BME Code of Conduct
(Code of Conduct)

I. Preamble

The German Association for Materials Management, Purchasing and Logistics (BME) represents around 13,000 members (as of October 2025), ranging from individuals to large companies. The BME represents all sectors and types of companies, including industry and trade, consulting, banking and insurance, public institutions, utilities and logistics service providers.

The BME and its member companies recognise their social responsibility. In particular, all those involved in the procurement process, as intermediaries between their own companies and suppliers in the respective procurement markets, bear responsibility towards their own companies, customers and suppliers, the environment and society.

The actions of companies and their employees are guided in particular by the values of integrity and fairness. Honest, incorruptible and trustworthy behaviour is just as much a hallmark of social responsibility as collegial, fair and impartial cooperation in the best interests of all parties involved.

The BME Code of Conduct is a voluntary code designed to emphasise the interest of the German Association for Materials Management, Purchasing and Logistics (BME) and its members in fair, sustainable and responsible ethical principles of conduct.

The BME Code of Conduct applies to the signing / acceding company , its management and its employees, and is intended to serve as the basis for all business relationships of the signing/ acceding company.

The social and ethical standards described in this BME Code of Conduct are based in particular on the principles of the UN Global Compact, the ILO Conventions, the United Nations Universal

Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, such as the UN Conventions on the Rights of the Child and on the Elimination of All Forms of Discrimination against Women, the OECD Guidelines for Multinational Enterprises and the German Supply Chain Due Diligence Act (LkSG). The following sections II to V constitute minimum standards. They are intended to help make responsible decisions and prevent situations that could compromise the integrity of the signing/ acceding company and its employees.

The signing/ acceding company observes the principles of the Global Compact and works towards achieving its goals in its business management.

II. General principles, law and legislation

The signing/acceding company undertakes to fulfil its social responsibility in all its business activities.

The signing/acceding company undertakes to observe the applicable laws and other relevant provisions of the countries in which it operates in all its business activities and decisions. Business partners must be treated fairly. Contracts must be honoured, taking into account changes in the general conditions. If national regulations deviate from the rules of conduct set out in this Code of Conduct, the stricter regulation shall apply.

III. 1. Corruption / Money laundering / Lobbying / Antitrust law / Export control law / Data protection, information and cyber security / Artificial intelligence (AI)

a) Corruption

When dealing with business partners (customers, suppliers) and government institutions, the interests of the company and the private interests of employees on both sides are strictly separated. Business activities and (purchasing) decisions are made free of irrelevant considerations and personal interests.

The applicable criminal law on corruption must be observed. Among other things, the following must be observed:

Criminal offences in connection with public officials:

The granting of personal advantages (especially of a monetary nature, such as payments and loans, including the granting of small gifts over a longer period of time) by the signing/ or its employees to public officials (such as civil servants or public service employees) with the aim of obtaining advantages for the signing/acceding company or itself or third parties, or to expedite official decisions in a criminal manner (also known as "*facilitation payments*"), are not permitted.

Criminal offences in business transactions:

Monetary personal benefits in return for preferential treatment in business transactions may not be offered, promised, granted or approved. Similarly, personal benefits of value may not be demanded or accepted when dealing with business partners. The signing/acceding company must require its employees not to accept any such benefits.

The management and employees of the signing/acceding company may not offer, promise, demand, grant or accept any gifts, payments, invitations or services in business transactions that are granted with the intention of influencing a business relationship in an impermissible manner or that could jeopardise the professional independence of the business partner. This is generally not the case for gifts and invitations that are within the scope of customary hospitality, custom and courtesy. Even the appearance of improper influence must be avoided.

The signing/acceding company will only accept or grant donations on a voluntary basis and without expectation of anything in return. The sponsorship of individuals, groups or organisations will not be used to obtain unlawful business advantages.

Remuneration of consultants, agents and other intermediaries must not be used to grant improper advantages to business partners, customers or other third parties. The signing/acceding company shall select its consultants, agents and other intermediaries carefully and according to appropriate suitability criteria.

The signing/acceding company may issue a binding anti-corruption policy, in particular regarding the acceptance and granting of gifts and invitations to hospitality and events. The policy may provide for exceptions with regard to appropriate gifts of low value and symbolic gifts, appropriate business meals and appropriate events organised by the company itself or by business partners (customers, suppliers). The policy shall be communicated to the BME and shall be communicated transparently within the signing/acceding company and to existing and potential business partners (publication).

The signing/acceding company shall designate a contact person for its employees who can be contacted if employees of the signing/acceding company find themselves in a conflict of interest or are unsure whether a conflict of interest exists or could arise.

b) Money laundering

The signing/acceding company shall comply with all applicable laws and guidelines on combating money laundering and terrorist financing. Money may only be accepted from or transferred to legal sources.

c) Political influence/lobbying

Political lobbying shall be conducted openly, objectively and in accordance with applicable law, in particular the Lobby Register Act. The signing/acceding company rejects illegal donations to parties, their representatives, elected officials and candidates for political office.

d) Conduct towards competitors (antitrust law)

The signing/acceding company respects fair competition. It therefore complies with applicable laws that protect and promote competition, in particular the applicable antitrust laws and other laws regulating competition.

In dealing with competitors, agreements and other concerted practices relating to factors relevant to competition – such as prices, terms and conditions, development projects, market or customer allocations, production or distribution capacities, or salaries – are prohibited. Such agreements constitute an inadmissible interference with free and open competition.

Even the exchange of strategically relevant information (e.g. on prices, costs, sales volumes, capacities or future business strategies) between competing companies can be problematic under antitrust law and must be reviewed in advance by legal experts.

Furthermore, these regulations prohibit agreements between suppliers and customers/dealers that aim to restrict the pricing or terms and conditions of resale (price and terms binding).

Since it can be difficult to distinguish between prohibited cartels and permissible cooperation in individual cases, the signing/acceding company should provide its employees with a contact person who can be consulted in cases of doubt.

e) Export control law

The signing/acceding company shall ensure compliance with all applicable laws governing the import and export of goods, services and information, as well as applicable embargoes and sanctions. These include financial, trade and travel sanctions, as well as embargoes against individual countries, persons, organisations and sectors. The signing/acceding company shall not maintain any business relationship with persons, companies or organisations that are on sanctions lists.

The signing/acceding company is required to investigate any suspicion of an impermissible transaction in accordance with the applicable provisions and to take appropriate remedial measures.

f) Data protection, information and cyber security

The signing/acceding company undertakes to handle (personal) data in a trustworthy and responsible manner. Personal data will only be processed if and to the extent that applicable laws and regulations permit data processing.

The signing/acceding company shall always ensure secure data exchange throughout the entire supply chain. It shall comply with the relevant national and international laws to ensure information and cyber security. It undertakes to take appropriate, proportionate and effective technical and organisational measures to prevent disruptions to the availability, integrity and confidentiality of information technology systems, components and processes, to minimise the impact of security incidents and to ensure data integrity.

g) Use of artificial intelligence (AI)

The signing/acceding company undertakes to use AI exclusively for ethically and morally acceptable purposes and in accordance with this Code of Conduct. Its use shall comply with all applicable national and international legal and regulatory requirements, in particular the provisions of the European Union on the use of AI (including the EU AI Act) and the General Data Protection Regulation (GDPR).

III. 2. Principles of social responsibility

a) Human rights – human trafficking, forced labour, child labour

The signing/ acceding company acknowledges its responsibility in the area of human rights, as set out in particular in the UN Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights of 19 December 1966, the International Covenant on Economic, Social and Cultural Rights of 19 December 1966 and the core labour standards of the International Labour Organisation (ILO). The ILO's core labour standards include, in particular, the abolition of forced or compulsory labour and the effective abolition of child labour.

The signing/ acceding company undertakes to respect and promote these human rights. It pursues a strict zero-tolerance policy towards any violations of human rights, including human trafficking, forced labour, modern slavery and child labour – both within the company and throughout the entire supply chain. In particular, it undertakes to comply with the Convention concerning Minimum Age for Admission to Employment (Convention 138 of the International Labour Organisation) and the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Convention 182 of the International Labour Organisation). If national regulations provide for stricter standards with regard to child labour, forced labour or slavery, these shall take precedence.

b) Discrimination

The signing/ acceding company undertakes to oppose all forms of discrimination within the framework of the applicable rights and laws. This applies in particular to discrimination against employees on the basis of gender, race, disability, ethnic or cultural origin, religion or belief, age or sexual orientation.

c) Occupational health and safety

The signing/ acceding company guarantees occupational health and safety in the workplace within the framework of the applicable national and international regulations. The signing/ acceding company supports continuous development to improve the working environment. Relevant safety regulations and standards are complied with and a safe and healthy working environment is promoted. This also includes preventive measures and training to avoid accidents.

d) Product safety

The products and services of the signing/ acceding company shall be placed on the market in compliance with national and international laws, standards and regulations on product safety.

e) Fair working conditions

The signing/ acceding company respects its employees' right to freedom of association and reasonable working hours within the framework of the applicable rights and laws. In particular, it remunerates its employees appropriately and on the basis of fair and regular employment relationships and in accordance with the respective laws and industry standards. The core labour standards of the International Labour Organisation (ILO) are observed.

f) Unlawful eviction/land use

The signing/ acceding company observes national and international prohibitions on unlawful evictions and the prohibition of the unlawful deprivation of land, forests and water bodies in the development or other use of land, forests or water bodies whose use secures a person's livelihood.

g) Use of security forces

The signing/ acceding company will not use private or public security forces to protect business projects if, due to a lack of training, there is a risk that the prohibition of torture will be disregarded, life or limb will be harmed, or freedom of association will be impaired.

h) Environmental protection

The signing/ acceding company is committed to the goals of environmental and climate protection for present and future generations. Laws enacted to protect the environment and climate must be observed. Companies are committed to protecting natural ecosystems and promoting the use of the circular economy.

The signing/ acceding company uses resources sparingly and keeps its impact on the environment and climate to a minimum. The signing/acceding company supports and promotes environmentally conscious behaviour among its employees.

In particular, the signing/acceding company complies with existing bans on harmful soil changes, water and air pollution, harmful noise emissions or excessive water consumption beyond applicable limits.

The signing/acceding company complies with the ban on the manufacture of products containing mercury in accordance with the Minamata Convention, the ban on the export of hazardous waste in accordance with the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes, and the ban on the production and use of chemicals in accordance with the Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (POPs Convention).

i) Protection of property, IP and trade secrets

The signing/acceding company obliges its employees to respect trade and business secrets. Confidential information and confidential documents may not be disclosed to third parties or made accessible in any other way without authorisation, unless authorisation has been granted or the information is publicly available. Use for private or non-business purposes is prohibited, unless expressly permitted in exceptional cases.
The intellectual property of third parties must be respected and protected. This includes all patents, copyrights, trademarks and know-how. Any unauthorised use is prohibited.

IV. Suppliers

The signing/acceding company is requested to communicate the contents and the standards and values contained therein of this BME Code of Conduct Section III 1. and 2. to its direct suppliers, to promote compliance with the contents of the BME Code of Conduct Section III 1. and 2. among its suppliers to the best of its ability, and to request them to comply with the BME Code of Conduct Section III 1. and 2. The signing/acceding company is also requested to recommend that its suppliers, in turn, request their suppliers to comply with the BME Code of Conduct.

V. Reporting violations

The signing/acceding company shall inform its employees that they can report violations of this BME Code of Conduct and how to do so. The signing/acceding company shall comply with locally applicable regulations on whistleblower protection, in particular protection against unlawful reprisals.

All employees are encouraged to report any behaviour that may violate this code of conduct or respective applicable law via the designated reporting channels**.** This ensures that the rights of all parties involved are protected and that the report is handled confidentially and professionally.

VI. Compliance

The signing/acceding company is free to introduce more extensive codes of conduct with higher ethical standards for itself and its employees.

The signing/acceding company shall make every appropriate and reasonable effort to continuously implement, apply and optimise the principles and values described in this BME Code of Conduct.

The signing/acceding company undertakes to inform its executive bodies, managers and employees, its business partners and their executive bodies, managers and employees of the contents of this BME Code of Conduct and the standards and values contained therein , as well as the obligations arising therefrom, and to require them to comply with them.

The signing/acceding company undertakes to ensure that the company and its suppliers and business partners in the supply chain comply with the principles of this BME Code of Conduct, in particular by designing and, if necessary, adapting guidelines and processes and, where appropriate, also through training.

The signing/acceding company shall designate a responsible contact person for the BME Code of Conduct to the BME who can provide binding information on compliance with the BME Code of Conduct. The signing/acceding company shall take appropriate organisational measures to ensure that the BME Code of Conduct is complied with by the signing/acceding company and its management. This shall be achieved in particular through the introduction and maintenance of appropriate control mechanisms and plausibility checks.

The signing/acceding company reserves the right to take personnel measures in the event of violations of this Code of Conduct.

APPENDIX

United Nations Global Compact

The ten principles

The principles of the Global Compact are based on a worldwide consensus derived from

- the Universal Declaration of Human Rights
- the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work
- the Rio Declaration on Environment and Development, and
- the United Nations Convention against Corruption

The Global Compact requires companies to recognise, support and implement a set of fundamental values in the areas of human rights, labour standards, environmental protection and anti-corruption within their sphere of influence:

Human rights

1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence and
2: ensure that they are not complicit in human rights abuses

Labour standards

3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, and furthermore
4: the elimination of all forms of forced labour,

5: the abolition of child labour, and

6: the elimination of discrimination in respect of employment and occupation.

Environmental protection

7: Businesses should support a precautionary approach to environmental challenges,

8: undertake initiatives to promote greater environmental responsibility, and

9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10: Businesses should work against corruption in all its forms, including extortion and bribery.