



# Code of Conduct

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## for Suppliers and Business Partners

**BHS Corrugated  
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## Foreword

## Management



Christian and Lars Engel  
Managing Directors

BHS Corrugated is the leading provider of solutions for the corrugated industry with 3,200 employees at headquarters in Weiherhammer, Germany, and in more than 20 countries. As Lifecycle Partner, BHS Corrugated is consistently strong across the entire product and service range: from development and production to installation and maintenance, to a variety of innovative Lifecycle Service solutions in the areas of corrugating rolls, individual machines, complete corrugators, industry 4.0, logistics and soon to come digital print in- and outside the corrugator.

Significant aspects of digitalization, primarily regarding the optimization of process parameters and increasing degrees of automation and production efficiency, have been central issues of BHS Corrugated for many years. To meet the requirements of its customers as precisely as possible and to be state-of-the-art, BHS Corrugated reinvests close to 5 percent of its turnover in research and development.

In addition to its core business, BHS Corrugated supports different social projects, for example the family's foundation "Angels for Children" or the "Lars und Christian Engel Stiftung (LUCE Trust)", which supports technological and economic development in the region.

BHS Corrugated defined values for itself and its employees under the term "iBHS" that provide guidance for the company and all employees and should be considered when implementing measures or making decisions. In addition to customer orientation ("inspired by customers"), enthusiasm for new technologies ("innovative"), respectful cooperation ("interact") and the courage to change ("inspired by change"), environment, social responsibility, and integrity are a basis for BHS Corrugated's business activities.

As a dynamically growing, globally active and family-run company BHS Corrugated is part of our society and environment. Therefore, BHS Corrugated is convinced:

Entrepreneurship means social, cultural, legal, ethical, economic, and ecological responsibility. BHS Corrugated has committed to this responsibility in its Code of Conduct and its "Declaration of principles on Respecting Human Rights and Environmental Standards".

## **Commitment to comply with this Code of Conduct**

For this reason, BHS Corrugated would also like to oblige its business partners to comply with these principles. This Code of Conduct for suppliers and business partners (Code / ScoC) is part of our “Corporate Responsibility Strategy”, substantiates the Declaration of Principles and is, as a minimum standard, an essential part of the contractual relationship between BHS Corrugated and its business partners and suppliers.

We expect our suppliers, service providers and other interested parties, as well as their employees, to act with response and to adhere to the principles stated in this Code.

If the suppliers and business partners commission third parties (e.g., subcontractors or agents) in their business dealings with BHS Corrugated, these third parties (participants within the supply chain) also must commit themselves to this code's principles. These principles reflect the minimum requirements we expect from our suppliers and business partners – we expect open, honest, and ethical behavior.

The current version of this Code applies to all suppliers and business partners of BHS Corrugated.

## 1

### Compliance with laws

Corporate responsibility is the obligation to comply with all the **applicable** (national and international) **laws** and applicable rules and regulations. It is necessary to apply to those regulations which impose the strictest requirements. Suppliers and business partners of BHS Corrugated shall ensure compliance with all laws and regulations applicable to their business activities. They shall respect the ethical concepts and values prevailing in the respective country where the business occurs.

## 2

### Corporate and social responsibility

As an international company, BHS Corrugated is committed to assuming **social responsibility** along the value chain by complying with human rights and labor law - and expects the same from its suppliers and business partners.

### 2.1

#### Respecting Human Rights

We, BHS Corrugated, do not tolerate any **forced labor, slavery, or child labor**. Therefore, suppliers and business partners of BHS Corrugated are also obliged to respect and protect the globally applicable regulations for protecting human rights as fundamental and universally applicable requirements. These regulations include that the suppliers and business partners of BHS Corrugated do not promote forced labor within the meaning of Convention No. 29 of the International Labor Organization on Forced Labor, the International Convention on Civil and Political Rights of December 19, 1966, or Convention No. 105 of the International Labor Organization on the Abolition of Forced Labor. In addition, the suppliers and business partners undertake not to use or participate in slavery or child labor within the meaning of Convention No. 138 of the International Labor Organization on the Minimum Age for Admission to Employment and Convention No. 182 of the International Labor Organization concerning prohibition and immediate action for the elimination of the Worst Forms of Child Labor. Accordingly, the minimum age for employment in the respective country must be observed (in Germany, this is generally 15 years). Minors are particularly vulnerable employees and are prohibited from engaging in activities that endanger their safety, health, or morals. In Germany, for example, minors include persons under the age of 18 years. Moreover, employees may fulfill the tasks voluntarily and without the threat of punishment. All forms of slavery or practices like slavery are not tolerated.

## 2.2

### No discrimination

BHS Corrugated, as well as its suppliers and business partners, commit themselves to refrain any from **discrimination** against employees within the meaning of Conventions No. 110, 111 and 159 of the International Labor Organization. Every distinction, exclusion or preference based on ethnic, national, or social origin, skin color, gender, religion, ideology, age, health, status, disability, sexual orientation, or political attitudes is prohibited. Paying unequal remuneration for work of equal value also constitutes prohibited discrimination.

## 2.3

### Freedom of Association

BHS Corrugated's suppliers and business partners respect the **freedom of association**, the right to form **groups of interests** and the right to join **collective bargaining**, as stated in the Convention No. 87 and No. 98 of the International Labor Organization. They grant their employees the right to defend their interests according to national legislation - their employees may not be discriminated against due to the perception of these interests in their employment.

## 2.4

### Product safety

BHS Corrugated's suppliers and business partners adhere to all applicable **product safety regulations and requirements**, particularly the legal provisions regarding the safety, labeling and packaging of products and the use of hazardous substances and materials.

## 2.5

### Minimum wage and working hours

The suppliers and business partners of BHS Corrugated ensure that their employees receive **appropriate remuneration** within the meaning of Convention No. 26 and 131 of the International Labor Organization, which corresponds at least to the legally valid and guaranteed minimum wage. If statutory or collective agreed provisions do not exist, the remuneration is based on industry-specific, collective agreements common to the respective location to ensure a decent standard of living for employees and their families. Employees must receive all legally prescribed benefits. Wage deductions as punitive measures are not permitted under any circumstances. **Working hours** comply at least with the respective national legal requirements or, if there are no legal requirements, suppliers or business partners shall be guided by standards of the respective industries. Convention No. 1 and No. 14 of the International Labor Organization set reasonable working hours standards.

## 2.6

### Health protection, work safety

Suppliers and business partners of BHS Corrugated adhere to the applicable statutory requirements for **occupational health and safety** by the Conventions No. 155 and 164 of the International Labor Organization.

They support the improvement of working conditions and ensure a safe, healthy, and hygienic working environment. To identify and avoid potential adverse health effects (such as mental or physical fatigue or health hazards due to exposure to chemical, physical, or biological substances) suppliers and business partners of BHS Corrugated take appropriate and demonstrable measures or run appropriate safety at work systems. They must ensure employees are regularly trained and informed of applicable health and safety regulations and measures.

## 3

### Ecological responsibility

BHS Corrugated aims to assume **ecological responsibility**. We also expect this from our suppliers and business partners by complying with the applicable legal requirements and fulfilling the following principles:

### 3.1

#### Climate protection

Suppliers and business partners of BHS Corrugated use natural resources rationally, avoid **environmental pollution** in production processes, and contribute to **reducing CO<sub>2</sub>-emissions**.

### 3.2

#### Preservation of natural livelihoods

Suppliers and business partners of BHS Corrugated undertake, by EMAS Regulations (No. 1221/2009) and ISO 14001:2015, neither to cause nor to promote harmful soil changes, water pollution, noise emissions or excessive water consumption through their operations and manufacturing processes. Instead, the aim should be to **protect the livelihood of all living beings and their health**, to implement appropriate remedial and monitoring measures, to limit the use of vital resources and raw materials to the necessary minimum and to avoid or reduce waste generation. Suppliers and business partners should also not deprive people of land, forests or waters that are securing the people's livelihoods by violating legitimate laws.

## 3.3

### Handling hazardous materials and waste

Suppliers and business partners undertake to comply with all applicable laws and regulations relating to **hazardous materials, chemicals, and similar materials** (e.g., European Regulation No. 1907/2006 [REACH]). Hazardous materials must be labeled and handled with care. Restraints on exporting and importing hazardous waste by the Basel Convention dated March 22, 1989, and the European Regulation No. 1013/2006 of the European Parliament and Council dated June 14, 2006, must be complied with. The use of mercury shall be by the prohibitions of the Minamata Convention dated 10th of 2013, and the use of persistent organic substances shall be by the Convention of Stockholm dated May 23, 2001.

## 4

### Ethical business relationship

BHS Corrugated expects **openness, transparency, and trust** from its suppliers and business partners as well as compliance with the following basic principles:

### 4.1

#### Anti-corruption

Suppliers and business partners do not accept **corruption**. They ensure compliance with applicable national anti-corruption laws in the respective country where business actions take place. They ensure that their employees, subcontractors, or representatives do not grant, offer, or accept bribes, improper donations, payments, or benefits to or from customers, public officials or other third parties- violations are sanctioned accordingly.

### 4.2

#### Gifts, hospitality and invitations

The suppliers and business partners of BHS Corrugated do not offer employees of BHS Corrugated or third parties any **improper advantages**, either directly or indirectly in the form of **gifts, hospitality, invitations**, or other alternative forms to improperly influence them. They neither request nor accept such benefits.

### 4.3

#### Consultants

Suppliers and business partners only use consultants following applicable laws. They ensure that the remuneration paid to **consultants** is for provided consulting and intermediary services only.

## 5

### Ethical market behavior

BHS Corrugated is a **fair market participant** and adheres to a free and fair market's contractual obligations and legal regulations. BHS Corrugated especially expects its suppliers and business partners to comply with the following principles as well:

### 5.1

#### Free competition

Suppliers and business partners **compete fairly in competition** and comply with applicable legal regulations protecting free competition. They do not conduct agreements or concerted practices with other companies aimed at or resulting in the prevention, restriction, or distortion of competition under the applicable antitrust regulations, and they do not abuse any market-dominance position unlawfully.

### 5.2

#### Export control

BHS Corrugated's suppliers and business partners ensure compliance with all applicable laws for **importing** and **exporting** goods, services, and information.

### 5.3

#### Money laundering

Suppliers and business partners only maintain business relationships with trusted and reliable business partners. They follow the applicable legal regulations on **money laundering prevention**.

## 6

### Data protection and data security

Protecting **confidential information**, **business secrets** and all **intellectual property** is essential to BHS Corrugated. BHS Corrugated expects its suppliers and business partners to do the same.

### 6.1

#### Data protection regulations

Suppliers and business partners of BHS Corrugated comply with all applicable laws to **protect the personal data** of employees, customers, suppliers and third parties. They use personal data only within the applicable data protection laws, process personal data as transparently as possible, and delete personal data if the reason for processing no longer exists.



## 6.2

### Protection of trade and business secrets (Information security)

Suppliers and business partners respect BHS Corrugated and third parties' **know-how, patents and trade and business secrets**. They do not disclose such (confidential) information without prior express written consent of BHS Corrugated or in any other inadmissible way. They will not use it for any other purpose beyond the direct cooperation with BHS Corrugated. Protecting the confidentiality, availability and integrity of the information is essential. **Information** and **systems** must be protected with appropriate technical and organizational measures.

## 7

### Monitoring of the code of conduct

BHS Corrugated expects its suppliers and business partners to **comply with the principles** stated in this code. Suppliers and business partners must screen their supply chain for risks regarding the regulations and take appropriate measures, if necessary. Suppliers or business partners discovering or expecting a violation at their own premises or within their supply chain must inform BHS Corrugated promptly.

Case-by-case, BHS Corrugated reserves the right to verify compliance with the principles/requirements of suppliers and business partners through an audit. An audit only will take place after prior notice. Risk-based audits, self-assessment questionnaires, or other kinds of audits will only occur in the presence of representatives of the business partner, during regular business hours and according to the applicable laws. Suppliers or business partners may only object the individual audit measures if the audit violates the laws.

Side agreements may not circumvent compliance with this Code. Side agreements include agreements or measures comparable to the rules and regulations of this Code. BHS Corrugated is responsible for demanding compliance with this Code by our suppliers and business partners.

If violations of this Code are detected, suppliers and business partners must inform BHS Corrugated and to take appropriate countermeasures. The supplier or business partner will receive a reasonable period to cease the violation.

## 8 Consequences of violations

If the supplier or business partner **fails to comply** with the rules stated in this Code, BHS Corrugated is entitled to terminate the business relationship - without observing a notice period, depending on the severity of the violation and the individual case. The right of extraordinary termination and the right to claim for damages remain unaffected. However, it is within the discretion of BHS Corrugated, to waive such consequences and to take alternative measures instead, if the supplier or business partner can demonstrate, that they have immediately taken countermeasures to prevent future violations.

**Complaints** or indications of violations of this Code can be reported by using the following channels. The reporting of violations may relate to violations in the supplier's or business partner's own business area as well as within the supply chain.

## 9 Procedure of complaints

- Compliance Office:
  - [compliance@bhs-world.com](mailto:compliance@bhs-world.com)
- Integrity Channel BHS Corrugated
  - Link, for Integrity Channel BHS Corrugated  
>>>[Link "Integrity Channel BHS Corrugated"](#)
  - QR-code for Integrity Channel BHS Corrugated



The identity will be treated confidentially or anonymously upon the whistleblower's request. The complaints procedure may not be used to communicate false or untrue indications and information deliberately.

## 10

### Acknowledgement and consent

By signing this document, suppliers and business partners undertake to act responsibly and to comply with this Code's principles and requirements. Suppliers and business partners confirm that they actively communicate the content of this Code to their employees, agents, subcontractors, and suppliers to ensure proper implementation of all necessary precautions.

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Company

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Name and position of signatory

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Place, date

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Signature