safeguards data belonging to Brose and our business partners. This system helps protect personal or business-related data against unauthorized access, manipulation or loss using state-of-the-art technology and organizational measures while ensuring the information remains available and confidential at all times.

## Fairness and diversity



Employee diversity is crucial to the success of our globally operating company. Brose strives to recruit, train, retain and promote the most skilled employees. Career advancement is based on performance and expertise. Brose is committed to ensuring equal opportunities, engaging in fair hiring practices and fighting discrimination.

### **Appropriate remuneration**

Our company respects the right to appropriate remuneration and complies with the legally guaranteed minimum wages. Remuneration is based on the employee's activity and performance along with the conditions on the respective labor market.

### **Prohibition of discrimination and harassment**

Brose observes internationally recognized human rights and encourages compliance. This includes the principles of the United Nations Global Compact, for example. Any form of forced or child labor in our company and with business partners is strictly prohibited.

Brose fosters a working environment that supports diversity. Differences between employees are valued and respected. All forms of discrimination, harassment or intimidation on the basis of gender, skin color, religion or beliefs, nationality, age, sexual orientation, social origin, physical disability, political and trade union activity or on racial grounds is prohibited. They stand in the way of respectful and fair treatment. The use of physical or psychological violence, for instance in the form of insults, threats or any form of humiliation will not be tolerated under any circumstances.

Our employees are not permitted to use Brose's electronic systems to transmit or receive images or text that constitute harassment as defined above.

Employees who are subjected to, observe or are aware of such behavior should inform their supervisor and the responsible HR Business Partner.

Brose will promptly investigate any evidence of harassment or discrimination and take appropriate action in compliance with local legal requirements.

## Responsibility in the workplace



### Workplace safety

The safety of our employees in the workplace is a top priority for Brose. As such, all applicable international and location-specific health and safety regulations along with the respective national laws concerning working hours must be observed at all times. The Brose Working World ("Arbeitswelt") is constantly evolving. Every employee is urged to play an active role in its development, to eliminate any safety issues they are aware of and report these to their supervisors.

### Environmental protection

Our company attaches high priority to environmental protection and the conservation of natural resources. Our employees consider environmentally friendly design, technical safety and health protection, particularly in the development and manufacture of our products. Our company is always working to improve its own ecological efficiency.

Our managers and employees ensure compliance with laws and industry standards. An environmental management system was implemented to support these efforts.

All employees are expected to make a sustainable contribution to achieving the company's environmental protection and sustainability goals through their own conduct.

## Employee representation

Every employee has the right to organize into a trade union. National legal regulations and existing agreements must be observed. Our company values respectful, trust-based collaboration with employee representatives. We strive to achieve a fair balance between Brose's economic interests and the interests of our employees and to always ensure constructive cooperation, even in the event of contentious disputes.

## Quality and product safety



## Quality

Brose delivers the quality customers expect. All employees are required to meet the expectations of internal and external customers and to continuously improve the quality of our products and services.

## **Product safety**

The development of safe and robust products is our company's number one priority. In consultation with our customers, Brose considers product safety, functional capability and interaction in applications as early as the design stage. Brose openly discusses unavoidable risks with customers. Our company ensures that changes in requirements are taken into account early on through market observation.

## **Compliance with the Brose Code of Conduct**

All employees must strictly observe the Brose Code of Conduct and our internal guidelines. Our company will not tolerate any behavior that contradicts the Code of Conduct and such behavior may result in disciplinary action.

All managers are responsible for ensuring that every employee assigned to them is aware of the Brose Code of Conduct and for working to ensure compliance with it.

## **Questions**

In the event of uncertainty regarding proper conduct, employees can contact their supervisors, the responsible HR Business Partner or the works council. If clarification is not possible, our employees can contact the head of HR Brose Group.

If they have questions about compliance issues or are aware of compliance incidents, our employees can approach their supervisor or contact Brose's Legal & Compliance department. Alternatively, a web-based notification system is available, provided it is permitted at the employee's location. All concerns are treated as confidential. The management assures the protection of whistleblowers and any persons supporting them, provided that the whistleblowers' submissions are made in good faith.

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