

SUSTAINABILITY GUIDELINES FOR SUPPLIERS

of the b+m group

1. Preamble

Sustainability is a long-term, strategic success factor for b+m surface systems GmbH. It is also a prerequisite for our suppliers and subcontractors. As a company we are committed to the notion of sustainability. This commitment guides our thinking and actions every day. These sustainability guidelines for suppliers therefore set out minimum standards and define the basic requirements for our suppliers.

These include compliance with internationally recognised human and employee rights, prevention of child labour and forced labour, compliance with statutory standards and environmental directives, preventive environmental protection as well as compliance with and promotion of ethical business conduct as described in our code of conduct. We also expect our direct and indirect suppliers to ensure that their subcontractors and suppliers comply with these guidelines.

2 Compliance and ethical business conduct

2.1 Compliance with laws

Our suppliers are called upon to refrain from any form of fraud or embezzlement, criminal insolvency offences, corruption, granting of advantages or bribery. We expect the highest level of integrity in all business activities and business relationships. The supplier is obligated to comply with all national and international regulations and laws that apply to the supplier and to the business relationship with us.

2.2 Fight against corruption

Any form of corruption must be avoided. Bribery, kickbacks, extortion, with the objective of exerting influence on representatives of business partners, politicians, administrative officials, judicial officers or the public are particularly prohibited.

2.3 Fair competition, antitrust law

All laws and regulations that promote and protect competition, in particular antitrust laws and the provisions against unfair competition, must be complied with. Companies must respect fair competition and adhere to the prohibition of price fixing, sales conditions, quantity restrictions, division of territory with competitors, offers with respect to public tender invitations and prohibition of other measures that hinder a free market.

2.4 Trade secrets

Our suppliers are obligated to treat all obviously commercial and technical details that become known to them through the business relationships as trade secrets.

To improve readability, these guidelines avoid the simultaneous use of male, female and binary forms of speech (m/w/b). All references to persons apply equally to all genders.

Our suppliers shall respect the protection of third-party intellectual property.

2.5 Whistleblowing and protection against retaliation

We expect from our suppliers that employees, who within the supplier company, submit a complaint report will be protected against threats, harassment or other disadvantageous measures. Moreover, protection of the personal data of the reporting person and of the reported persons must be ensured. We expect that the supplier company will keep the identity of whistle-blowers confidential during all phases of the investigation.

2.6 Conflicts of interest

Suppliers must disclose any current or potential conflicts of interest that could impact their business activity with us. This category includes economic and personal relations. Business-relevant decisions shall be made exclusively based on facts and objective analysis.

2.7 Land, forest and water rights as well as eviction

The business partner shall acknowledge and respect the existence of land rights or customary land rights and the associated rights specific to the community, indigenous peoples and individuals. The business partner shall refrain from wrongful evictions and unlawful confiscation of land, forests or bodies of water necessary for ensuring the subsistence of a person.

2.8 Use of private and public security forces

The business partner shall refrain from hiring or deploying security forces if due to insufficient instruction or control on the part of the business partner, a risk of torture or cruel, inhumane or degrading treatment or risk of injury to life or limb could exist, or the freedom of association or freedom of assembly could be adversely affected.

3. Social sustainability

3.1 Respecting human rights

We call upon our suppliers to respect and promote compliance with internationally recognised human rights (UN Charter of Human Rights). In all business activities within the supplier's sphere of influence, suppliers should work towards the situation that the supplier itself, its business partners, and its suppliers do not commit human rights violations or participate in human rights violations.

3.2 Avoidance of child labour

Child labour shall not be used in any phase of production or processing. Companies are encouraged to adhere to the recommendation enshrined in ILO Conventions on the minimum age of employment or the use of child labour. This minimum age should not be less than the age at which compulsory education ends, and in any case no less than 15 years. The minimum age for hazardous work is 18 years. Children must not be inhibited in their development; their safety and health must not be impaired.

3.3 Prohibition of forced labour, free choice of employment

Any form of forced or compulsory labour is prohibited and will be rejected by b+m surface systems GmbH. Employees shall be free to terminate the employment relationship by giving

suitable notice. Employees shall not be forced to hand over their ID card, passport or work permit as a precondition for employment.

3.4 Wages, social benefits and working hours

Remuneration and social benefits shall meet the basic principles governing minimum wages, overtime and legally prescribed social benefits.

As a minimum, working hours shall comply with applicable laws, industry standards or the relevant ILO Conventions, depending on which regulation is more stringent. Remuneration and social benefits must be commensurate with the basic principles relating to minimum wage, applicable overtime regulations, and statutory social benefits. Overtime shall be voluntary and employees shall have at least one day off after six consecutive working days.

3.5 Discrimination and equal opportunities

We expect our suppliers to promote equal opportunities and equal treatment and to prevent discrimination when hiring and promoting employees or providing initial and further training courses. No employee may be disadvantaged on the grounds of gender, age, skin colour, culture, ethnic origin, sexual identity, pregnancy, disability or illness, religious affiliation or philosophy or political or trade union activity.

3.6 Freedom of association and right to collective bargaining

Our suppliers must ensure that employees can openly exchange views about work conditions with company management, without fear of disadvantages. Companies should grant and respect the right to freedom of association and ensure effective recognition of the right to collective bargaining. The right of individual employees in a workplace to come together and to choose a representative, based on a majority vote as well as the possibility to freely express their opinions, must be respected.

3.7 Safety and health at the workplace

As employers, we call upon our suppliers to ensure safety and health at the workplace, at least within the framework of the respective applicable national regulations, and to support and promote continuous further development for improvement of the work environment.

4. Environmental standards

4.1 Environmental responsibility

Companies shall adopt the precautionary principle with environmental issues, implement initiatives to promote greater environmental responsibility and promote the development and uptake of environmentally friendly technologies. Negative effects on the environment or climate caused by our suppliers directly or within their supply chain shall be minimized or eliminated at the source.

4.2 Environmentally friendly production

In all phases of production the sense of responsibility on the part of each and every employee is the basis for optimal company-internal environmental protection. This includes a proactive procedure for avoiding or minimising the consequences of incidents (substance release, fire, explosion) that may adversely affect the environment.

In this regard there must be special focus on use and further development of technologies that reduce the consumption of energy and water, characterized by the implementation of strategies for reuse and recycling, as well as continuous improvement of air quality and water quality, and strict avoidance of detrimental soil change practices due to own business activities.

4.3 Environmentally friendly products

All products manufactured along the supply chain shall fulfil the environmental protection standards of their respective market segment. This includes the complete product lifecycle as well as all materials used. Chemicals and other substances that can pose a hazard if released into the environment or that have a categorical potential for release, must be identified.

b+m surface systems GmbH establishes hazardous substance management for all substances and mixtures with which our employees or third parties may come in contact, to ensure through suitable procedures that such substances can be handled, transported, stored, reprocessed or reused, and disposed of safely. We expect the same responsible procedure from our suppliers.

Suppliers shall seek to develop and use eco-friendly and climate-friendly products, processes and technologies, and pursue ecological improvement. We assume these obligations to be fulfilled by the reduction of raw material and energy consumption, emissions, wastewater, noise, waste and reliance on natural resources and hazardous substances.

4.4 Energy consumption and greenhouse gas emissions

We expect our suppliers to reduce energy consumption and to reduce the use of valuable resources to protect the climate. Increasing the share of renewable energies should be the objective of the management program. This should be done by setting long-term goals for climate-neutral production and delivery through ongoing reduction of greenhouse gases (direct and indirect emissions), such goals should also apply to expansion of production locations and supply fleets. In procurement for energy requirements, the demand for a low-CO₂ energy/electricity mix should be balanced through sensible optimisation measures.

4.5 Water quality and water consumption

Our suppliers should effectively reduce water consumption and reuse water wherever possible (use of circular systems). Wastewater should be responsibly introduced for recycling.

4.6 Improving air quality

In our supply chain we expect that air emissions are monitored, appropriately inspected, and reduced to promote local air quality control. Air quality in the vicinity of the supplier's production site should be improved through sustainable use of modern filter systems.

4.7 Biodiversity, animal protection, land use and deforestation

Suppliers shall support activities to preserve biodiversity and animal welfare, optimise land use in terms of potential construction projects and ensure, to the extent possible, that the production of raw materials will not adversely affect the total area nor the condition of the impacted forest ecosystems.

4.8 Management of natural resources and waste reduction

We expect that our suppliers will promote as well as increase the use of sustainable resources, renewable resources, and natural resources, and that our suppliers will promote and increase the use and recycling rate. It is essential to guarantee safety and the compliance with regulations for handling, storing, transporting, disposing of, recycling and reusing waste, exhaust gases and wastewater.

4.9 Avoidance of hazardous substances

The supplier is obligated to comply with all applicable statutory regulations and rules regarding prohibited and declarable substances and provide relevant verification (e.g. REACH, RoHS, POP).

Substances that pose a hazard for people and the environment if released must be avoided. The suppliers of b+m surface systems GmbH shall maintain a hazardous substances management system that enables safe use and transport as well as safe storage, reprocessing, reuse, and disposal. Our suppliers should live the substitution or minimization principle of responsible management of chemicals.

If such critical substances are used in the production process, or if such substances are in the end product, they must be identified. Moreover, associated compliance with statutory regulations must be ensured. This must also be taken into account when using substances that are subject to reporting requirements in processes or in the end product. The supplier is called upon to seek suitable replacement substances or reduce the use of such substances.

4.10 Responsible procurement of raw materials

b+m surface systems GmbH's suppliers shall support activities that ensure responsible procurement of raw materials. The procurement and use of raw materials obtained unlawfully or through ethically reprehensible or unreasonable actions shall be avoided. Use of raw materials, such as conflict materials, that are impacted by embargoes or other import restrictions must be excluded.

4.11 Safety, quality and conformity

All products and services must fulfil the contractually stipulated quality and safety criteria upon delivery and be able to be used safely for their intended purpose.

We expect suppliers to comply with the statutory regulations on product safety and product labelling as well as provide appropriate communication of the requirements for handling their products.

While complying with the legal and regulatory requirements, and, particularly, the legal provisions for product safety applicable at the time the product is placed on the market, the supplier shall take into account the relevant and current bases of knowledge and technology as well as the end users' reasonable expectations for safety throughout the entire lifecycle.

5. Management systems

The supplier must introduce management systems that ensure compliance with the principles cited here and must certify these management systems in accordance with acknowledged standards. b+m surface systems GmbH will prefer suppliers that actively operate quality management systems in accordance with ISO 9001 and environmental management systems in accordance with ISO 14001.

6. Supplier relationships

6.1 Sub-suppliers

These guidelines in the local language must be handed out in the facilities of the business partners, or otherwise made available to the employees.

We expect that our suppliers will communicate all principles and requirements described here to their sub-suppliers in the supply chain and that our suppliers will likewise take these principles and requirements into account in their selection of sub-suppliers. The suppliers will reinforce their sub-suppliers' efforts to comply with the standards concerning human rights, work conditions, corruption prevention, and environmental protection as part of their fulfilment of contractual obligations.

6.2 Obligation to provide proof

The supplier shall provide b+m surface systems GmbH on request with a self-assessment detailing accurately and fully all the information required for an initial assessment. The supplier shall also provide any other information demonstrating compliance with these guidelines.

We reserve the right to verify implementation of these guidelines.

The supplier shall inform b+m surface systems GmbH of any events that conflict with the principles of these guidelines.

To implement the basic principles cited above and to achieve the associated objectives, it is necessary to pass this content on in the respective supply chain. Inclusion of all partners participating in the product development process is the only way to deal with the social challenges indicated in these guidelines.