

# BENTELER SUPPLIER CODE OF CONDUCT



The BENTELER Supplier Code of Conduct (the "Code") has been developed in order to ensure that employees across the entire supply chain are employed under conditions that guarantee that they are treated with respect and dignity and that the companies carry out their business in an environmentally friendly and ethically correct manner.

This Code is valid for any company that develops, produces, or provides and/or markets goods or services for companies of the BENTELER Group (the "supplier").

BENTELER itself is obliged under local and international laws and under the contractual terms of its customers to adhere to the following principles of conduct and to comply with them in their business activities and decisions. BENTELER is also obliged to ensure that its suppliers and through them their subcontractors observe these principles.

The Code aims to strengthen the mutual understanding between BENTELER, its suppliers and indirect business partners with regard to sustainability in the supply chain. The aim is to exceed the statutory requirements and to utilize internationally recognized standards to advance the willingness to accept social and environmental corporate responsibility as well as to strengthen the awareness regarding business ethics.

The requirements stipulated in this Code constitute minimum requirements; should applicable local law specify stricter requirements these must of course be complied with and shall take precedence over the provisions laid down in this Code.

This Code was drafted according to the internationally recognized standards that are listed at the end of this document:

**The Code comprises four sections.**

- A. WORK**
- B. HEALTH AND SAFETY**
- C. ENVIRONMENT**
- D. FAIR MARKET BEHAVIOR AND ETHICS**

# WORK

**The supplier recognizes that employees' human rights are to be respected and they are to be treated with dignity and respect as understood by the international community. This applies to all employees, including temporary and migrant workers, student employees.**

**The resulting labor standards are as follows:**

## **1. FREE CHOICE OF EMPLOYMENT**

a) No forced labor or labor based on human trafficking may be used. This also includes the transport, housing, recruitment, placement with other organizations, or reception of persons to provide work or services using threats, violence, coercion, or by means of abduction or fraud.

b) In compliance with the statutory requirements or conditions set out in the employment contract, employees must be able to resign from the job or terminate their employment contract.

c) Employers may not retain any identification or immigration documents from the employees, unless the retention of work permits is stipulated by law. They may not destroy, hide, or confiscate identification documents, passports, or work permits or refuse employees access to their documents.

## **2. APPROPRIATE WORKPLACE CONDITIONS**

a) Employers may not inappropriately restrict their employees' freedom of movement at the work site.

b) There may not be any inappropriate restrictions imposed on employees entering or leaving the work site.

## **3. BAN ON CHILD LABOR**

The supplier shall not make use of child labor. The corresponding regulations set out in the International Labor Organization ("ILO") Conventions regarding the statutory minimum age for the employment of children must be observed.

## **4. PERMISSIBLE WORKING HOURS**

The number of hours employees work per week may not exceed the maximum number of hours established under local law.

## **5. LAWFUL GRANTING OF WAGES AND EMPLOYEE BENEFITS**

a) The remuneration paid to employees must be in accordance with local laws, which include laws regarding minimum wage, overtime, and employee benefits stipulated by law.

b) Any use of temporary employees, the secondment of employees, and the outsourcing of work must be done in compliance with local legal regulations.

#### **6. HUMANE TREATMENT**

Brutal or inhumane treatment of employees is not permitted. This also includes sexual harassment, sexual abuse, physical punishment, mental or physical coercion, as well as verbal attacks and bullying. The same also applies to the threat of such treatment. The foregoing list is not exhaustive.

#### **7. BAN OF DISCRIMINATION**

a) The supplier undertakes not to tolerate any harassment or unlawful discrimination in its workforce.

b) Within the framework of the supplier's hiring and employment practices, such as remuneration, promotion, commendation, and with regards to access to further training opportunities, companies may not discriminate against employees. Examples of this include discriminatory practices based on: ethnic origin, religion,

skin color, age, gender, sexual orientation, ethnic affiliation, union membership, political views, or family status. The foregoing list is not exhaustive.

#### **8. FREEDOM OF ASSOCIATION**

a) In compliance with local legal provisions, employers must respect the right of all employees to establish unions and/or works councils or to join unions of their choice.

b) It should be possible for employees to communicate with company management openly and without fear of discrimination, reprisals, intimidation, or harassment and to submit ideas and concerns with regard to work conditions and management practices.

# HEALTH AND SAFETY

**The supplier declares its willingness to create a work environment that guarantees the health and safety of its employees at the workplace.**

**The standards in the area of health and safety are:**

## 1. SAFETY AT THE WORKPLACE

a) If employees are exposed to potential safety risks, their employers must eliminate these risks through suitable countermeasures, through technical and administrative control mechanisms, and through preventive measures such as maintenance, safe work procedures and regular training of employees.

b) If it is not possible to eliminate the risks by way of the aforementioned measures, the employees must be provided with appropriate personal safety equipment and corresponding training material on how to use such equipment.

c) Employees should be encouraged to come forward with concerns regarding safety.

## 2. WELL-REGULATED EMERGENCY PLANNING

The supplier undertakes to implement the following emergency planning tools and measures:

- A system for reporting emergency situations;
- Evacuation measures;
- Training courses and emergency drills for employees;
- Suitable fire detectors and extinguishers available and in place; and
- Any other measures that the supplier deems necessary.

## 3. PREVENTION OF ACCIDENTS AT WORK AND OCCUPATIONAL ILLNESSES

Accidents at work and occupational illnesses are to be prevented by corresponding procedures and systems. However, if they should occur, corresponding procedures must establish rules on how they are to be handled, tracked, and reported. The following list is not exhaustive:

- Provision of medical care; and
- Analyzing incidents and initiating corrective measures to eliminate the root causes.

#### **4. OCCUPATIONAL HEALTH**

- a) The potential risks associated with, for example, chemical, biological, ergonomic, or physical risks and hazards (e.g., noise, cold, heat, electromagnetic fields, artificial optical radiation, explosive atmospheres) must be identified, evaluated, and monitored.
- b) Suitable monitoring activities and countermeasures must be introduced in order to prevent excess exposure to working substances.
- c) If risks cannot be eliminated by the aforementioned measures, the employees must be provided with suitable protective equipment.

#### **5. COMPENSATION FOR PHYSICALLY DEMANDING LABOR**

The risks involved in physically demanding labor are to be identified, evaluated, and monitored. This includes manual transportation of materials, heavy lifting, standing for extended period, and highly repetitive or strenuous work.

#### **6. MACHINE SAFETY**

- a) Risks that may arise from safety risks related to systems and machines must be identified, evaluated, and monitored.
- b) If it is not possible to sufficiently eliminate risks by way of the aforementioned measures, suitable safety equipment, as well as locking and latching devices must be installed and maintained accordingly.

#### **7. EMPLOYEE INFORMATION REGARDING HEALTH AND SAFETY**

- a) Employees are entitled to health and safety training.
- b) Information on health and security issues must be displayed prominently at the facility.

# ENVIRONMENT

The supplier acknowledges that protection of resources and the environment is a fundamental part of our corporate culture. Environmental protection measures must be taken that cover the entire product range and all production processes. The entire life cycle of products, starting with the extraction of raw materials and continuing on through development and production to waste disposal and recycling, must be taken into account.

The underlying environmental standards are:

## 1. COMPLIANCE WITH ENVIRONMENTAL PERMITS AND MAINTAINING OF REPORTING

- a) All the necessary environmental permits, approvals, and registrations must be obtained.
- b) All regulatory, statutory, and operational requirements and reporting obligations must be observed.

## 2. REDUCTION IN USE OF RESOURCES AND POLLUTION PREVENTION

The consumption of resources (including water and energy) and the generation of waste must be reduced or avoided.

## 3. REGULATED HANDLING OF HAZARDOUS SUBSTANCES

It is necessary to determine and assess whether substances are used in the production (e.g., chemicals) that constitute a risk to health. All areas in the production process must be taken into account here. These include, for example, transport, storage, processing, use, recycling, and disposal. In accordance with the statutory requirements, a hazardous substances register

must be maintained and the labeling obligation for hazardous substances must be observed.

## 4. RESPONSIBLE DISPOSAL/RECYCLING OF WASTE WATER AND NON-HAZARDOUS WASTE

- a) Waste must be disposed of in a responsible manner or recycled.
- b) Waste water must be treated or, if this is not necessary, disposed of separately from sewage.
- c) The functioning of waste water treatment systems must be routinely monitored.

## 5. REDUCTION OF EMISSIONS

- a) The release of substances (e.g., chemicals, corrosive substances, particles, aerosols, combustion by-products) must be minimized and monitored in compliance with local legal regulations.
- b) Existing exhaust gas cleaning systems must be regularly and professionally checked, serviced, and, if necessary, replaced.

c) Greenhouse gas emissions shall be kept to a minimum.

#### **6. COMPLIANT HANDLING OF RESTRICTIONS RELATED TO PRODUCT MATERIALS**

a) If the use of special materials in products or during the production process is to be restricted or prohibited as a result of applicable laws, regulations, or customer specifications, this must be determined, reviewed, and observed in advance.

b) The labeling obligation for disposal and recycling must be observed.

c) As a general rule, hazardous product materials must be labeled.

#### **7. AVOIDANCE OF CONTAMINATION OF RAINWATER**

a) The contamination of rainwater run-off must be prevented. For this purpose, it must be ensured that there are no illegal discharges at the operating sites and that no spilled liquids enter the sewer system.

b) Information to this effect must be displayed and the workforce must be informed accordingly.

#### **8. EMPLOYEE INFORMATION ON ENVIRONMENTAL TOPICS AND ISSUES**

a) Employees are entitled to training on environmental protection.

b) Information on environmental issues must be displayed prominently at the facility.

# FAIR MARKET BEHAVIOR AND ETHICS

The supplier will be aware of the need to comply with ethical standards and will act accordingly. The most important standards include:

## 1. BUSINESS INTEGRITY

a) Any form of bribery, corruption, money laundering, blackmail, and embezzlement will not be tolerated.

b) The supplier shall ensure that its employees, subcontractors, or representatives do not give or offer bribes, kickbacks, illegal donations, or other illicit payments or benefits to customers, holders of public office, or other third parties, and that they do not accept such from the latter either.

c) Business processes must to be presented in a transparent and correct form in the business documents. The supplier is obliged to provide details of the owner or primary shareholder.

## 2. TRANSPARENCY

All records must be correctly filed and relevant documents related to WORK, HEALTH & SAFETY, ENVIRONMENT as well as FAIR MARKET BEHAVIOUR AND ETHICS must be disclosed on request. Their structure and the disclosure must be in accordance with local regulations and laws, in particular with regulations of protection of data privacy.

## 3. PROTECTION OF INTELLECTUAL PROPERTY

a) Intellectual property rights must be respected and protected.

b) The transfer of knowledge in whatever form must be done in such a way that intellectual property rights and all customer information are protected (for example, through use of non-disclosure agreements, encrypted transmission).

## 4. COMPLIANCE WITH COMPETITION AND ANTITRUST LAW

The supplier shall comply with the valid antitrust and competition laws. In particular, it shall not make any anticompetitive agreements with competitors, suppliers, or customers. The supplier shall not abuse any market dominant position it may have.

## 5. PROTECTION OF IDENTITY AND BAN ON RETALIATORY ACTION

a) The supplier must maintain programs that help to protect whistleblowers and preserve the anonymity and confidentiality of information.



Whistleblowers are persons who report information regarding the illegal and/or unethical conduct of an employee, a company executive, a public office holder, or an official body.

b) Companies must permit their employees to express doubts or concerns without the fear of retaliation.

#### **6. RESPONSIBLE HANDLING OF PROCUREMENT OF CONFLICT MINERALS**

a) Programs must be maintained that appropriately regulate the procurement, of, for example tantalum, tin, wolfram, gold, and related derivatives, without the supplier or the company supplying the conflict minerals financing armed groups in the countries of origin or other serious breaches of human rights.

b) The procurement of minerals and raw materials must be correspondingly monitored with due care. The monitoring activities must be disclosed upon request.

#### **7. DATA PROTECTION**

a) When using confidential data, the protection of privacy and the security of business data, personal information, and business secrets must be ensured.

b) All employees are obligated to keep said secrets confidential and not to make them available to third parties by any means whatsoever without authorization.

c) Statutory, contractual, and technical data protection requirements must be updated on a regular basis.

#### **8. FAIR INTERNATIONAL TRADE**

a) Compliance with international treaties and national laws and ordinances governing the control of international trade and financial transactions such as the laws and ordinances governing import and export controls is mandatory. The responsible employees must recognize, understand and comply with all laws, regulations and directives that are applicable here.

b) In order to prevent violations of such provisions and to ensure timely delivery, the supplier is also obliged to send all of the data necessary for achieving the contractual purpose and maintaining the business relationship in good time, ensuring that it is complete and accurate.

c) If no national export control law is specified, it is recommended to follow US export control provisions as a guideline.

**REFERENCE LITERATURE****WORKING CONDITIONS**

- Ethical Trading Initiative  
<http://www.ethicaltrade.org/eti-base-code>
- ILO (International Labor Organization)  
[www.ilo.org](http://www.ilo.org)

**HEALTH AND SAFETY**

- National Fire Protection Association  
<http://www.nfpa.org/>  
<http://www.nfpa.org/codes-and-standards/all-codes-and-standards/list-of-codes-and-standards>

**ENVIRONMENT**

- ISO 14001 – Environmental management system  
[www.iso.org](http://www.iso.org)
- ISO 50001 – Energy management system  
[www.iso.org](http://www.iso.org)

**ETHICS**

## Conflict minerals:

- Dodd–Frank Wall Street Reform and Consumer Protection Act  
Section 1502 – Conflict Minerals  
<https://www.sec.gov/answers/about-lawssht-ml.html>
- OECD (Organization for Economic Co-operation and Development) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas  
[http://mneguidelines.oecd.org/Brochure\\_OECD-Responsible-Mineral-Supply-Chains.pdf](http://mneguidelines.oecd.org/Brochure_OECD-Responsible-Mineral-Supply-Chains.pdf)

**GENERAL**

## Goals to improve sustainability:

- UN – United Nations  
<http://www.un.org/sustainabledevelopment/sustainable-development-goals/>
- United Nations Global Compact  
<https://www.unglobalcompact.org/>
- ISO/IEC 27001 – Information security management

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**VERSION 2.0**

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## EXCLUSION OF LIABILITY

No employment contract with the supplier and/or the supplier's employee shall be construed on the basis of this Code.

The supplier is obliged to notify BENTELER if it believes that this Code or any individual provisions contained herein to be incompatible with local law. BENTELER shall not be liable for any damage, expenses, costs, etc. that are incurred by the supplier as a result of implementation with this obligation.

## LEGAL CONSEQUENCES IN THE EVENT OF BREACHES OF THE BENTELER SUPPLIER CODE OF CONDUCT

If a supplier of BENTELER does not comply with the basic principles set out in this Code, BENTELER is entitled to terminate the business relationship with this supplier by giving notice for good cause under local law or an equivalent legal institution, where applicable. The supplier is obligated to provide immediate information to BENTELER on all issues concerning the Code of Conduct and its implementation upon BENTELER's request. BENTELER is entitled at its discretion not to terminate the business relationship and instead to take alternative measures if the supplier provides credible assurance and can prove that it has immediately taken measures to avoid future breaches.

## CREATED BY

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## BENTELER IN 84 WORDS:

BENTELER develops solutions that make the difference – for our customers, employees and society. We are passionate about producing safety-relevant products, services and systems for the energy, automotive and engineering sectors that lead to success. And we do that in close proximity and collaboration with our customers. With our technological expertise and strong focus on successful implementation, we keep our promises. At BENTELER we give our all – with courage, ambition and respect – but we never give up.

**BENTELER. The family of driven professionals. Since 1876.**

**BENTELER**   
makes it happen