



Policy statement

on respecting Human Rights and Environmental Standards

**BHS Corrugated
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Preface Management



Lars und Christian Engel
Management

BHS Corrugated is the leading provider of solutions for the corrugated industry 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 digital print in- and outside the corrugator.

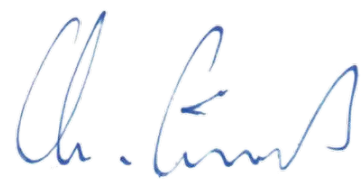
Digitalization – primarily for the optimization of process parameters and the improvement of automation levels and production efficiency – has been the central issue for a Corrugated 4.0 topic at BHS Corrugated. To meet the requirements of its customers as precisely as possible and to be state-of-the-art, 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" (AFC) or the "Lars und Christian Engel Stiftung" (LUCE Trust), which supports technological and economic development in the region.

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 "Policy Statement on Respecting Human Rights and Environmental Standards".



Lars Engel
Managing Director



Christian Engel
Managing Director

POLICY STATEMENT ON RESPECTING HUMAN RIGHTS AND ENVIRONMENTAL STANDARDS



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Commitment on respecting human rights and environmental standards

The corporate responsibility to uphold human and environmental rights results in the obligation to comply with the law and all applicable (national and international) standards and guidelines as well as other applicable official requirements. The guidelines and standards according to which BHS Corrugated aligns its business activities should therefore be emphasized:

- United Nations (UN) Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights (UNGP)
- Conventions and recommendations of the International Labour Organization (ILO) on labor and social standards
- Principles of the United Nations Global Compact (UNGC)
- Minamata Convention of 10 October 2013 on Mercury (Minamata Convention)
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Basel Convention)
- International Covenant on Civil and Political Rights of 19 December 1966
- International Covenant of 19 December 1966 on Economic, Social, and Cultural Rights.
- Stockholm Convention on Persistent Organic Pollutants, 23 May 2001
- United Nations 2030 Agenda for Sustainable Development
- OECD Guidelines for Multinational Enterprises chapters II and IV
- UN Convention on the Rights of the Child

BHS Corrugated expects all employees and business partners to comply with applicable laws and standards for respecting human and environmental rights and to act responsibly.

1

Approach for implementing human rights due diligence obligations

As an internationally active company, BHS Corrugated is committed to complying with human rights and environmental due diligence obligations along the supply chain and demands the same from its suppliers and business partners.

1.1

Human and environmental law due diligence obligations

For BHS Corrugated, the focus is on a variety of human rights and environmental due diligence obligations, like the prohibition of child labor, forced labor, and slavery, respect for freedom of association, and the right to participate in collective bargaining. Non-discriminatory employment, fair remuneration and health and safety at work, but also fair wages and reasonable working hours are very important for BHS Corrugated. Emphasis is also placed on good training and qualification of employees. Respect for privacy and the handling of (sensitive) data as well as the protection of the environment are very important for BHS Corrugated, too.

1.1.1

Prohibition of child labor

BHS Corrugated does not tolerate any form of child labor within the meaning of the relevant ILO conventions and is expressly committed to the effective abolition of child labor. According to this, the minimum age for employment applicable in the respective country must be observed (in Germany, usually 15 years). In addition, it must be noted that minors are particularly vulnerable employees and that they are not allowed to carry out any activities endangering their safety, health, or morals. In Germany, for example, this includes minors under the age of 18. Minors in need of protection must therefore not be inhibited in their personal development and education because of their employment. Their dignity must be respected, and their safety and health must be protected.

1.1.2

Prohibition of forced labor and slavery

BHS Corrugated rejects forced or compulsory labor as well as any form of slavery, especially modern forms of slavery and human trafficking. Based on the ILO core labor standards, All of BHS Corrugated employment policies have aligned with this. A benefit may only be demanded voluntarily and without the threat of punishment. All forms of slavery or similar practices are not tolerated.

1.1.3

Freedom of association and the right to collective bargaining

BHS Corrugated recognizes the right of all employees to form employee representatives, to conduct collective bargaining to regulate working conditions, and to exercise their right to strike. Unequal treatment and any form of retaliation may not be applied to employees who form or join a trade union recognized under applicable law.

The basis for BHS Corrugated's cooperation with the respective employee representatives is to maintain trusting and constructive cooperation for the benefit of the employees and the company. It is crucial that the individual employee is involved and informed accordingly.

1.1.4

No discrimination

BHS Corrugated undertakes to refrain from any form of discrimination in employment within the meaning of International Labour Organization Conventions No. 110, 111, and 159. Any differentiation, exclusion, or preference based on ethnic, national, or social origin, skin color, gender, religion, ideology, age, health status, disability, sexual orientation, or political opinion is prohibited. The principle of equal pay for work of equal value applies.

1.1.5

Right to health and safety at the workplace

At BHS Corrugated, the protection and safety of employees is a top priority. The applicable occupational health and safety laws are complied with. In addition, standards can be set to improve occupational safety. To be able to identify, assess, and avoid potential health hazards (such as mental or physical fatigue or health hazards due to exposure to chemical, physical, or biological substances) and the safety of employees, necessary, suitable, and verifiable measures are taken, and appropriate occupational safety training is carried out. Regular information and training of employees on applicable health and safety standards as well as safety measures are ensured.

BHS Corrugated also takes appropriate and necessary protective measures to ensure the safety of its employees and visitors.

1.1.6

Qualification

BHS Corrugated promotes the education and qualification of all employees to enable a high level of performance and high-quality work. Comprehensive training, development programs, and support measures accompany the individual training and careers of the employees. In addition, employees complete regular training courses to gain up-to-date insight into individual areas.

1.1.7

Working hours and remuneration

The working hours are at least in line with the respective national legal requirements or industry standards unless there are legal requirements. To meet the requirements of reasonable working time, reference is made to Conventions No. 1 and No. 14 of the International Labour Organization. For an appropriate wage, it is crucial that it is at least the level of the nationally applicable minimum wage and thus gives employees the opportunity to finance at least their living expenses. All employees must be granted the benefits required by law; wage deductions as punitive measures are not permissible under any circumstances.

1.1.8

Right to privacy, handling of data

BHS Corrugated has introduced high data protection standards to protect the personal rights of employees and customers as well as suppliers and business partners. BHS Corrugated treats personal data responsibly and confidentially. Thus, BHS Corrugated complies with the applicable data protection standards, in particular German and European data protection regulations. The protection of confidential information, trade secrets, and all intellectual property is very important for BHS Corrugated. Moreover, BHS Corrugated expects this from suppliers and business partners alike. The company-specific data protection policy regulates the processing of personal data of employees, customers, and partners in accordance with the provisions of the European General Data Protection Regulation. To raise awareness, BHS Corrugated employees are regularly trained in the correct handling of data.

1.1.9

Environment

BHS Corrugated is committed to its responsibility to protect the environment and is aware of the potential impact of its products, production and purchasing processes on the environment and people. In addition to human rights due diligence obligations, environmental due diligence obligations are also observed within the company as well as by suppliers and business partners. The goal of BHS Corrugated is to take ecological responsibility. This is also required of suppliers and business partners by complying with the applicable legal requirements and fulfilling the principles outlined above. Natural resources are used sensibly, environmental pollution in production processes is avoided and a contribution is made to the reduction of CO₂ emissions. The focus is on the responsible handling of heavy metals and hazardous chemicals as well as the careful handling of hazardous waste. This is not only about environmental protection, but also about protection against human rights violations regarding environmental pollution or the deprivation of livelihoods.

1.2

Risk analysis: internally and along the supply chain

To ensure respect for human rights and environmental standards, a risk management system has been introduced at BHS Corrugated. Part of this risk management is the analysis of human rights and environmental risks. This serves to determine and evaluate the corresponding potential and actual effects of the company's own business activities as well as the actions of suppliers along the supply chains. For this reason, BHS Corrugated continuously examines where risks of human rights and environmental violations could exist in its own business area or within the supply chain. This is done for the company's own business unit and for the supply chain by conducting an annual and event-related risk analysis. The annual risk analysis is based on the location (country) in which the business partner is located and the industry to which a business partner is assigned (abstract risk analysis). Business partners with a higher risk score are subjected to a further, more detailed risk analysis and evaluated (concrete risk analysis). An event-related risk analysis is carried out in the event of concrete indications of a risk or a breach of duty on the part of an indirect supplier as well as in the event of a significant change in the risk situation (e.g., introduction of new products, new business area).

BHS Corrugated has currently identified the areas of child and forced labor, slavery, fair wages, appropriate working hours as well as occupational health and safety and environmental protection as particularly important topics. The results of the risk analysis are continuously incorporated into the business processes and form the basis for the definition of measures and goals.

1.3

Preventive and remedial measures

If critical risks are identified – as well as in the company's own business area and in the supply chain – effective measures must be taken to minimize or eliminate the identified risks. Depending on the individual case, it can be both preventive and remedial measures (in the case of violations). To this end, a comprehensive risk-specific catalog of measures has been defined. In the own business of BHS Corrugated, this includes, for example, the announcement and implementation of this Policy Statement and the Code of Conduct, which is binding for all BHS Corrugated employees and states the defined values of BHS Corrugated. For suppliers, this includes, for example, the Code of Conduct for Suppliers and Business Partners, which requires for example compliance with human rights and environmental requirements and is part of the contractual relationship, as well as the implementation of risk-specific training courses. Dialogue with employees, business partners, and other organizations (stakeholder dialogues) also serves as a measure to improve strategies and test processes for their effectiveness. Another measure can also be the development of suitable purchasing strategies. The effectiveness of the measures is regularly reviewed, and measures are adapted accordingly.

1.4


Complaint management

An important part of BHS Corrugated' s human rights strategy is appropriate and effective complaint management. This is intended to enable employees and external persons to raise their concerns if they are affected by negative impacts on human or environmental rights, feel threatened, or have become aware of them. Such a report can be submitted anonymously. This complaint management allows potentially adverse consequences to be detected at an early stage and necessary measures to be taken to remedy the situation and prevent further violations.

BHS Corrugated has set up a company-wide, transparent, public, and barrier-free, uniform complaint and reporting procedure for this purpose. All complaints and information are treated (if possible due to individual cases) equally. This company-wide complaints procedure makes it possible to identify human rights and environmental violations and risks along the supply chains and to counteract them.

Complaints or indications of violations can be reported to the following channels:

Complaint channels at BHS Corrugated:

- Compliance Office
 - compliance@bhs-world.com
- Anonymous whistleblower platform „Integrity Channel BHS Corrugated “:
 - Link to access Integrity Channel BHS Corrugated:
[>>>Link "Integrity Channel BHS Corrugated"](#)
 - Scan the QR code to enter Integrity Channel BHS Corrugated:

- Complaint and reporting procedure regulation
 - Details of the appeal procedure can be found in the Complaint and reporting procedure regulation, which has been made publicly available:
[Complaint and reporting procedure regulation BHS Corrugated](#)

At the request of the reporter, their identity will be treated confidentially or anonymously. The complaint procedure must not be used to communicate false or untrue information.

The Compliance Office of BHS Corrugated is responsible for processing reports. The responsible person acts without instructions and is obliged to secrecy.

If BHS Corrugated' s business activities contribute to potential or actual violations of human rights or are indirectly related to them, BHS Corrugated will endeavor to provide an appropriate remedy by the responsible authorities. Thus, internal processes will be developed continuously to regulate the procedure for uncovering grievances and violations. Moreover, it will define how appropriate remedial and redress measures can be ensured in the company's own business area and with direct and indirect suppliers.

1.5

Dealing with violations

BHS Corrugated is aware that the implementation of human rights or environmental due diligence obligations in its own business activities as well as in supply chains is an ongoing process. Thus, the strategic approaches and measures are regularly reviewed.

1.6

Report

BHS Corrugated annually reports to the German Federal Office for Economic Affairs and Export Control on the implementation of human rights and environmental due diligence obligations. The report provides an overview of the main human rights and environmental risks identified, as well as their consequences and measures taken and their effectiveness. This report will also be made available on the homepage of BHS Corrugated.

1.7

Effectiveness control

Compliance with due diligence obligations and the implementation of risk analysis are integrated into the company's processes as a continuous process and are constantly being adapted and developed further. At least once a year, the processes and defined measures are checked for effectiveness and adjusted if necessary. Possible measures to carry out effectiveness checks are auditing or surveying the units of the company's own business unit or suppliers.

2

Responsibilities for the due diligence obligations

The Management of BHS Corrugated is responsible for compliance with and implementation of due diligence obligations. A Human Rights Expert Working Group has been appointed to monitor due diligence. Members of the committee are employees from relevant departments of BHS Corrugated. The committee is in direct contact with the Management of BHS Corrugated and regularly informs the Management about current developments. This includes the monitoring of the operational implementation of the risk analysis of the suppliers as well as internal risk analysis to ensure compliance with human and environmental rights under the Act on Corporate Due Diligence Obligations in Supply Chains.

The monitoring of complaint management is one of the tasks of the committee. This also includes compliance with the established compliance and reporting procedure regulations.

The committee assists in the definition of prevention and remedial measures and monitors the effectiveness of these measures. In addition, the committee examines compliance with the documentation and reporting obligations under the Supply Chain Due Diligence Act.

3 Expectations on employees and business partner

In accordance with the Corporate Responsibility Strategy pursued by BHS Corrugated, suppliers, service providers, and other interested parties as well as employees are expected to act responsibly and to adhere to the listed human and environmental standards. For BHS Corrugated, a Code of Conduct has been drawn up internally with appropriate training for employees. This Code of Conduct shall be used by employees of BHS Corrugated as a guideline for appropriate behavior. Besides this, there is a Code of Conduct for Suppliers and Business Partners being part of the contractual relationship between BHS Corrugated and its suppliers and business partners. If suppliers and business partners commission third parties (e.g., subcontractors or representatives) during their business relationships with BHS Corrugated, these third parties (participants within the supply chain) must also be obliged to comply with the content of this policy statement. The principles stated are the minimum requirements that BHS Corrugated expects from its suppliers and business partners. Open, honest, and ethical behavior is taken for granted.

Corporate responsibility entails the obligation to comply with the law and all applicable (national and international) laws as well as applicable official requirements.

BHS Corrugated's suppliers and business partners ensure that they comply with all laws and regulations applicable to their business activities and respect the ethical ideas and values prevailing in the respective country of business.

BHS Corrugated expects its suppliers and business partners to comply with the principles set out in the Code of Conduct as well as in this policy statement. Suppliers and business partners are obliged to check their supply chain for risks regarding the principles and to take appropriate measures if necessary. If suppliers or business partners discover a violation at their company or within the supply chain, or if there is a suspicion of a violation, BHS Corrugated must be informed promptly. If there is a breach of duty under the Act on Corporate Due Diligence Obligations in Supply Chains, the business partner must initiate appropriate remedial measures, of which BHS Corrugated should be informed. If the violations of the requirements of the Act on Corporate Due Diligence Obligations in Supply Chains are not remedied, BHS Corrugated reserves the right to terminate the business relationship.