

BME Code of Conduct

(Code of Conduct)

I. Preamble

The German Association of Supply Chain Management, Procurement and Logistics (BME) represents around 9,750 members, ranging from individuals to large companies. All sectors and types of companies are represented in the BME, such as industry and trade, banks and insurance companies, public institutions, utilities and logistics service providers.

The BME and its member companies recognize their social responsibility. In particular, all those involved in the procurement process, as intermediaries between their own company and the suppliers in the respective procurement markets, bear responsibility towards their own company, towards customers and suppliers, towards the environment and towards society.

The actions of companies and their employees are guided in particular by the values of integrity and fairness. Honest, incorruptible and trustworthy behavior characterizes social responsibility as well as collegial, fair and impartial cooperation in the best interests of all parties involved.

The BME Code of Conduct is a voluntary code intended to emphasize the interest of the German Association of Supply Chain Management, Procurement and Logistics (Bundesverband Materialwirtschaft, Einkauf und Logistik e. V.) and its members in fair, sustainable, responsible ethical principles of action.

The BME Code of Conduct applies to the signing / acceding company, its management as well as its employees and shall serve as the basis for all business relationships of the signing / acceding company.

The ethical guidelines described in this BME Code of Conduct are based in particular on the principles of the UN Global Compact (Annex), the ILO Conventions, the United Nations Universal Declaration of Human Rights, the UN Conventions on the Rights of the Child and on the Elimination of All Forms of Discrimination against Women, the OECD Guidelines for International Business Enterprises and the German Supply Chain Duty of Care Act (LKSG). The following Sections II to V constitute minimum standards and are intended to prevent situations that could call into question the integrity of companies and their employees.

The signing / acceding company observes the principles of the Global Compact and works towards their achievement in its management.

II. General principles, law and legislation

The signing / acceding company undertakes to live up to its social responsibility in all corporate activities.

The signing / acceding company undertakes in all business actions and decisions to comply with the applicable laws and other relevant provisions of the countries in which it operates. Business partners are to be treated fairly. Contracts are honored, taking into account changes in the general conditions.

III. Corruption / antitrust / forced labor / child labor

a) Corruption

When dealing with business partners (customers, suppliers) and government institutions, the interests of the company and the private interests of employees on both sides are strictly separated. Actions and (purchase) decisions are made free of extraneous considerations and personal interests.

The applicable criminal law on corruption must be complied with. Among other things, note the following:

Crimes related to public officials:

The granting of personal benefits (in particular of a monetary nature such as payments and loans including the granting of small gifts over a longer period of time) by the signing / acceding company and its employees to public officials (such as civil servants or employees in public service) with the aim of obtaining benefits for the signing / acceding company or themselves or third parties is not permitted.

Crimes in business transactions:

Monetary personal benefits in return for preferential treatment in business dealings may not be offered, promised, granted or approved. Likewise, personal benefits of value may neither be demanded nor accepted in dealings with business partners. The signing / acceding company must impose on its employees that they do not allow themselves to be promised corresponding benefits.

Management and employees of the signing / acceding company may not offer, promise, demand, grant or accept any gifts, payments, invitations or services in business dealings that are granted with the intention of improperly influencing a business relationship or where there is a risk of jeopardizing the professional independence of the business partner. This is generally not the case with gifts and invitations that are within the scope of customary hospitality, custom and courtesy.

The signing / acceding company may issue a binding policy on accepting and giving gifts, invitations to entertainment and events. This may provide for exceptions regarding appropriate low-value and symbolic gifts, appropriate business meals and appropriate events of the company itself as well as of business partners (customers, suppliers). The policy shall be communicated to the BME and it shall be communicated transparently within the signing / acceding company as well as to existing and potential business partners (publication).

The signing / acceding company shall provide a contact person who can be contacted if employees of the signing / acceding company are in a conflict of interest or they are unsure whether a conflict of interest exists or could arise.

b) Conduct towards competitors (antitrust law)

The signing / acceding BM member company respects fair competition. Therefore, the signing / acceding company shall comply with the applicable laws that protect and promote competition, esp. the applicable antitrust laws and other laws regulating competition.

In dealing with competitors, these regulations prohibit in particular agreements and other activities that influence prices or conditions, allocate sales territories or customers, or impede free and open competition in an impermissible manner. Furthermore, these regulations prohibit agreements between customers and suppliers aimed at restricting customers' freedom to autonomously determine their prices and other conditions when reselling (price and condition fixing).

In view of the fact that the demarcation between prohibited cartels and permissible cooperation can be problematic, the signing / acceding company should provide a contact person for its employees who can be contacted in case of doubt.

c) Forced labor and human trafficking

The signing / acceding company rejects any form of forced labor and human trafficking.

d) Child labor

The signing / acceding company observes the regulations of the United Nations on human rights and children's rights. In particular, the signing / acceding company undertakes to comply with the Convention concerning the Minimum Age for Admission to Employment (Convention 138 of the International Labor Organization) and the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor (Convention 182 of the International Labor Organization).

If a national regulation concerning child labor provides for stricter standards, these must be observed as a matter of priority.

III. Principles of social responsibility

a) Human Rights

The signing / acceding company respects and supports the observance of internationally recognized human rights.

b) Discrimination

The signing / acceding company undertakes to oppose any form of discrimination within the framework of the respective applicable rights and laws. This refers in particular to discrimination against employees on the basis of gender, race, disability, ethnic or cultural origin, religion or belief, age or sexual orientation.

c) Health protection

The signing / acceding company ensures occupational safety and health protection at the workplace within the framework of national regulations. The signing / acceding company supports continuous development to improve the working environment.

d) Product safety

Products and services of the signing / acceding company are marketed in compliance with the internationally applicable laws and standards on product safety.

e) Fair working conditions

The signing / acceding company respects the right to freedom of association and the working hours of its employees within the framework of the respective applicable rights and laws.

f) Unlawful eviction / land use

The signing / acceding company observes the prohibition of unlawful eviction and the prohibition of unlawful deprivation of land, forests, waters in the development or other use of land, forests or waters, the use of which secures the livelihood of a person.

g) Deployment of security forces

The signing / acceding company will not use private or public security forces to protect business projects if, due to a lack of instruction, the prohibition of torture is disregarded, life or limb is injured or freedom of association is impaired.

h) Environmental protection

The signing / acceding company is committed to the goals of environmental and climate protection for present and future generations. Laws enacted to protect the environment and the climate must be observed. The companies are committed to protecting natural ecosystems and promote the use of the circular economy.

The signing / acceding company uses resources sparingly and minimizes its impact on the environment and climate. The signing / acceding company supports environmentally conscious behavior by its employees.

In particular, the signing / acceding company complies with existing prohibitions on causing harmful soil changes, water and air pollution, harmful noise emissions or excessive water consumption beyond applicable limits.

The signing / acceding company complies with the ban on the manufacture of mercury-containing products under the Minamata Convention, the ban on the export of hazardous waste under the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and the ban on the production and use of chemicals under the Stockholm Convention of May 23, 2001 on Persistent Organic Pollutants (POPs Convention).

i) Reporting violations

The signing / acceding company shall inform its employees that and how they can report violations of this BME Code of Conduct. The signing / acceding company shall comply with locally applicable regulations on whistleblower protection, in particular on protection against unlawful reprisals. All employees are encouraged to speak up to supervisors and / or whistleblowers about any behavior that may be contrary to this Code of Conduct.

j) Trade secrets

The signing / acceding company obligates its employees to observe company / and business secrets. Confidential information as well as confidential documents may not be disclosed to third parties without authorization or made accessible in any other way, unless authorization has been granted for this purpose or the information is publicly accessible.

IV. Suppliers

The signing / acceding company is requested to communicate the principles of this BME Code of Conduct Section III 1. and 2. to its immediate suppliers, to promote compliance with the contents of the BME Code of Conduct Section III 1. and 2. among its suppliers to the best of its ability, and to request that these suppliers also comply with the BME Code of Conduct Section III 1. and 2. The signing / acceding company is also encouraged to recommend to its suppliers that they in turn ask their suppliers to comply with the BME Code of Conduct. Furthermore, the signing / acceding company undertakes to fulfill and comply with the principles and requirements of the Supply Chain Sourcing Obligations Act and to implement them to the best of its ability in its daily business activities.

V. Compliance

The signing / acceding company is free to introduce more far-reaching behavioral guidelines with higher requirements for ethical behavior for itself and its employees.

The signing / acceding company undertakes to make known to its employees the contents regulated in this BME Code of Conduct and the obligations resulting therefrom.

The signing / acceding company undertakes to work towards ensuring that the company complies with the principles of this BME Code of Conduct, in particular by designing and, if necessary, adapting guidelines and processes.

The signing / acceding company must name a responsible contact person for the BME Code of Conduct vis-à-vis the BME who can provide binding information on compliance with the BME Code of Conduct. The signing / acceding company must take suitable organizational precautions to ensure that the BME Code of Conduct is complied with by the signing / acceding company and its management. This is done in particular by introducing and maintaining appropriate controls and plausibility checks.

APPENDIX

United Nations Global Compact

The ten principles

The principles of the Global Compact are based on a worldwide consensus derived from

- the Universal Declaration of Human Rights
- the International Labor Organization Declaration on Fundamental Principles and Rights at Work
- the Rio Declaration on Environment and Development and
- the United Nations Convention against Corruption

The Global Compact requires companies to recognize, support and put into practice within their sphere of influence a set of core values in the areas of human rights, labor standards, environmental protection and anti-corruption:

Human Rights

- 1:** Businesses should support and respect the protection of international human rights within their sphere of influence and
- 2:** ensure that they are not complicit in human rights abuses

Labor standards

- 3:** Businesses shall uphold the freedom of association and the effective recognition of the right to collective bargaining, and shall also provide for
- 4:** the elimination of all forms of forced labor,
- 5:** the abolition of child labor and
- 6:** advocate the elimination of discrimination in employment and occupation.

Environmental protection

- 7:** Companies should support a precautionary approach in dealing with environmental problems,
- 8:** Take initiatives to create a greater sense of environmental responsibility; and
- 9:** Promote the development and diffusion of environmentally friendly technologies.

Fighting corruption

- 10:** Businesses should work against all forms of corruption, including extortion and bribery.