

Supplier Code of Conduct

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1 Introduction and requirements for suppliers

BJB GmbH & CO. KG (BJB) is committed to ecologically and socially responsible company management. We expect the same conduct of all our suppliers and their sub-suppliers. When it comes to our employees, too, we require that the principles of ecological, social and ethical actions be observed and integrated into our corporate culture. We are also committed to continually optimising our corporate policy and our products and services in the interest of sustainability, and we request that our suppliers and their sub-suppliers also contribute to an integral approach.

For future cooperation, the contractual partners agree to the validity of the following agreements for a common code of conduct. This agreement is the basis for all future deliveries. The contractual partners commit to fulfil the principles and requirements of the Code of Conduct, and strive to contractually oblige their subcontractors to adhere to the standards and arrangements listed in this document. This agreement becomes effective after signing it. For BJB, violation of this Code of Conduct can ultimately constitute grounds and reason for termination of the business relationship, including all corresponding contracts of supply.

The Code of Conduct is based on national laws and regulations, such as the Supply Chain Due Diligence Act, referred to in the following as "SCDDA", and international conventions. They include the Universal Declaration of Human Rights of the United Nations, the guidelines on children's rights and corporate policy, the guidelines of the United Nations on business and human rights, the international labour standards of the International Labour Organization and the United Nations Global Compact. BJB requires the Supplier Code of Conduct to be forwarded to sub-suppliers, and that audits be carried out by BJB or by companies contracted by BJB.

2 Social responsibility

As per Section 1 of the SCDDA, the following conventions of the International Labour Organization (ILO) and prohibitions from Section 2 (2) of the SCDDA must be adhered to. The conventions can be called up in multiple languages at the following link:
<https://www.ilo.org/dyn/normlex/en/f?p=1000:12000::NO::>

The SCDDA was published in the Federal Law Gazette and can be called up at the following link:

https://www.bgbl.de/xaver/bgbl/start.xav?start=//%5b@attr_id=%27bgbl121s2959.pdf%27%5d#_bgbl_%2F%2F%5B%40attr_id%3D%27bgbl121s2959.pdf%27%5D_1655217687263

The 10 principles of the UN Global Compact can be called at on the following link:

<https://www.unglobalcompact.org/what-is-gc/mission/principles#:~:text=The%20Ten%20Principles%20of%20the%20UN%20Global%20Compact,diffusion%20of%20environmentally%20friendly%20technologies.%204%20Anti-Corruption.%20>

The OECD guide is available in multiple languages at the following link:

<https://www.oecd.org/development/oecd-leitfaden-fur-die-erfullung-der-sorgfaltspflicht-zur-forderung-verantwortungsvoller-lieferketten-fur-minerale-aus-konflikt-3d21faa0-de.htm>

2.1 Elimination of forced labour

From ILO Convention No. 29, 104, the fourth principle of the Global Compact and the SCDDA in Section 2 (2)(3,4,11).

No forced labour, slave labour or comparable labour must be used.

All work must be performed voluntarily and without the threat of penalty.

Employees must be able to terminate the labour or employment relationship at any time.

Furthermore, any unacceptable treatment of employees, such as subjecting them to mental hardship, sexual and personal harassment or humiliation, is strictly prohibited. Security operatives must not be contracted or utilised if, during deployment, people are treated inhumanely or in a humiliating manner, or injured, or if freedom of association is compromised.

2.2 Prohibition of child labour

From ILO Convention No. 79, 138, 182 and the fifth principle of the Global Compact [companies should advocate the abolishment of child labour] or Section 2 (1,2) (SCDDA)

Child labour must not be used at any stage of production or pre-production. Suppliers are required to adhere to the recommendation from the ILO conventions on the minimum age for employment of children. Accordingly, the age should not be lower than the age at which compulsory education ends as per the laws of the location of employment, and not lower than 15 years in any circumstances. If children are encountered during work, the supplier must document the measures which have to be taken in order to correct the situation and enable the children to attend a school. The rights of young people must be protected. People under the age of 18 must not be employed to carry out work which is damaging to the health, safety or morality of children. Special protective regulations must be adhered to.

2.3 Fair remuneration

From ILO conventions No. 26 and 131. The minimum standard is also included in "SCDDA" Section 2 (2)(8).

Pay for regular working hours and overtime must be at least in line with the national legal minimum wage or the minimum standards customary in the specific trade, depending on which amount is higher. Employees must be guaranteed all legally stipulated payments. Deductions from wages as penalties are prohibited. The supplier must ensure that employees regularly receive clear and detailed written information on the composition of their salary.

2.4 Fair working hours

From ILO conventions No. 1 and 14

Working hours must be in line with the local laws or the trade standards. Overtime is only permitted if it is performed voluntarily and does not exceed 8 hours per day. Employees must also be afforded at least one free day after six consecutive days of work. Weekly working hours must not regularly exceed 48 hours.

The following exceptions are permitted:

- a) The provisions of this agreement do not apply either to persons which occupy supervisory or management positions, nor to persons who are employed in a confidential capacity.
- b) If, in accordance with laws, customs or agreements between employer and employee organisations or, in the absence of such organisations, between employer and employee representatives, the working hours on one or more days of the week are less than eight, the eight-hour limit on the remaining days of the week may be exceeded by penalty of the competent authority; or in agreement between these organisations or representatives; however this applies in accordance with the provisions of this paragraph, that the daily eight-hour limit must not be exceeded by more than one hour under any circumstances;
- c) If persons are employed for shift work, it is permissible for persons to work more than eight hours on one day and more than forty-eight hours in a week if the average number of hours over a period of three weeks or less does not exceed eight hours per day and forty eight hours per week.

2.5 Freedom of association

From the ILO conventions No. 87, 98, 135, 154, and the third principle of the Global Compact. See also Section 2 (2)(6) in the "SCDDA".

The right of employees to form organisations of their choice, to join them, and to lead them in collective bargaining, and to strike, must be respected. In cases in which the freedom of association and the right to collective bargaining is legally restricted, alternative options for the independent and free association of employees in the interest of collective bargaining must be admitted. Employee representatives must be protected from discrimination, employees must not be discriminated for forming, joining or being a member of such an organisation. Their employee representatives must be awarded free access to the work places of their colleagues in order to ensure that they can make use of their rights in a lawful and peaceful manner.

2.6 Prohibition of discrimination

From ILO conventions No. 110, 111 and 159 and the sixth principle of the Global Compact (companies should advocate the eradication of discrimination in appointments and gainful occupation). Also part of the "SCDDA", Section 2 (2)(7).

The discrimination/unequal treatment of employees in any way is prohibited. This applies, for example, to discrimination based on gender, race, ethnic or social background, skin colour, disability, health status, political conviction, origin, world view, religion, age, pregnancy or sexual orientation. The personal dignity, privacy and personal rights of each individual must be respected at any time.

2.7 Health and safety in the workplace

From the ILO conventions No. 155 and 164 and the "SCDDA" Section 2 (2)(5).

The supplier is responsible for providing a safe and healthy working environment. The necessary precautionary measures to prevent accidents and health damages that may arise as a result of the occupation are taken by implementing appropriate occupational safety systems. Excessive physical or mental fatigue must be prevented with suitable measures. Employees are also informed and trained regularly according to the valid health and safety standards. Employees are provided with access to sufficient amounts of drinking water and access to clean sanitary facilities.

2.8 Conservation of natural resources

From "SCDDA" Section 2 (2) (9,10).

The supplier must not remove land, woodlands or waterways which secure the livelihood of people or violate any legitimate rights.

Damaging changes to the soil, pollution of the waterways and the air, noise emissions and excessive water consumption which considerably compromises the natural bases for the production of food or prevents the access of people to clean drinking water or sanitary facilities must be avoided.

2.9 Grievance mechanisms as per "SCDDA" Section 8

The supplier must make any information received from BJB GmbH & Co. KG regarding accessibility, responsibility and implementation of a grievance procedure available to their employees in a suitable manner. The grievance procedure must be accessible to employees while respecting confidentiality of identity and effective protection from discrimination. If no instructions are issued, the supplier is responsible at company level for establishing an effective grievance procedure for individual persons and collectives who can be affected by negative impacts.

All stakeholders or employees of suppliers or sub-suppliers can report to BJB anonymously using the following e-mail address:

compliance@bjb.com

2.10 Handling conflict minerals

For the conflict minerals tin, tungsten, tantalum and gold and for further raw materials, such as cobalt, the company establishes processes in accordance with the guidelines of the Organization for Economic Cooperation and Development (OECD) for the fulfilment of duty of care to promote responsible supply chains for minerals from conflict areas and high-risk areas, and expects the same of its suppliers. Smelting and refining without appropriate, audited processes of diligence must be avoided.

3 Ecological responsibility

The core themes of the EMAS Regulation (No. 1221/2009) and ISO 14001:2015 are the following environmental aspects: Emissions into the atmosphere, discharges into waterways, contamination of the soil, consumption of raw materials and natural resources, energy consumption/efficiency, release of energy (in the form of heat, radiation, light, noise), generation of waste, land usage/biological diversity.

The "SCDDA" so far requires only adherence to certain obligations of the Minamata Convention (mercury), the Stockholm Convention on persistent organic pollutants (POPs) and the Basel Convention on transboundary movements of hazardous wastes.

3.1 Treatment and discharge of industrial waste water

Waste water from operational procedures, manufacturing processes and sanitary facilities must be classified, monitored, tested and, if necessary, treated before disposal. Moreover, measures should be introduced in order to reduce the occurrence of waste water.

3.2 Handling air emissions

General emissions from operational procedures (air and noise emissions) and greenhouse gas emissions must be classified, monitored routinely, tested and, if necessary, treated before their release. The supplier also has the task of monitoring exhaust gas purification systems and is required to find economical solutions in order to minimise any emissions.

3.3 Handling waste and hazardous substances

The supplier follows a systematic approach customary in the trade in order to identify, handle, reduce and responsibly dispose of or recycle solid waste. The prohibitions of transboundary movements of hazardous wastes in the current version of the Basel Convention of 22 March 1989 must be adhered to. Chemicals and other materials which represent a hazard when released into the environment must be identified and handled in such a way that guarantees safety when these substances are handled, transported, stored, used, recycled or reused and disposed of. Mercury must be used in accordance with the prohibitions in the current version of the Minamata Convention of 10 October 2013. Persistent organic pollutants must be used in accordance with the current version of the Stockholm Convention on persistent organic pollutants (POPs) of 23 May 2001.

3.4 Reducing consumption of raw materials and natural resources

The use and consumption of resources during production and the generation of waste of any kind, including water and energy, must be reduced or avoided. This is performed either directly at the point of origin or using methods and measures, for example, by changing production and maintenance processes or procedures within the company, by using alternative materials, and/or saving, recycling or reusing materials.

3.5 Handling energy consumption/efficiency

Energy consumption must be monitored and documented. Economical solutions must be found in order to improve energy efficiency and minimise energy consumption.

3.6 Other environmental matters:

The supplier commits to follow a principle of precaution when dealing with environmental problems.

The supplier should proactively promote greater environmental awareness.

The supplier should accelerate the development and distribution of environmentally friendly technologies.

4 Ethical corporate conduct

In this regard, BJB refers to the OECD guidelines for multinational companies and the Code of Conduct of the UN Global Compact.

4.1 Fair competition

The standards of fair corporate activity and fair competition must be adhered to. In addition, the valid antitrust laws must be applied, which, in dealing with competitors, prohibit in particular special arrangements and other activities which influence prices or conditions. Furthermore, these arrangements prohibit agreements between customers and suppliers which are designed to restrict customers in their future freedom to determine their prices and other conditions of resale autonomously.

4.2 Confidentiality/data protection

The supplier commits to meet the reasonable expectations of their client, the subcontractors, customers, consumers and employees with regard to the protection of private information.

The supplier must adhere to the laws on data protection and information security as well as the official regulations when collecting, storing, distributing, transmitting and forwarding personal information.

4.3 Intellectual property

Rights to intellectual property must be respected; technology and knowledge must be transferred in a way that the intellectual property rights and customer's information are protected at any time.

4.4 Integrity/corruption, unlawful acceptance of benefit

From Chapter VII of the OECD guidelines for multinational companies.

The highest standards of integrity must be applied for all corporate activities. The supplier must follow a zero-tolerance policy, prohibiting all forms of bribery, corruption, blackmail and embezzlement. Procedures to monitor and implement the standards must be used in order to uphold anti-corruption legislation.

4.5 Implementation of requirements

BJB expects its suppliers to identify risks in relation to the supply chain and take appropriate safeguarding measures. In case of suspicion of violations and, in order to safeguard the supply chain with increased risks, the supplier shall inform the company promptly and, if necessary, regularly of the identified violations and risks as well as the corrective action taken. The company checks that the standards and provisions in this document are being adhered to using self-assessment questionnaires and risk-based audits at the production locations of the suppliers. The supplier agrees to the client carrying out such audits once a year or for a specific reason in order to verify that the Supplier Code of Conduct is being adhered to at the supplier's company premises.

In the event that a violation of the provisions of this Code of Conduct are identified, the client shall request in writing, immediately within one month, that the company align the company's conduct with the provisions, setting an appropriate grace period in the process. If no correction is possible within the foreseeable future, the supplier must indicate that this is the case and, together with the company, create a concept, including a schedule, in order to eliminate or minimise the violation.

If such a violation is caused culpably, if the grace period for rectification expires without success, or if the implementation of the measures included in the concept does not correct the situation after expiration of the schedule, and a continuation of the contract up to its proper completion unreasonable for the client, and no other more moderate means are available, the client or the company shall have the right to terminate the contract and the business relationship. Furthermore, the client or the company shall have the right to terminate all contracts after expiration of the deadline. Any legal right to extraordinary termination without setting a grace period remains unaffected by this, in particular in the event of violations regarded as severe as well as the right to compensation for damages.

5 Acknowledgement and declaration of agreement of the supplier

By signing this document, the supplier commits to act responsibly and adhere to the above described principles and requirements. The supplier furthermore commits to communicate these principles and their content to employees, representatives and subcontractors in a comprehensible manner, and to take all the necessary measures to implement the requirements.

Signature of company management:

Place, date _____

Signature _____