

SUPPLIER CODE OF CONDUCT

I. Introduction

BOMAG and the companies of the BOMAG Group attribute great importance to sustainable and ethical business conduct and expect our suppliers to uphold these values.

Not only in accordance with the mandatory legal regulations, but also beyond, BOMAG has set itself the goal of working towards the observance and enforcement of human rights and environmental protection in all its business processes. In the area of its supply chain, BOMAG is moreover obliged by the German Supply Chain Due Diligence Act to maintain an effective risk management system including direct and indirect suppliers. Part of this legal obligation is establishing the following Supplier Code of Conduct as a binding agreement with BOMAG's suppliers.

We therefore ask you to read the following regulations carefully and to return a signed copy to us.

II. Principles and requirements

Compliance with laws and regulations

BOMAG expects our suppliers to comply with all applicable laws, rules and regulations and to take appropriate measures to ensure compliance with these laws, rules and regulations.

This Supplier Code of Conduct is based on national laws and regulations such as the German Supply Chain Act and international conventions including the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the UN Global Compact and the core labour standards of the International Labour Organization.

The principles contained in this Supplier Code of Conduct represent minimum standards and must be complied with in the same manner as the laws and regulations applicable in the countries in which our suppliers operate. Of several regulations that relate to the same area of application, the regulation that sets the higher requirements always takes precedence.

III. Standards and risks

Respect for human rights and working conditions

Prohibition of forced labour

Any form of forced labour, servitude, involuntary prison labour or human trafficking is prohibited. Workers are free to leave their employer after reasonable notice.

Employees must be able to terminate their work or employment contract at any time. In addition, there must be no inappropriate treatment of workers, such as psychological hardship, sexual and personal harassment and humiliation.

The hiring or use of security personnel must be prohibited if, during their deployment, persons are treated in an inhumane or degrading manner, are injured or if freedom of association is impaired.

Prohibition of child labour

The use of child labour as defined by ILO and UN conventions and/or national laws is prohibited.

The minimum age of employment for minors must not be less than the applicable compulsory schooling age and must be at least 15 years, unless ILO exceptions apply. The children's right to education must be respected.

Children and juveniles under the age of 18 are not to be employed at night or under dangerous conditions.

Fair wages

Wages are paid on time, regularly and in their entirety. Deductions from wages as a disciplinary measure are generally prohibited, while deductions from wages that are not explicitly authorised by national legislation are not permitted without the express consent of the worker concerned.

The supplier shall ensure that employees receive clear, detailed and regular written information on the composition of their remuneration.

Fair working hours

Working hours must comply with applicable laws or industry standards. Overtime is only permitted if it is performed voluntarily and does not exceed 12 hours per week. Employees must be granted at least one day off after six consecutive working days. The weekly working time must not regularly exceed 48 hours.

Freedom of association

Workers have the right to organise and form a trade union of their own choice and to bargain collectively within the framework of applicable laws. Workers' representatives are not discriminated against and have the opportunity to carry out their representative functions in the workplace.

In cases where freedom of association and the right to collective bargaining are restricted by law, alternative means of independent and free association of workers for the purpose of collective bargaining should be provided as far as legally possible.

Employee representatives must be granted free access to the workplaces of their colleagues to ensure that they can exercise their rights in accordance with the applicable laws.

Prohibition of discrimination

Discrimination or unequal treatment of employees in any form is prohibited unless it is justified by the requirements of employment and is based on objective criteria.

There shall be no discrimination in recruitment, remuneration, access to training, promotion, termination of employment or retirement on the basis of race, caste, nationality, religion, age, disability, gender, marital status, sexual orientation, trade union membership or political affiliation.

The personal dignity, privacy and personal rights of each individual must be respected at all times.

Health and safety at work

The supplier is responsible for a safe and healthy working environment. Necessary precautionary measures against accidents and damage to health that may arise in connection with the work shall be taken by setting up and applying appropriate occupational safety systems that at least fulfil the applicable legal requirements.

Suitable measures must be taken to prevent excessive physical or mental fatigue. In addition, employees are regularly informed and trained on applicable health and safety standards and measures.

Employees are provided with access to drinking water in sufficient quantities and access to clean sanitary facilities.

Ethical Business Practices

Prohibition of corruption and bribery

Any form of corruption or bribery will not be tolerated. The supplier must note that BOMAG employees may not obtain or accept any unjustified personal advantages in connection with their business activities. Only gifts below a marginal income threshold of 50 euros per person per year are permitted. Monetary payments to our employees are prohibited without exception. Invitations to our employees for business trips, factory trips, leisure events or other events must always be approved in advance by the respective management of the affected BOMAG company. Invitations to business dinners are exempt from the authorisation requirement, provided that they are directly related to business and the expenditure is appropriate in terms of type and scope.

Avoidance of conflicts of interest

In the negotiation and closing of any agreement on the delivery of goods or the provision of services as well as in the execution of the contract, no personal interests of the supplier's or BOMAG's employees involved may play a role. If a transaction between BOMAG and the supplier is affected by the personal interests of the persons involved, the possible conflict must be brought to the attention of the management of the respective BOMAG company. In the subsequent execution of such a transaction, solely the commercial interests of the contracting parties may be considered.

Fair competition, compliance with competition and antitrust law and intellectual property

BOMAG complies with the applicable rules of competition and antitrust law as well as the principle of fair competition and expects the same from its business partners. In dealings with competitors, the applicable antitrust laws particularly prohibit agreements and other activities that influence prices or conditions. Agreements between customers and suppliers that are intended to restrict customers in their freedom to determine their own prices and other conditions for resale are prohibited. BOMAG strongly condemns such behaviour and expects the same from its business partners. In addition, BOMAG's suppliers undertake to respect the intellectual property rights of BOMAG and third parties.

Export controls and economic sanctions

All BOMAG suppliers must comply with all applicable regulations and laws regarding the import and export of goods, services and information as well as payment transactions. In all business activities, existing sanctions and embargoes must be observed in accordance with applicable laws and regulations.

Prevention of money laundering and terrorist financing

All BOMAG suppliers commit to complying with their legal obligations to prevent money laundering and terrorist financing within the framework of the applicable legal provisions and refraining from promoting them directly or indirectly.

Environmental protection and sustainability

Environmental legislation

The supplier complies with the relevant environmental laws and regulations. Its operation meets the requirements of waste law as well as immission and water protection.

All regulations regarding hazardous substances are complied with by the supplier. This applies in particular to storage, the handling of hazardous substances and their disposal. Employees must be informed about the handling of hazardous materials and substances.

Treatment and discharge of industrial wastewater:

Wastewater from operating procedures, manufacturing processes and sanitary facilities must be typecast, monitored, checked and, if necessary, treated in accordance with the applicable regulations before discharge or disposal. In addition, measures are to be implemented to reduce wastewater.

Dealing with air emissions:

General emissions from operating processes (air and noise emissions) as well as greenhouse gas emissions must be typecast, routinely monitored, checked and, if necessary, treated in accordance with the applicable regulations before they are released.

The supplier is also responsible for monitoring existing exhaust gas purification systems and is encouraged to find cost-effective solutions to minimise any emissions.

Handling of waste and hazardous substances:

The supplier follows a systematic approach to identify, handle, reduce, and responsibly dispose of or recycle solid waste in accordance with applicable regulations.

The prohibitions on the export of hazardous waste in accordance with the Basel Convention of 22 March 1989 in its current version must be observed. Chemicals or other materials that pose a risk when released into the environment must be identified and handled in a way that ensures safety in the handling, transport, storage, use, recycling or reuse and disposal of such substances.

Mercury must be used in accordance with the prohibitions of the Minamata Convention of 10 October 2013 and persistent organic pollutants in accordance with the Stockholm Convention of 23 May 2001 as amended.

Reduction of consumption of raw materials and natural resources:

The use and consumption of resources during production and the generation of waste of all kinds, including water and energy, must be reduced or avoided as far as possible.

This may be done either directly at the point of origin or through procedures and measures, e.g. by changing production and maintenance processes or operations in the company, by using alternative materials, by saving, by recycling or by reusing materials.

Dealing with energy consumption/efficiency

Energy consumption must be monitored and documented. The aim is to find cost-effective solutions that improve energy efficiency and minimise energy consumption.

Animal welfare:

When using animals, care must be taken to ensure species-appropriate husbandry and compliance with the applicable animal welfare regulations. Measures that cause unnecessary suffering and pain to animals are to be avoided as far as possible.

Conflict minerals

For the conflict minerals tin, tungsten, tantalum and gold, as well as for other raw materials such as cobalt, processes are to be developed and applied that are consistent with the Organisation for Economic Cooperation and Development (OECD) Due Diligence Principles for Promoting Responsible Supply Chains for Minerals from Conflict-Affected and High-Risk Areas. Smelters and refineries without appropriate, audited due diligence processes shall be avoided.

Privacy

Compliance with data protection and confidentiality

When collecting, storing, processing, transmitting and passing on confidential information, suppliers must comply with data protection and information security laws and official regulations.

Together with BOMAG, the suppliers will work towards concluding appropriate confidentiality agreements and ensuring adequate protection of confidential information received.

IV. Complaint mechanism

BOMAG encourages its business partners to report any legal violations in BOMAG's area of responsibility immediately upon their occurrence or as soon as they are expected to occur with a high likelihood. Anyone making a report does not have to fear any disadvantages, provided that the respective information has been made to the best of their knowledge and with honest intentions.

A suspected case or a violation can be reported – even anonymously – via BOMAG's whistleblower channel ([Complaint management \(osapiens.cloud\)](https://osapiens.cloud)) or directly by e-mail to BOMAG's Compliance Department (compliance@bomag.com).

V. Cooperation

In order to manage the fulfilment of the expectations described in this Code of Conduct in the form of the standards and regulations set out in this document, BOMAG carries out regular risk and event-related risk analyses. The supplier undertakes to provide all requested information necessary for the appropriate performance of this risk analysis without undue delay. For the purpose of monitoring compliance with the requirements of this Supplier Code of Conduct, the supplier shall enable BOMAG to carry out annual risk-based and event-related audits at the supplier's production sites, if necessary. In this context, the supplier shall cooperate in the implementation of control measures required by BOMAG. BOMAG and the supplier shall each bear their own costs incurred.

Violations of the provisions of this Code of Conduct shall be communicated in writing by the supplier and shall be remedied within a reasonable period of time. The supplier also undertakes to cooperate in the development of a concept with a timetable for ending or reducing any violation, including violations within the supplier's own supply chain. In the event that material violations by a subcontractor are detected and are not satisfactorily remedied within a reasonable period of time, the supplier shall take immediate and appropriate action (including the termination of the contractual relationship).

In the event of culpable violations on the part of the supplier, the unsuccessful expiry of deadlines set by BOMAG for the implementation of appropriate remedial measures, or lack of remedy after implementation of the designed measures after the expiry of the schedule, and if a continuation of the contract until the ordinary termination is unreasonable for BOMAG and no milder means are available, BOMAG may end the business relationship and terminate all contracts between the Supplier and BOMAG, provided BOMAG has informed the supplier of its intention to do so when setting the deadline. The same shall apply in the event of a lack of effort by the Supplier with regard to the enforcement of the requirements defined in this Code by its subcontractors. A statutory right to immediate termination for cause, in particular in the case of violations that are to be assessed as very serious, as well as BOMAG's rights to damages remain unaffected.

VI. Acknowledgment and consent of suppliers

By signing this document, the Supplier undertakes to comply with the principles, requirements and obligations set out herein.

The Supplier undertakes to communicate the content of this Code to employees, agents and subcontractors in an intelligible manner and to take all necessary precautions and measures for the implementation of the requirements, including in its own supply chain.

The Supplier acknowledges that the existence of a suspicion of a violation or violation of this Code of Conduct may constitute a sufficient legal basis for BOMAG to terminate the business relationship, including all associated supply contracts, in accordance with the above.

This Agreement shall not create any legal basis for any rights, claims or causes of action against BOMAG or the Supplier by any third party.

VII. Contact

If you have any questions about this Supplier Code of Conduct, please contact BOMAG's Compliance Department via e-mail (compliance@bomag.com).