

#COMPLIANCE

# CODE OF CONDUCT

# FOREWORD BY THE EXECUTIVE BOARD

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**Christian Engel und Lars Engel**  
Executive Board

## **Dear Colleagues,**

Our BHS Corrugated Maschinen- und Anlagenbau GmbH is the world's leading producer and lifecycle service provider of machines for the production of corrugated board. Corrugators are complex systems that can take dimensions of over two hundred meters in total length. These produce fluted and cut single faced or rather simplex, duplex or triplex corrugated board from smooth paper webs. BHS Corrugated is a historically grown, family owned business, which acts accordingly corporate responsible. As a company originally founded in Weiherhammer, we now operate worldwide. We work with colleagues, customers, suppliers and third parties who come from a variety of countries with different cultures, backgrounds and values.

# FOREWORD BY THE EXECUTIVE BOARD

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Certain values are valid all over the world and BHS Corrugated has always grown through acting on the basis of trust, respect, passion, performance, quality and with social responsibility, to a global company. As a lifecycle company in the digital age, we value long-term business models that allow us to provide our customers with sustainable solutions that encompass the entire lifecycle for their businesses.

The Code of Conduct provides a framework of guidance and applies equally to everyone – Executive Board, managers and each individual employee. It sets a standard for ourselves and at the same time represents a commitment that we will act responsibly both externally in our dealings with business partners and the general public as well as internally in our interactions with colleagues. We bear joint responsibility for our Company's reputation.

Therefore, we ask you to familiarize yourself with our Code of Conduct and use it together with us as a guideline for our daily business.



*Our basic rules and principles governing our behavior now and in the future have been brought together in this Code of Conduct.*



# 01

COMPLIANCE & CODE  
OF CONDUCT

# COMPLIANCE & CODE OF CONDUCT

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„CoC“

## **What does Compliance mean for BHS Corrugated?**

By the term "Compliance" we mean that we as employees<sup>1</sup> of BHS Corrugated adhere to applicable law and internal regulations in all corporate actions to prevent economic damages and such for the Company's reputation. Compliance is the foundation of our corporate decisions and activities. In addition, behavior that complies with the law at all times and everywhere should protect us from personal liability. This requires us to pay special attention to the topics listed in this CoC, as these involve significant risks in day-to-day life.

## **Who takes responsibility for Compliance?**

Compliance affects all employees of BHS Corrugated, not just the Executive Board or the Compliance Officer. Everyone is responsible for Compliance in their daily work. Only by knowing, understanding and adhering to the applicable regulations and rules, BHS Corrugated's sustainable long-term goals can be achieved.

<sup>1</sup> In order to improve readability, only the male form is used in the text, nevertheless all pronouns refer equally to persons of all gender. The term "employee" also includes managers at all levels and Group Companies.

# COMPLIANCE & CODE OF CONDUCT

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„CoC“

## **Who does this Code of Conduct apply to?**

This CoC applies to all employees of the BHS Group. The executives are responsible for ensuring that their employees know their responsibilities and understand this CoC.

## **To what extent does the Code of Conduct apply in an international environment?**

This Code of Conduct forms the minimum standard for the BHS Corrugated Maschinen- und Anlagenbau GmbH and all companies, which belong to the BHS Group. The adherence to laws and regulations is an essential basic principle of acting corporate responsible. We always observe the applicable legal prohibitions and obligations. Where national laws are more restrictive than the rules applying at BHS Corrugated, the national laws prevail.



02

FAIR WORKING  
CONDITIONS

# FAIR WORKING CONDITIONS

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## **Conducive cooperation at BHS Corrugated**

BHS Corrugated stands for mutually conducive cooperation and equal opportunities. We respect internationally recognized human rights and support their observance. We strictly reject all forms of forced and child labor. BHS Corrugated recognizes the right of all employees to establish trade unions and employee representations in the framework of national regulations. The basis for cooperative interaction is an open dialogue characterized by mutual respect.

## **Fair remuneration**

We stand for a fair and performance-related remuneration as well as employee benefits adapted to our employees' needs. Wages and salaries, including compensation for work overtime and social benefits comply at least with the legal regulations or the relevant applicable collective agreements.

# FAIR WORKING CONDITIONS

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## **Work safety and health protection**

The safety and health of our employees are, in addition to the quality of our products and our economic success, a high corporate goal. From the planning phase, occupational safety is included in the technical, economic and social considerations.

We also regularly carry out safety instructions, risk assessments and health care. In order to continue to meet these requirements and to optimize processes, all employees are called upon to submit suggestions for improvement. In addition, BHS Corrugated actively promotes the health of its employees through programs and actions in the context of occupational health management, which is being further expanded. The same safety standards as for BHS Corrugated employees apply to employees of subcontractors. The safety standards are taken into account in selecting and working with subcontractors.



03

FAIR & FREE  
COMPETITION

# FAIR & FREE COMPETITION

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## **Independent economic activities**

BHS Corrugated acts independent on the market. We do not enter into agreements with competitors on prices, conditions, distribution of markets, areas or customers, production strategies, etc. Nor do we agree with competitors on sales territories or target customers.

## **Market-conform behavior towards suppliers and customers**

BHS Corrugated's special market position demands that we deal fairly with suppliers and customers. This means that BHS Corrugated does not claim e.g. exclusivity or deny a delivery of a customer groundless.

## **Only permissible information exchange with competitors**

When communicating with competitors, all employees are careful not to disclose any information that could affect future market activities, such as: costs, margins or product developments. All employees should stop the discussions and report the incident to their supervisor, if a competitor fails to comply with the obligation to keep silence, e.g. about margins. This is especially required at association or industry meetings.



04

BUSINESS RELATIONS

# BUSINESS RELATIONS

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## Prohibition of corruption

BHS Corrugated does not tolerate any form of corruption. Therefore, we refrain from any undue influence on business decisions by donating or accepting improper benefits of any kind.



## Accepting and giving gifts, hospitality and invitations

Gifts and invitations are widely used in day-to-day business in many cultures. Nevertheless, any benefits used to exert undue influence third parties are prohibited. The acceptance or granting of gifts, hospitality or invitations is only permitted to a reasonable extent taking into account the nature of the business and the internal rules. Exceptions and cases of doubt must be clarified with the supervisor or the Compliance Officer.

# BUSINESS RELATIONS

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## **Donations and sponsoring**

As a socially responsible company, the BHS Group promotes social and nonprofit institutions, education, sports and science through donations in cash and kind. All donations must be made in accordance with the applicable legal system. The donations are made transparently and without the expectation of a return. The donation purpose, recipient and receipt must always be documented. All sponsoring activities of the BHS Group must be based on written contracts and must be appropriate to the sponsoring services. Sponsorship must not be used to circumvent the rules on donations.

## **Transparent consulting contracts**

Agents or consultants appointed by BHS Corrugated receive appropriate remuneration based on proven services agreed in advance in writing and subsequently actually provided.

## **Dealing with public officials**

Any undue influence on public officials has not only be avoided by the employees, but also by anyone who works for BHS Corrugated.

# BUSINESS RELATIONS

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### Cross border trade

BHS Corrugated provides transparent documentation and processing, when importing or exporting goods, services or technical information. Outstanding embargos will be taken into account, as well as necessary permits will be obtained and legal duties will be paid.

### Prevention of money laundering

BHS Corrugated fulfills its legal obligations to prevent money laundering in every respect. Every employee is required to avoid and pay attention to unusual financial transactions. This applies in particular to transactions involving cash or via third parties that may give rise to a suspicion of money laundering. Possible suspicions must be reported to the supervisor or the Compliance Officer.



# 05

CONFLICTS OF INTEREST

# CONFLICTS OF INTEREST

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## **Distance between professional and private life**

We respect the privacy of our employees and are not interested in personal matters outside the workplace. Our business decisions are made exclusively in the best interests of the Company. Conflicts of interest with personal matters or other economic activities, including those of relatives and other related parties or entities should be avoided right from the start.

Should such conflicts anyway occur, they must be solved in compliance with the law as well as the applicable Group policies. The precondition for this is the transparent disclosure of the conflict. In case of possible conflict situations or in cases of doubt, the supervisor or the Compliance Officer must be consulted.



06

TRADE SECRETS &  
ASSETS

# TRADE SECRETS & ASSETS

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## **Protection of confidential business information**

The Company's intellectual property represents a competitive advantage for BHS Corrugated and is therefore an asset worth protecting. Everyone at BHS Corrugated is required to treat business information about BHS Corrugated and its business partners, which are not publicly known, confidentially and protect them against any unauthorized access by third parties.

## **Protection of company property**

Everyone is responsible for the protection as well as the appropriate and resource-saving use of the Company's property. Assets may not be removed from the company grounds.



# 07

## DATA PROTECTION & INFORMATION SECURITY

# DATA PROTECTION & INFORMATION SECURITY

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Personal data may only be collected and processed within the permissible legal framework and for clearly defined purposes as well as in compliance with the data subject's rights.

BHS Corrugated's systems and data are always protected against unauthorized access by third parties, e.g. regulated access to personnel files. Everyone is responsible for the proper handling of their access data (e.g. passwords). If additional data protection regulations apply in individual countries, then these regulations prevail.



*The rights of the subject, e.g. the “right to be forgotten” must be respected.*



08

IMPLEMENTATION &  
CONTACTS

# IMPLEMENTATION & CONTACTS

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BHS Corrugated actively promotes the communication of the Group policies and agreements, on which the Code of Conduct is based. The individual companies must ensure that they are implemented and that no employee is disadvantaged by complying with the policies and agreements.

Our managers have a special function as role models. They are the first point of contact for questions on understanding the regulations and must ensure that all employees know and understand the Code of Conduct. As part of their management duties, they prevent unacceptable conduct and take appropriate measures to avoid infringements of rules in their area of responsibility. Good and trusting relations between employees and managers are reflected in honest and open communication as well as mutual support.

With this Code of Conduct, the internal policies and trainings, not all points are addressed and questions are answered. Therefore, every employee has the opportunity and is asked to contact their supervisor, the Compliance Officer, human resources department or the employee representatives at any time with questions.



*If you have further questions regarding Compliance, our Compliance Officer is at your disposal.*

**REQUIREMENTS**

**TRANSPARENCY**

**POLICIES**

**COMPLIANCE**

**STANDARDS**

**REGULATIONS**

**09**

REPORTING OF  
INDICATIONS OF  
VIOLATIONS

# REPORTING OF INDICATIONS

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## OF VIOLATIONS OF LAWS, GROUP POLICIES OR AGAINST THIS CODE OF CONDUCT

If you have suggestions or complaints, in particular violation indications of this Code of Conduct as it pertains to BHS Group's applicable laws or Group policies, you may report such incidents to the following units or persons (personally, electronically, in writing or by telephone):

- **Supervisor**

- **Compliance Officer**

Daniela Pressl

Tel: +49 96 05 919 – 9529

E-Mail: [DPressl@bhs-world.com](mailto:DPressl@bhs-world.com)

- **Employee Representation**

- **Ombudsman**

Dr. Thomas Altenbach

Tel: +49 69 24 70 97 – 35

E-Mail: [ombudsmann-bhs-corrugated@actlegal-act.com](mailto:ombudsmann-bhs-corrugated@actlegal-act.com)

# REPORTING OF INDICATIONS

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## OF VIOLATIONS OF LAWS, GROUP POLICIES OR AGAINST THIS CODE OF CONDUCT

With each report we help with the clarification and elimination of wrongdoing and grievances. This protects us and the Company against risks or damages. Upon request, indications can also be made anonymously to BHS Corrugateds' ombudsman.

We would like to point out that the whistleblowing system is only for reporting violations of laws, policies or our Code of Conduct. General complaints are not processed.

Each report will be checked by the Compliance Officer and at each activity the employee representation and the HR manager will be involved in a timely manner.



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