

## Policy Statement of the German affiliated companies of the BMK Group (BMK Group GmbH & Co. KG, BMK professional electronics GmbH, BMK electronic solutions GmbH, BMK electronic services GmbH)

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### **Preamble**

As a leading competence centre for electronics services, BMK aims to increase the economic success of its customers. BMK attaches great importance to complying with legal and standard specifications relating to quality, occupational safety, environmental protection, energy efficiency and ethics and to monitoring their up-to-dateness and is committed to its responsibility for respecting human rights, recognising and, as far as possible, avoiding environmental-related risks. This applies equally to its own business area and the supply chain.

### **Our human rights and environmental strategy**

#### *BMK's human rights strategy*

BMK sets out the guidelines for its internal human rights strategy in its BMK Code of Conduct. Binding compliance with the BMK Code of Conduct by all BMK employees, and equally by all employees, is the cornerstone of our human rights strategy.

The obligation to respect human rights set out in our BMK Code of Conduct covers the prohibitions regarding human rights-related risks in accordance with Section 2 (2) The German Supply Chain Due Diligence Act (LkSG).

#### *Human rights in the supply chain*

Similar to the business organisation, the protection of fundamental principles in the areas of human rights, labour standards and environmental standards plays an important role in the relationship between BMK and its suppliers. For this reason, BMK has defined a BMK Code of Conduct for Suppliers, compliance with which, or compliance with an equivalent code of conduct, is expected of all suppliers.

The obligation to respect human rights set out in our BMK Code of Conduct for Suppliers covers the prohibitions regarding human rights-related risks in accordance with Section 2 (2) LkSG.

#### *BMK's environmental protection strategy*

BMK sets out, inter alia, requirements for environmental protection in its BMK Code of Conduct. Alongside the environmental statement, which has also been published, this forms the basis for BMK's environmental protection strategy. The commitment to environmental protection set out in our BMK Code of Conduct complies with the prohibitions regarding environment-related risks in accordance with Section 2 (3) LkSG.

Since 2003, the BMK Group has maintained an environmental management system (EMS) in accordance with DIN EN ISO 14001, which underwent EMAS validation in 2021. In addition to the active involvement of employees in operational environmental protection and the disclosure of environmentally relevant data and

other facts about the internal EMS, EMAS validation requires above all rigorous compliance with applicable national and EU environmental legislation.

To ensure our legal compliance, we hold compliance meetings on a quarterly basis. The participants from the legal department, environmental management, energy management and production departments of all BMK subsidiaries must firstly check the existing regulations for changes that may be relevant to BMK and secondly provide information on new applicable regulations. The next step is to check the responsibility and implementability of the requirements in the management system and, depending on whether existing procedures and processes need to be adapted or even new ones introduced, implementation is initiated. The documentation and effectiveness of the implementation of legal requirements is examined internally in the annual environmental compliance audit and externally in the annual EMAS monitoring audits. The management is regularly informed about recognised relevant changes and the results of the audits.

Environmental objectives are defined annually in order to support not only operational environmental protection, but also the overall improvement of BMK's environmental performance.

#### *Environmental protection in the supply chain*

Through the introduction of EMAS, we have been able to deepen our understanding of the existence of environmental impacts that emanate indirectly from BMK and can therefore only be influenced by BMK to a limited extent. Cooperation with a number of suppliers and customers leads to BMK's indirect environmental aspects, over which we have no direct influence. Through open dialogue, codes of conduct for suppliers, supplier audits, by means of supplier evaluation, consideration of relevant legal regulations already in the design of assemblies for our customers and the close exchange of information, BMK endeavours to play as relevant a role as possible for extended environmental protection outside its own business area.

We expect our suppliers to fulfil all relevant legal obligations and also to be willing to engage in open dialogue with regard to the continuous improvement of environmental performance. We oblige our suppliers to the organisation of a multifaceted, system-based operational environmental protection in accordance with the relevant legal regulations.

The commitment to environmental protection set out in our BMK Code of Conduct for Suppliers complies with the prohibitions regarding environment-related risks in accordance with Section 2 (3) LkSG.

### **Procedure description**

#### *Risk management*

BMK has been operating a risk management system in relation to its supplier base and its own business operations for many years.

Suppliers are regularly assessed as part of the supplier evaluation by our Strategic Procurement and Environmental Management. In addition, minimum requirements are defined that a BMK supplier must fulfil.

BMK also pursues active risk management in its own business operations. For example, BMK is certified in accordance with EMAS and OHRIS. Corresponding whistleblowing channels have been implemented since 2017.

As part of our CIP and in line with our core values regarding the environment and human rights, we very much welcome the LkSG's approach and have adapted our risk management system accordingly.

### *Risk analysis*

BMK has identified all its direct suppliers. All direct suppliers are obliged to comply with human rights and environmental protection by accepting our BMK Code of Conduct for Suppliers or a comparable code. In addition, BMK knows the locations, the product groups, the corporate structure and the business field of the supplier. We incorporate our experience of over 30 years in electronics manufacturing into the evaluation of the suppliers' responses.

The following also applies to all BMK Group companies covered by the LkSG.

BMK analyses the criticality of its suppliers at least once a year (annual risk analysis) using an external service provider. Suppliers who are assessed as critical are asked for further information or explanations.

Based on any new information about the supplier's business activities and the violation of human rights-related and environment-related obligations, an event-driven risk analysis of the affected supplier is also carried out.

BMK also carries out a risk analysis in its own business area. The resulting opportunities and risks are documented and evaluated. Suitable preventive and remedial measures are initiated and followed up.

The results of the risk analysis are reported to the management.

### *Preventive measures*

The following applies to all BMK Group companies covered by the LkSG.

If a risk is identified, BMK will implement appropriate preventive measures in its own business area or in its purchasing practices and monitor them on a risk-based approach. The measures are selected in such a way that they are best suited to prevent or minimise human rights-related and environment-related risks.

If risks are identified with direct suppliers, BMK will proceed in the same way.

The BMK Code of Conduct for Suppliers has also been adapted to implement suitable procurement strategies. This contains clear guidelines that must be adhered to by suppliers. In the event of substantiated knowledge of actual indications that a breach of duty by an indirect supplier appears possible, appropriate preventive measures are also implemented there.

### *Remedial measures*

The following applies to all BMK Group companies covered by the LkSG.

Should BMK become aware of possible imminent or existing violations of the prohibitions of the LkSG or the BMK Code of Conduct for Suppliers of BMK, remedial measures will be taken to prevent, end or minimise such violations as far as possible.

In its own business area, the corrective measures must lead to the prevention or termination of the violation. In the event of (imminent) violations in the business area of direct suppliers, BMK shall draw up a corrective action plan and associated schedule to end or minimise (or avoid) the violation and monitor its sustainable implementation, provided that the business relationship is to be continued. In the case of indirect suppliers, in the event of substantiated knowledge of an (imminent) violation, we draw up a concept

for the prevention, termination or minimisation of human rights-related or environment-related violations and ensure its implementation. Based on the principle of "development prior to termination", we reserve the right to terminate the business relationship in accordance with the provisions of the LkSG, at least in exceptional cases. Exceptional cases include serious violations of the law, repeated non-compliance with the minimum standards contained in our BMK Code of Conduct for Suppliers, lack of implementation of the agreed measures or insufficient ability to influence.

### *Complaints procedure*

BMK has established a complaints procedure through which employees and external whistleblowers can report possible imminent or existing violations of the prohibitions of the LkSG or our BMK Code of Conduct for Suppliers at any time. Our complaints procedure follows a clearly defined procedure regulation, which can be viewed by everyone on our website [www.bmk-group.de](http://www.bmk-group.de). All information received is treated confidentially and in compliance with the applicable national and international laws and standards. Information about violations of human rights-related or environment-related obligations caused by the business activities of the BMK Group in its own business area or in its supply chain can be reported to the reporting centre:

Human Rights Officers, BMK Group GmbH & Co. KG, Werner-von-Siemens-Straße 6, 86159 Augsburg,  
[supplychain-risk@bmk-group.de](mailto:supplychain-risk@bmk-group.de).

### *Reporting obligations*

The following applies to all BMK Group companies covered by the LkSG.

From the 2025 financial year onwards, we will report annually to the German Federal Office for Economic Affairs and Export Control on the essential human rights-related and environment-related risks that we have identified and on the impact of our business activities within our supply chain. We also explain what measures we have taken to prevent and remedy these risks, how we evaluate their effectiveness and what conclusions we draw from them in terms of the continuous improvement of our due diligence process.

### *Identified risks*

We expect to publish information on identified risks for the 2024 financial year, their prioritisation and defined preventive measures with the update of this policy statement by the end of 2024.

### *Regular review*

The following applies to all BMK Group companies covered by the LkSG.

We review our procedures for implementing human rights-related and environment-related due diligence obligations in accordance with the LkSG both at least once a year and on a cause-related basis. Part of our risk analysis is the continuous monitoring of risk factors in the supply chain, which we can carry out with the help of our external service provider. Information from the complaints procedure is incorporated into the development of our procedures.

### *Setting expectations for employees and suppliers*

The expectations placed on our employees and suppliers with regard to dealing with human rights-related and environment-related risks are entirely set out in our BMK Code of Conduct and in the BMK Code of Conduct for Suppliers. We regularly adapt our codes to changing circumstances. Any preventive and remedial measures, feedback from the supply chain and further experience in implementing the LkSG also lead to an expansion of the codes.

We expect our supply chain to actively participate in any preventive and remedial measures.

### **Closing remarks**

We review this policy statement both annually and on a cause-related basis and will update it immediately if we identify any changes or additional risks. This report will be published on our website.

Augsburg, December 13th, 2023

**The management**

**of BMK Group GmbH & Co. KG including all affiliated German companies**