

# SUSTAINABILITY GUIDELINE FOR SUPPLIERS

## of the b+m group

### 1. Preamble

For b+m surface systems GmbH sustainability is a long-term strategic success factor; we also make sustainability a prerequisite for our suppliers\* and subcontractors. As a company we feel committed to the idea of sustainability. We express this commitment in our daily actions and in our thinking. Consequently, this Sustainability Guideline for Suppliers formulates minimum standards and defines the minimum requirements imposed on our suppliers: Namely, compliance with internationally recognized human rights and worker rights, respect for international laws and standards that prohibit child labor and forced labor, compliance with legal standards and environmental guidelines as well as preventative environmental protection, compliance with and promotion of the ethical business behavior that we have set out in our Code of Conduct. Moreover, we expect that our direct and indirect suppliers will likewise ensure compliance with this Guideline on the part of their suppliers and subcontractors.

### 2 Compliance and business ethics

#### 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 regulations and laws that apply to the supplier and to the business relationship.

#### 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, must be complied with. Companies must respect fair competition and adhere to the prohibition of price fixing with competitors 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.

Our suppliers respect the intellectual property of third parties.

\* For better legibility, we have dispensed with simultaneous use of the male, female, and diverse (m/f/d) language forms in the text. All references to persons apply equally to all genders.

## **2.5 Whistleblowing and protection from management reprisals**

We expect from our suppliers that employees, who within the supplier company, submit a complaint report will be protected from 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 whistleblowers confidential during all phases of the investigation.

## **2.6 Safety and quality**

All products and services must meet the contractually stipulated quality and safety criteria at delivery; and it must be possible to use these goods and services safely for their intended purpose.

# **3. Social sustainability**

## **3.1 Respecting human rights**

We call upon our suppliers to respect and promote compliance with internationally recognized 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 labor**

Suppliers and subcontractors must not resort to child labor in any phase of the production chain or processing. We call upon supplier companies to adhere to the recommendation arising from the ILO Conventions concerning the minimum age for employment of children or the labor input of children. The minimum age should not be less than the age of completion of compulsory schooling and, in any case, must not be less than 15 years. The minimum age for hazardous work is 18 years. Children must not be inhibited in their development; their health and safety must not be impaired.

## **3.3 Prohibition of forced labor, free choice of employment**

Any form of forced or compulsory labor is prohibited and will be rejected by b+m surface systems GmbH. Employees must have the freedom to terminate the employment relationship subject to a reasonable period of notice. Employees must not be expected to hand over their personal ID, passport or their work permit as a precondition for employment.

## **3.4 Wages, social benefits, and work hours**

Remuneration and social benefits must be commensurate with the basic principles regarding minimum wage, overtime, and legally prescribed social benefits.

Work hours must at least be commensurate with applicable legislation, industry standards, or the relevant ILO Conventions; this means commensurate with whichever regulations are most stringent. Remuneration and social benefits must be commensurate with the basic principles relating to minimum wage, applicable overtime regulations, and statutory social benefits.

Overtime must only be provided on a voluntary basis and the employee must be granted at least one free day after six successive work days.

### **3.5 Discrimination and equal opportunity**

We expect that our suppliers will promote equal opportunity and equal treatment and prohibit discrimination in hiring or promotion of employees and in granting opportunities for training and continuing education. No employee may be disadvantaged on the grounds of gender, age, skin color, 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 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 Health and safety at the workplace**

As employers, we call upon our suppliers to ensure health and safety 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**

With regard to environmental issues, companies must act in accordance with the precautionary principle, take initiatives to promote greater environmental responsibility, and promote the development and dissemination of eco-friendly technologies.

### **4.2 Eco-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 minimizing the consequences of accidents that can negatively affect the environment.

In this regard there must be special focus on use and further development of technologies that reduce consumption of energy and water, characterized by implementation of strategies for reuse and recycling, as well as continuous improvement of air quality and water quality.

### **4.3 Eco-friendly products**

Products manufactured all along the supply chain must meet the requirements stipulated in 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.

### **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 optimization measures.

### **4.5 Water quality and water consumption**

Our suppliers should effectively reduce water consumption, reuse water wherever possible (use of circular systems), and treat it. Waste water 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 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.

### **4.8 Avoidance of hazardous substances**

Substances that pose a hazard for humans and the environment if released, must be avoided. The suppliers of b+m surface systems GmbH must 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 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.

#### **4.9 Responsible procurement of raw materials**

The suppliers of b+m surface systems GmbH must support activities that ensure responsible procurement of raw materials. Procurement and use of raw materials that are unlawful or obtained through ethically reprehensible or unacceptable measures must be avoided. Use of raw materials, such as conflict materials, that are impacted by embargos or other import restrictions must be excluded.

### **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 Subsuppliers**

This Guideline 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 subsuppliers in the supply chain and that our suppliers will likewise take these principles and requirements into account in their selection of subsuppliers. The suppliers will reinforce their subsupplier's efforts to comply with the standards concerning human rights, work conditions, corruption prevention, and environmental protection as part of their fulfillment of contractual obligations.

#### **6.2 Obligation to provide proof**

The supplier is obligated to provide b+m surface systems GmbH with all information (correct and comprehensive) necessary for an initial assessment in the form of a supplier self-assessment. In addition, the supplier must make other information available that verifies compliance with this Guideline.

We reserve the right to monitor implementation of this Guideline.

The supplier must report to b+m surface systems GmbH any events that conflict with the principles of this Guideline.

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 this Guideline.