



BECHEM Code of Conduct – Suppliers

March 2023

Based on its product portfolio and as a member of the chemical industry, BECHEM sees the topics of sustainability and climate protection as ongoing processes that require long-term commitment. We are convinced that consistently embracing sustainability is a crucial part of our company's success. We are committed to high standards in terms of compliance with laws and business ethics. This is why we consider working together to achieve sustainability in the supply chain to be an essential element of our business relationships.

We expect our suppliers to comply with all applicable laws as well as internationally recognized human rights, environmental, social, and corporate governance standards (ESG standards) as they are defined in international conventions in particular. We also expect our suppliers to enforce these standards with respect to their suppliers and subcontractors. BECHEM supports the ten principles of the Global Compact Initiative of the United Nations in the areas of human rights, labor, environment, and anti-corruption, the UN Guiding Principles on Business and Human Rights, as well as the 17 Sustainable Development Goals of the United Nations.

We assume responsibility for implementing ethical, social, and ecological standards in the company and implement the principles of sustainable development in our daily workflows and expect the same of our suppliers. Principles for ethical conduct, social responsibility, and environmental protection as well as principles for quality assurance and risk minimization are anchored in our procurement processes. Beyond economic criteria, the principles defined in the Code of Conduct for Suppliers are an important element of our supplier selection and evaluation process.

We expect our suppliers to actively work to enforce these standards in their supply chains and with respect to their suppliers. We also expect them to regularly monitor and report on compliance with these standards in their company and their supply chains. We reserve the right to screen our suppliers to ensure that they comply with this Code of Conduct. If there are any violations to these principles and no measures are being taken to fix them, or if any systematic violations can be observed, CARL BECHEM GMBH reserves the right to end all business relations.

They can provide evidence of their commitment to these principles either by recognizing this Code of Conduct or by implementing their own Code of Conduct or company policy that comprises these standards.

Environment

Our suppliers must ensure that their activities have as little impact as possible on the environment and comply with all applicable environmental laws and regulations. By implementing suitable management systems, they ensure that the quality and safety of their products meet applicable requirements.

They must also strive to continuously improve their energy and resource efficiency and minimize their environmental impact due to emissions, waste, and other negative effects. They make appropriate efforts to cover their purchased green energy requirements with 100% renewable sources by 2030. To the best of their ability, they make efforts to continuously increase their overall use of renewable energies and implement suitable management systems to make appropriate efforts to continuously improve the energy efficiency of their business processes. Suppliers must reduce their negative impact on biological diversity, climate change, and water shortages in order to protect human livelihood.

They ensure that no illegal eviction or illegal stripping of land, forests, or bodies of water takes place and support the right of the local communities to free, prior, and informed consent for all activities concerning their resources and their land.

Social matters

Our suppliers must ensure that they respect and protect human rights, including the right to freedom of association and collective bargaining.

They must also ensure that they do not allow any forced labor, including child labor and modern slavery, discrimination, harassment, or other forms of disregard to employee rights. Furthermore, they must make efforts to establish positive working conditions and an inclusive work environment.

For us, it is of paramount importance for our suppliers to commit to complying with applicable local laws with regard to minimum wage and working hours. We consider it important for their employees to work under fair working conditions and that they are paid appropriately to meet their basic needs and lead a dignified life.

This is why we require our suppliers not only to meet the minimum legal requirements, but to also ensure that they pay a living wage that corresponds to local living conditions.

Our suppliers give their employees and other parties the opportunity to report concerns or potentially illegal practices at the workplace.

Governance

Our suppliers must ensure that they follow high ethical standards and conduct transparent, moral business.

Our suppliers do fair business with regard to their competition. They ensure that all applicable national and international commercial laws and regulations are complied with, including but not limited to the regulations of antitrust law, trade control, and sanction regulations, as well as embargo regulations.

Furthermore, our suppliers ensure that they act responsibly with respect to their employees and the community in which they are active and that they do not allow any corruption, bribes, or other unethical practices.

Our suppliers prohibit all types of bribes, corruption, and money laundering.

They must inform us of any situation that could result in a conflict of interests, for example when BECHEM employees have professional, private, and/or significant financial advantages or have interests in one of the supplier's companies.

Privacy

BECHEM treats all personal information about employees, customers, business partners, and suppliers carefully, confidentially and in compliance with all data protection laws. In order to maintain mutual trust, the protection of this information is extremely important. Information to investigating authorities will only be provided by the BECHEM Data Protection Officer if there is a legal obligation to do so. We also expect this of our suppliers.