

# Code of Conduct for Suppliers and Partners

**BEW Berliner Energie und Wärme AG and subsidiaries**

## **Introduction**

We, BEW Berliner Energie und Wärme AG (hereafter referred to as „BEW“), are committed to responsible business practices throughout our value chain and to promote sustainability in and beyond our corporate boundaries. By setting environmental, social and governance sustainability requirements for our suppliers and partners, we contribute to a positive change in society and in parallel gain long-term competitive advantages.

Our approach is grounded in the BEW's Code of Conduct for Suppliers and Partners (hereafter referred to as the “Code”), which defines our requirements and expectations to safeguard that our suppliers and partners share the same values as we do – throughout the value chain. The Code is based on, amongst others, the United Nations Global Compact, the UN Guiding Principles and the United Nations Sustainable Development Goals.

We are actively collaborating and conducting open dialogues with our suppliers and partners. By doing so we strive to spread good practices throughout the value chain, to strengthen relationships with our suppliers and partners, and to implement the sustainability goals we have selected in these relationships and business processes. As part these processes to achieve our sustainability goals, we focus on the themes Environment, Social - including human rights - and Governance. Our typical focus areas include climate impacts, protection of nature and biodiversity, circularity, sustainable use of resources, human rights, Health & Safety and business ethics.

We welcome you to join us in close collaboration, to take responsibility for and make a positive impact on the environment and society that surrounds us.

Gender equality, diversity and inclusion play an important role at BEW Berliner Energie und Wärme AG. For better readability, we use the masculine form in this text. However, all genders are always meant.

## **1 BEW Berliner Energie und Wärme AG Code of Conduct for Suppliers and Partners**

### **1.1 General**

Living our values and always acting with integrity make us trustworthy. BEW adheres to internationally agreed standards on business ethics, and we conduct all our business in compliance with applicable national and international laws and regulations.

For the purpose of this Code, a “supplier” or a “partner” is a legal entity or person involved in, or is about to get involved in, business activities with BEW. Partners include but are not limited to joint venture and consortium partners.

BEW requires its suppliers and partners to comply with the Code or an equivalent standard, agreed together with BEW, when doing business with BEW.

BEW also expects its suppliers and partners to ensure their supply chains adhere to equivalent standards as expressed in this Code.

### **1.2 Compliance with laws and regulations**

Suppliers and partners shall comply with all applicable laws, rules and regulations in the countries where they operate. BEW expects its suppliers and partners to meet the more stringent requirements between the Code and applicable laws, rules and regulations.

In case of contradictions between the Code and applicable laws, rules, and regulations, suppliers and partners shall inform BEW.

### **1.3 Commitment to continuous improvement**

BEW recognises that suppliers and partners will be at different stages of maturity and commits to working together with suppliers and partners to achieve continuous improvement.

If BEW finds that a supplier or partner is not meeting the requirements and expectations set out in the Code, BEW may offer guidance specifying which issues need to be corrected or improved. Suppliers and partners should then promptly take corrective actions and commit to showing progress.

BEW also encourages suppliers and partners to participate in initiatives aiming to raise the standard of an entire sector or across sectors, where applicable.

### **1.4 Consequences in case of violations**

Suppliers and partners shall address any violations of the Code or equivalent standards that come to their knowledge and take appropriate actions. BEW will seek appropriate remedial measures to prevent, stop, or minimize the extent of the violation. A major failure, persistent failure to comply with the Code, or repeated and unjustified refusal to provide the required information can result in the suspension or termination of the suppliers' and partners' activities with BEW.

### **1.5 Due Diligence and transparency**

BEW conducts risk-based due diligence by regularly and systematically identifying and assessing human and labour rights, environment and business ethics related risks and impacts in its value chain, and uses this information to avoid, mitigate or remediate the impacts in order to ensure that it operates responsibly.

Suppliers and partners shall allow BEW, and/or a third party authorised by BEW and reasonably acceptable to the supplier and partner, to conduct audits and assessments of the supplier's and partner's operations relevant for the Code, including but not limited to the supplier's and partner's facilities. At the supplier's and partner's request, the parties involved in any such audit shall enter into a confidentiality agreement regarding the circumstances disclosed in the audit or assessment.

BEW also expects its suppliers and partners to conduct sustainability risk-based due diligence in their own operations and supply chain, implement appropriate mitigation and remediation measures in relation to the level of risk and impact and communicate transparently about the results to BEW upon request.

### **1.6 Management systems and monitoring**

Suppliers and partners should have adequate risk management systems and controls in place to ensure compliance with the Code or agreed equivalent standards. The functioning and quality of the supplier's or partner's management system should be in proportion to the size, complexity and environment of the supplier's or partner's business.

Suppliers and partners should secure and monitor that their own suppliers and sub-suppliers comply with the Code or, where applicable, their own equivalent Code of Conduct.

## **2 Human rights and labour rights**

### **2.1 General**

BEW expects its suppliers and partners to respect internationally and nationally recognised human rights.

This Code shall apply to all of the suppliers' and partners' workers, including temporary, migrant, student and contract workers, as well as direct employees.

Suppliers and partners shall take measures to avoid causing, contributing or being linked to negative human rights impacts. This includes all types of rights holders, such as workers, affected communities, and human rights defenders.

## **2.2 Indigenous peoples**

Suppliers and partners shall respect the rights of indigenous and tribal peoples and their social, cultural, environmental, and economic interests, including their connection with lands and other natural resources.

Suppliers and partners should respect the principles of free, prior, and informed consent, and participation, to obtain broad-based consent of indigenous and tribal peoples in their activities.

## **2.3 Community engagement and development**

Suppliers and partners shall respect the rights, interests, and development aspirations of affected communities and vulnerable groups during significant changes of suppliers and partners normal operations. Community engagement should be carried out in an inclusive, equitable, culturally appropriate, gender-sensitive, and rights-compatible manner.

Suppliers and partners shall engage in transparent, open, and honest dialogue and collaborate with stakeholders and authorities in and around the area in which they operate.

## **2.4 Child labour and protection of young workers**

Suppliers and partners shall work against all forms of child labour. Suppliers and partners should not participate in, or benefit from, any form of child labour. If child labour is detected, a remediation programme shall be put in place.

Suppliers and partners shall not employ children below the minimum age of employment or the age for completing compulsory education in that country, whichever is higher. Suppliers and partners shall not employ any workers under the age of 18 to perform any work that is defined in national law as hazardous.

## **2.5 Use of security personnel**

Suppliers and partners shall ensure that all security personnel, including contracted security personnel, respect the human rights and dignity of all people and in case of a threat, use reasonable force proportional to the threat.

## **2.6 Modern slavery and forced labour**

All forms of modern slavery are unacceptable to BEW. Suppliers and partners shall not participate in, or benefit from any form of forced labour, including bonded labour, involuntary prison labour, slavery, servitude or work performed under the menace of a penalty or coercion.

All workers shall have the right to enter into and terminate their employment freely, and work shall be conducted on a voluntary basis.

## **2.7 Conflict-affected and other high-risk areas**

Recognising that human rights defenders are important partners in identifying risks in our value chain, BEW expects its suppliers and partners not to be involved in any activities that seek to undermine civil society and civic freedoms.

Suppliers and partners shall assess whether their own operations, or supply chains, are located in or are sourcing from conflict-affected or other high-risk areas and in such cases adopt enhanced due diligence measures suited to the specific context.

Suppliers and partners shall take necessary steps to monitor business relationships, business and financial transactions, flows and resources to ensure that they are not linked to providing funding or support to armed actors who may benefit from revenues generated by the sale of such goods and services.

## **2.8 High risk minerals**

Suppliers and partners shall take appropriate steps to identify the use of high risk minerals in their supply chain, establish traceability or chain of custody to its source or processing location, and ensure risks are identified and appropriate mitigation and remediation measures are implemented up the supply chain.

BEW expects its suppliers and partners to share relevant information on the origin of minerals and any relevant assessments upon request. We expect our suppliers and partners to publicly disclose their due diligence efforts.

Suppliers and partners should strive to reduce the use of high risk minerals in their supply chains.

## **2.9 Working hours**

Suppliers and partners shall ensure that normal working hours and overtime working hours for all workers are within the limits permitted by applicable laws and regulations or agreed to in relevant collective agreements and should not cause any physical or mental harm.

Workers, without distinction, who are unable or refuse to do overtime shall not be punished or retaliated against by the suppliers and partners including dismissal threats, wage reductions, abuse.

## **2.10 Wages, leave and benefits**

Suppliers and partners shall pay a fair and equal wage, including benefits and leave, to all workers that meets basic needs, and strive for a discretionary income in compliance with applicable laws and/or relevant collective agreements. Correspondingly, workers shall be compensated for overtime at pay rates greater than regular hourly rates.

Suppliers and partners shall also aim to minimise and mitigate structural differences in pay and benefits between genders for equal or comparable work.

### **2.11 Health and Safety**

Suppliers and partners shall provide a safe and healthy environment across all locations where work is undertaken and when the supplier or partner is providing housing facilities to its personnel.

All work shall be preceded by and based on documented adequate risk management with implemented controls. This shall include physical, social and organisational health risks.

Risks shall be reduced according to the hierarchy of control principles: elimination, substitution, engineering controls, administrative controls, and as a last alternative, personal protective equipment.

### **2.12 Freedom of association and collective bargaining**

Suppliers and partners shall recognise and respect the rights of all employees, including women, migrant workers, minorities, and other vulnerable groups, to freely associate, organise and bargain collectively, if the rightsholders so wish.

In situations where the right to freedom of association and collective bargaining is restricted by applicable laws and regulations, BEW expects suppliers and partners to allow for and not hinder alternative and independent forms of worker representation.

### **2.13 Equality and non-discrimination**

Suppliers and partners shall promote equality, diversity and inclusion, and not practice any form of discrimination in hiring, promotion, development, remuneration, and termination practices. Illegitimate grounds for discrimination include but are not limited to race, colour, gender, age, language, property, nationality or national origin, religion, ethnic or social origin, caste, economic grounds, health status, disability, pregnancy, belonging to an indigenous people, trade union affiliation, political opinion, sexual orientation.

### **2.14 Complaints channels and remedial mechanisms**

Suppliers and partners should make available appropriate complaints mechanisms to all personnel and interested parties, including affected communities, to make comments, recommendations, reports or complaints concerning the workplace, the environment, or the supplier's or partner's business practices. Suppliers and partners should have a remediation process in place through which reported human rights violations can be appropriately remediated and followed up on.

Suppliers and partners shall have routines for dealing with harassment, including physical, psychological, and sexual, and communicate that any form of harassment is unacceptable and must be reported.

### **3 Environment**

#### **3.1 General**

BEW expects its suppliers and partners to manage their operations responsibly in relation to the environment – including climate change, and actively work with reducing environmental risks and impacts associated with their supply chains.

Suppliers and partners shall be proactive in their environmental work, adopt a precautionary approach, and consider environmental impacts from a full value chain perspective.

#### **3.2 Environmental legislation**

Suppliers and partners shall obtain and maintain all required permits and licenses, keep them up to date, and comply with the operational and reporting requirements of such permits and licenses.

#### **3.3 Environmental management system**

Suppliers and partners whose activities have an environmental impact, shall have a structured and systematic approach to working with their environmental aspects. This includes having an established, suitable management system to improving environmental performance, setting targets, and performing follow-ups.

#### **3.4 Environmental protection**

Suppliers and partners shall avoid or minimize any waste or emissions as a result of their business activities. The use of resources such as energy, water, land and raw materials, should be used in an efficient and sustainable manner. Suppliers and partners shall strive to avoid and minimise impacts on environment and ecosystems. Where impacts cannot be fully avoided or mitigated, potential for compensation and restoration measures shall be considered.

Access to preserved resources including clean drinking water, good soil quality for farming and the regeneratable air quality should be provided to local communities at all times.

Suppliers and partners should strive to use best available technologies, with the aim to reduce the environmental impact as much as possible.

Suppliers and partners shall manage hazardous substances responsibly and where possible, hazardous substances shall be substituted for less hazardous.

#### **3.5 Climate impact**

BEW expects its suppliers and partners to address climate change, including climate adaptation, systematically in their operations. Suppliers and partners shall actively reduce their greenhouse gas emissions, preferably in line with the Paris Agreement's 1.5-degree scenario, as well as contribute to BEW's CO<sub>2</sub>-reduction targets as applicable.

## **4 Business Integrity**

### **4.1 General**

BEW expects its suppliers and partners to conduct business in compliance with internationally agreed standards on business ethics and adhere to all applicable anti-corruption laws and regulations.

### **4.2 Corruption and financial crime**

Suppliers and partners shall not engage in or tolerate any form of corruption, bribery, extortion, fraud or embezzlement. Suppliers and partners shall not offer or accept any benefits in order to obtain any undue or improper advantage or with the intention to let the receiver act in breach of his or her professional duties. Such improper benefits may comprise cash, non-monetary gifts, pleasure trips or services and amenities of any other nature.

BEW expects its suppliers and partners to never tolerate and to take measures against any form of money laundering, tax fraud, tax evasion or other illegal financial schemes that may be indicated by the use of tax havens and jurisdictions prone to financial crime.

### **4.3 Export controls and sanctions**

Suppliers and partners shall comply with applicable laws and regulations regarding export control and export restrictions, as well as relevant economic sanctions.

### **4.4 Conflict of interest**

Suppliers and partners shall avoid conflicts of interest that may compromise the supplier's or partner's credibility or third parties' confidence in BEW.

### **4.5 Competition law**

Suppliers and partners shall respect and comply with applicable competition laws and regulations, including an obligation not to exchange commercially sensitive and strategic information with competitors or to enter into anti-competitive agreements with any business partner.

### **4.6 Protection of intellectual property rights and confidential information**

Suppliers and partners shall respect BEW's intellectual property rights and protect BEW's information by safeguarding it against misuse, theft, fraud or improper disclosure.



## **5 Reporting violations**

If the supplier or partner, its employees, consultants and contractors, or any other stakeholder believe that the terms of the Code are not adhered to, or that BEW is not acting in accordance with its own Code of Conduct and Integrity, BEW encourages such concerns to be raised via the whistleblowing channel. See: Reporting desk for BEW Berliner Energie und Wärme AG

## Glossary

<b>Conflict and high-risk areas</b>	Areas identified by the presence of armed conflict, widespread violence or other risks of harm to people
<b>Conflict minerals</b>	These are minerals mined in an area of armed conflict and traded illicitly to finance the conflict
<b>Critical minerals for the energy transition</b>	Mineral resources that are essential to the energy transition, may have no viable substitutes, and may face potential disruption in supply
<b>High-risk minerals</b>	These cover conflict minerals, and critical minerals for the energy transition including rare earth elements (REE)
<b>Indirect supplier</b>	This is any company that is not a direct supplier and whose supplies are necessary for the manufacture of the company's product or for the provision and use of the relevant service. This can include Tier 2 suppliers, and beyond.
<b>Partners</b>	These include but are not limited to, consortium partners, joint venture partners, etc. For the avoidance of doubt customers and employees of BEW are excluded from this scope
<b>Subcontractor</b>	All business relationships that perform a service or an activity that contributes to the completion of a company's operation.
<b>Subcontractor</b>	Also called indirect supplier.
<b>Supplier</b>	Any undertaking that provides a product, part of a product, or service to BEW either directly or indirectly, in the context of a business relationship. These are also referred as direct suppliers or Tier 1 suppliers.
<b>Value chain</b>	All activities, operations, business relationships and investment chains of an undertaking and includes entities with which the company has a direct or indirect business relationship, either upstream and downstream
<b>BEW</b>	Includes in the context of this Code BEW Berliner Energie und Wärme AG and its subsidiaries BEW Solutions GmbH and Energy Crops GmbH as well as all other companies affiliated with BEW Berliner Energie und Wärme AG in accordance with Sections 15 et seq. of the German Stock Corporation Act