

Code of Conduct for Business Partners of the BGH Group

Dear business partners of the BGH-Group

As a traditional, medium-sized company, our primary goal is to secure the existence of the company and jobs through long-term economic success.

We understand the social market economy as the economic system that enables the best environment for a sustainably prosperous business in a peaceful, socially, and ecologically balanced environment, prevents disproportionate social imbalances and has the common good and the protection of the environment as its objectives.

Our business activities are based exclusively on recognised ethical rules, legality, and responsibility. We comply with all applicable and valid laws and regulations. Business ethics and integrity are main pillars of our business activities.

National and international legal requirements and standards demand rule-compliant, ethical and moral conduct, including along the supply chains and in dealings with business partners. The following expectations and requirements of this Code of Conduct are therefore an integral part of all contracts of BGH with its business partners.

In drawing up this Code of Conduct, we have been guided by the BAFA (Federal Office of Economics and Export Control) handbook on "Cooperation in the Supply Chain between Obligated Companies and their Suppliers". We consider the performance of our business partners, especially where they are not themselves obligated under the Supply Chain Sourcing Obligations Act (LkSG) and other legal requirements.

To comply with our legal obligations, we rely on your cooperation.

We request data from you if this is of importance to us under the aspects of quality, energy, environment, and social issues. We use these and other data when selecting and evaluating our business partners.

We rely on your cooperation for preventive and remedial measures.

We offer you and your employees the opportunity to use our complaints procedure to report human rights and environmental risks and violations in our supply chain.

Expectations of corporate governance (Governance)

We expect from our business partners that they

- do not allow any form of corruption, fraud, extortion, embezzlement, etc. and consistently punish violations.
- refrain from offering or giving personal advantages to third parties to the detriment of BGH companies.
- do not offer, promise, demand, grant or accept gifts with the intention of influencing a business relationship in an improper, unethical, or immoral manner. Gifts from business partners may only have a low value and may only be given personally or sent to the business address of BGH employees. Sending them to the private address of BGH employees is not permitted. Invitations from business partners may be accepted if the occasion and scope of the invitation are appropriate. The invitations must be within the limits of customary business hospitality and must not violate the law or the BGH Group's Code of Ethics. Gifts of money are generally inadmissible.
- take appropriate measures to prevent money laundering and report violations in accordance with legal requirements.
- commit to free and fair competition and comply with all legal requirements under antitrust and competition law.
- pay at least the legally required contribution in taxes, customs duties and other levies and thus contribute to the financing and permanent safeguarding of the community.
- comply with all provisions on customs duties, import and export controls and sanctions when transferring goods and services across borders.
- comply with the legal provisions on data protection.
- ensure the protection of intellectual property.
- operate grievance and whistleblowing processes and systems in accordance with legal requirements and protect whistleblowers.

Status: 01 October 2023

Social and human rights expectations (Social)

We expect from our business partners that

- they do not tolerate child labour or other exploitation of children and young people in any form. We expect them to respect and protect the rights of children, including their right to develop into independent personalities, and to give due consideration to the welfare of children. This includes in particular the observance of the legal minimum age for employees.
- they strictly reject all forms of slavery, servitude, human trafficking, forced labour, compulsory labour, exploitation, torture, humiliation and comparable practices.
- they comply with all applicable health and safety laws and regulations, keep workplaces safe, clean, and healthy for all employees, identify and eliminate potential hazards to people and the environment and reduce the risk of injury and illness through prevention.
- all employees enjoy freedom of association, i.e. they are free to choose whether to join a trade union and to elect a works council in accordance with applicable national laws. All employees are granted the right to collective bargaining and strike. Discrimination and retaliation are excluded.
- all employees are treated equally and discrimination on grounds of gender, religion or belief, national / ethnic / social origin, skin colour, health, disability, age, or sexual identity is prevented or eliminated - unless special features of the job conflict with this. The principle of "equal pay for equal work" must always apply.
- all workers receive an appropriate wage - but at least the nationally applicable minimum wage. Statutory social benefits are provided, working hours are paid, working time regulations are observed and breaks and holidays are granted.
- they continuously reduce the impact of their business activities on the environment, protect the environment and comply with all legal requirements. This means, in particular, that changes to soils, pollution of water and air, emissions of noise and light, and the consumption of water are limited as far as possible in order to protect health and the natural foundations of life.
- they do not unlawfully deprive anyone of their livelihood by acquiring, building on or using land and water areas, and they do not carry out unlawful evictions.
- they only use security forces that are appropriately trained and controlled by the business partners themselves, so that the aforementioned human rights-related expectations are met.

Environmental expectations (Environment)

We expect from our business partners that they

- comply with the provisions of the Minamata Convention regarding the use and disposal of mercury and mercury-containing substances.
- comply with the provisions of the Stockholm Convention on Persistent Organic Pollutants
- comply with the provisions of the Basel Convention on Hazardous Wastes and all legal requirements under waste legislation.
- in the management of waste, follow the priority order of the circular economy - prevention before recycling before use before disposal.

Addressing expectations along the supply chain

We expect you to comply with the expectations described in this Code yourself. We also expect you to address these expectations to your own suppliers and to anchor them contractually, e.g. through your own Code of Conduct.

Preventive measures and training

To ensure compliance with this Code of Conduct, you conduct appropriate training that covers at least the human rights and environmental expectations of this Code of Conduct. We will coordinate further preventive measures and training with you if the risk analyses, we have conducted make this necessary.

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Complaint procedure / whistleblowing system

If employees of BGH or of business partners violate rules or their conduct gives cause for concern, those who observe this should immediately contact their direct supervisors, their responsible managing directors or BGH's Compliance Officers. Other points of contact are the HR department and the works council.

BGH uses an external, digital whistleblowing system that enables protected communication between whistleblowers and the Compliance Department at BGH. This system opens a confidential communication channel and the possibility of anonymous reports for employees and people close to them. The whistleblowers themselves decide whether they want to give their name or remain anonymous. The digital whistleblowing system makes it possible to report incidents confidentially, anonymously, online or by telephone. The reporting system is independent of the BGH Group's IT. In the case of anonymous reports, it is therefore not possible to trace back who the reporting person is.

The system can also be used to make complaints about violations of human rights and environmental obligations and to report risks in this regard. Complaints and reports can concern the BGH Group, including all affiliated companies. The reports may also concern the supply chain and business partners of the BGH Group.

The complaints procedure / whistleblower system can be used by

- employees of the BGH Group
- employees of our business partners, in particular our direct and indirect suppliers
- persons who are not directly affected by risks or violations.

You can access the external whistleblower system / complaints procedure here:



<https://app.whistle-report.com/report/d5623586-fb62-4244-bd70-a102701dccb7>

Reports via the external telephone reporting channel can be submitted as follows:

- Mon. - Fri.: 09:00 - 17:00
- from Germany: +49 800 3800 999
- from abroad: +49 69 99998839

All reports are checked and processed by our company's compliance organisation. The employees of the compliance organisation are BGH employees. They have the necessary expertise, are independent and impartial in their work and are sworn to secrecy. This guarantees professional handling of the reports.

For direct, personal contact, there is an ombudsperson who can be reached as follows:

- E-mail: compliance@bgh.de
- Telephone: +49 271 701 406

Product conformity

We expect the products and services supplied to us to

- meet all requirements set by us.
- meet all legal and regulatory requirements. This includes in particular the legal requirements for import and export as well as all current and future sanctions.

If our business partners discover counterfeit, fraudulent and suspect items (CFSI), they are obliged to inform us immediately. For your part, as a business partner of BGH, you only use suppliers who can prove the quality and source of the goods we require.

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Special requirements for suppliers of energy-intensive products

As an energy-intensive company, BGH itself is required to account for climate protection measures and the CO₂ emissions generated in the manufacture of our products (Scope 1, 2, 3). We therefore expect our business partners who supply us with energy-intensive products to provide us with data on measures and emissions upon request. This applies, for example, to deliveries of metals, alloys, scrap, aggregates, electrical energy, natural gas, technical gases, fuels, chemicals, etc.

Special requirements for suppliers of raw materials (scrap, metals, alloys, additives), auxiliary materials, operating materials, chemicals, semi-finished products, and such like

We expect our business partners to ensure that all substances / products supplied to BGH

- comply with the currently valid REACH regulation.
- do not contain any substances listed in the current REACH SVHC list or that the maximum limit values are not exceeded.
- comply with the currently valid RoHS guidelines.

Expectations for responsible raw material sourcing

BGH uses metals such as tungsten and cobalt to manufacture products that are considered conflict raw materials due to the human rights situation in global supply chains and the possible financing of armed conflict parties.

Suppliers of conflict commodities commit to identifying the producer (smelter or refiner) as part of certificates of origin for each delivery and to ensure the accuracy of the certificates of origin through appropriate processes and regular checks.

Suppliers of cobalt and components containing cobalt must ensure that no input material from conflict or high-risk areas is used for deliveries to BGH.

We expect our business partners to provide complete information in accordance with the Cobalt Reporting Template (CRT) and Conflict Minerals Reporting Template (CMRT) of the Responsible Minerals Initiative (RMI).

Control mechanisms and audits

BGH is obliged to regularly review the effectiveness of the preventive measures in the direction of its business partners. To this end, BGH will request information from its business partners on a regular basis or as required based on our risk analysis. Our business partners undertake to answer requests for information promptly, correctly and completely. It goes without saying that BGH respects business secrets, data protection and fair competition.

BGH regularly conducts audits of its business partners. Business partners are selected based on risk analysis or on an ad hoc basis. At BGH, we only conduct audits of our business partners ourselves. We only use our own employees as auditors who have the necessary technical and methodological competence, i.e. at least an internal auditor qualification for the relevant ISO standards. We expect our auditors to behave professionally and ethically, i.e. fairly, truthfully, honestly and discreetly (see ISO 19011, section 7.2.2).

All audits are coordinated in advance with our business partners in terms of timing and content. In the interest of both parties, we attach importance to the protection of business secrets, data protection, the qualification of the auditors, the admissibility of the exchange of information under aspects of antitrust and competition law, as well as the availability of personnel capacities at our business partners.

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Remedial action and consequences of non-compliance

If we become aware that a business partner has experienced or is about to experience violations of human or environmental rights, we will take appropriate remedial action and coordinate this with you. A breach of the expectations set out in this Code of Conduct constitutes a breach of the contracts with BGH. If the facts are very serious or the remedial action is unsuccessful, we reserve the right to take further action, which may include suspension or termination of the business relationship.

Confirmation of the business partner

We confirm compliance with the BGH Code of Conduct Yes
 No

We are ourselves bound by the LkSG Yes
 No

Remarks:

Company name and address

Company stamp

Place, date

Place, date

Name in block capitals

Name in block capitals

Position in the company

Position in the company

Signature

Signature