

# IFAG

## Code of Conduct and Ethical Guidelines

IFAG'S PURPOSE IN PREPARING THIS DOCUMENT IS TO ESTABLISH A COMMON FRAME OF REFERENCE AND TO DEFINE COMMON PRINCIPLES FOR WHAT IFAG'S INFORMATION ACTIVITIES AND THEIR MEMBERS' EXCHANGE OF INFORMATION MAY INCLUDE, AS WELL AS ESTABLISH GUIDELINES FOR THEIR MEMBERS' RELATIONSHIP TO COLLEAGUES, CUSTOMERS AND EMPLOYEES.

18<sup>th</sup> May 2017

## Code of Conduct

### Introduction

IFAG performs various service functions for their members. These service provisions help support the members in having a solid foundation for running their company. IFAG thus has a valuable role - viewed from both the companies' side and from a societal perspective.

IFAG provides guidance to their members about trade relevant matters, as well as informing the trade's customers about the relevant merits of conducting business with an IFAG member company. Hence, IFAG's role encompasses everything from e.g. new legislation, technical standards, collective procurement of decals etc., certification of employees, trade statistics and general exchange of experiences.

Good information from IFAG can help to create good growth conditions for competition. Information about the truck industry's conditions and best practice can for instance improve the members' effectiveness, just as it can benefit the industry's customers, as it makes the market more transparent and gives the customers more options.

IFAG and the association's management are aware that certain forms of information can result in adverse effects on competition. IFAG must therefore continually bear in mind that for instance it does not issue information about competitive parameters that can lead to an alignment or coordination of the members' conduct, which can be detrimental to competition.

It is both IFAG's and the members' own responsibility that the competition rules are complied with at all times.

### Purpose

The aim in preparing these guidelines regarding the association's and the members' conduct is, to establish a common frame of reference for the trade association's information activities as well as the members' exchange of information about, with or between the individual members.

This code of conduct incorporates the association's hitherto applicable set of ethical guidelines regarding essential principles pertaining to contact with customers, colleagues and employees. A dignified and respectful approach to these very important relationships and compliance with decent ethics enhances both the individual company's reputation as well as the industry's reputation as a whole.

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The rules shall contribute towards strengthening the association's and the members' reputation and influence within both the industry as well as society in general, just as they shall contribute towards developing a well-functioning association and a business that is built on co-operation, high integrity and ethics.

IFAG's code of conduct, the companies' compliance with prescribed requirements and their ethical conduct is therefore intended to ensure that in addition to complying with Danish legislation, competition is based on professionalism, technical competence, high quality and high ethical standards.

Members shall on the basis of precisely these qualities and goals clearly distance themselves from non-members.

With a membership of IFAG, the members indicate in other words that they want to compete on fair terms and promote and develop a good collegial and fair relationship to other members and ultimately to contribute towards strengthening the above mentioned goals.

By IFAG and its members complying with the rules and requirements stated below, the goal is that the association's and members' integrity and reputation is protected and consolidated.

### **The Association's Management**

IFAG's Board of Directors and employees must continually comply particularly with the following requirements:

**Prices:** refrain from recommendations in any form of concerted practice about prices, discounts, price increases etc.

**Sales:** desist from participation in any form of exchanges of information and recommendations that can be used to restrict or divulge a planned sale

**Expenditure:** refrain from proposing recommendations to pass on specific expenditure to customers

**Terms of Business:** desist from proposals about standard terms that directly or indirectly affect members' price setting.

### **Member Companies**

Competition rules are complex, which is why members must each exercise due diligence in all matters relating to free competition.

It is important that the association's member companies continually ensure compliance with legislative competition rules. No agreements - written or unwritten - should in any way compromise the individual's obligations with regard to compliance with the rules of competition.

The Danish competition legislation seeks through its regulatory protocols to ensure a fair and healthy competition, which ultimately is the "driver" for productivity, innovation and value for customers and business relations.

IFAG members must not in any form engage in anti-competitive activities or other activities that can lead to suspicion of conduct detrimental to competition such as:

- Speaking with competitors about market-sensitive information such as prices, capacities, bids, profit margins, distribution channels, marketing plans, sales conditions, contractual obligations, expenditure, or otherwise sharing confidential information that can lead to competitive advantages.
- Participating in secret bidding (including acceptance of or proposal to tender with a purpose other than winning the contract) or
- Sanctioning agreements with one or more competitors about not competing or about sharing the market between themselves.

Other activities such as price-fixing or price restrictions, discount agreements as well as certain agreements with suppliers, may be considered anti-competitive based on the specific situation.

### **The Interaction with Competitors in the Trade Association**

The membership of the trade association IFAG consists of individual companies within the same industry and with a shared interest for meeting and participating in professional and legal activities. The activities may be e.g. topics such as the definition and discussion of Danish and international technical standards, employee training and certification of these, shared professional marketing activities etc. Participants should always keep in mind that the members are competitors.

### **Association Activities in IFAG**

The contact and meetings under IFAG's auspices with members of the association must always take place, while considering the above mentioned code of conduct and requirements.

Exchange of information must always take place within the legislative framework, and in consideration of providing members with the best possible professional benefits of participation in the association's activities.

## **Ethical Guidelines**

Members of IFAG must always comply with the following:

### **In Relation to Colleagues:**

- Desist from acting in a manner that can discredit themselves and other members
- Desist from discrediting a competing colleague's company, expertise and employees
- To market and profile the member company in a manner that is truthful and in accordance with good business practices and which does not in a subjective manner emphasise advantages at the expense of other members
- Desist from discrediting colleagues and products that are used in the industry, in advertisements, press releases, on websites etc.
- To promote good and collegial relationships within the IFAG circle, by for instance presenting any professional criticism of a colleague in a dignified manner and to the person concerned
- In relation to engaging a member as a subcontractor, to act in the same manner as the member requires their own customer to behave

### **In Relation to Customers:**

- Only take on work that the person concerned has the necessary skills and resources to carry out correctly and on time
- Use the services of partners, who are in a position to fulfil the same requirements
- Co-operate actively and positively with the customer and their advisers with a view to a shared optimisation of the tasks. This involves for instance advising the customer objectively and honestly while taking into consideration the customer's needs, including explaining the relationship between price and quality

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- To give customers any necessary information regarding the service provided, as well as affording them a good and fair service
- Through an open and fair form of co-operation, to contribute towards any disputes being resolved in the most appropriate manner

### **In Relation to Employees:**

- Work to achieve a good working environment in the company, so job satisfaction increases, the wear and tear is reduced and the number of accidents minimised
- Ensure that there is no discrimination against employees on grounds of race, nationality or gender, while working towards the company being inclusive for all who are willing to work
- The member must ensure that the employees are always in possession of the necessary professional knowledge, so that they are in a position to afford the best possible service, including complying with all regulations etc. contained in the industry's "Overhaul Folder"

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Ratified by IFAG's membership at the Annual General Meeting on 18<sup>th</sup> May 2017

