



**Burckhardt  
Compression**

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# **IMPLEMENTATION GUIDELINES FOR THE BUSINESS PARTNER CODE OF CONDUCT**

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**EFFECTIVE AS OF JUNE 1, 2021**

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# APPLICATION OF THIS GUIDELINE

Burckhardt Compression is committed to conduct its business in an ethical, legal and environmentally and socially responsible manner. The Burckhardt Compression Code of Conduct for Business Partners ("the Business Partner Code") describes the most important principles and rules when conducting business with Burckhardt Compression. This co-applicable implementation guideline provides further information and interpretation of the principles outlined in the Business Partner Code.

## 1. COMPLIANCE WITH LAWS AND REGULATIONS

### 1.1. **Business Partners shall fully comply with all applicable laws, regulations and industrial standards that are relevant for the Business Partner's business.**

This overarching principle is applicable to all topics and aspects of the business relationship. Where requirements diverge, Business Partners strive to implement, within the legal boundaries, the provision that provides greater protection.

## 2. BUSINESS INTEGRITY

### 2.1. **Business Partners shall conduct their business in accordance with the applicable anti-bribery and anti-corruption laws.**

Business Partners refrain from any engagement, be it direct or through intermediaries, in corruption, extortion, embezzlement or bribery of any kind. This includes but is not limited to the promising, offering, giving or accepting of any improper monetary or other incentive such as bribes, unreasonable gifts as well as kickbacks.

### 2.2. **Business Partners commit to the principle of free competition and shall not engage in any unfair trade practices.**

Business Partners refrain from any anti-competitive behavior and do not engage in cartels, collusive bidding, price fixing, price discrimination, bid-rigging or other unfair trade practices.

### 2.3. **Business Partners shall protect and respect intellectual property rights and take appropriate steps to safeguard and maintain confidential information.**

Business Partners protect intellectual property, such as patents, copyrights, designs, specifications, models and know-how of Burckhardt Compression and respect the same with third parties. All work and deliverables must not infringe the intellectual property of others. Business Partners take appropriate measures to protect and maintain confidential information and respect the data privacy of individuals.

### 2.4. **Business Partners shall avoid, and if unavoidable, disclose any conflict of interest in the business relationship with Burckhardt Compression.**

Business Partners disclose to Burckhardt Compression any situation that may appear to be a conflict of interest. This includes the disclosure of any financial interest of any Burckhardt Compression employee, close relative or friend in any aspect of the business relationship.

**2.5. Business Partners shall ensure a careful and compliant procurement of raw materials affected by embargoes or restrictions.**

Business Partners avoid – or disclose the origin of – raw materials which are affected by embargoes or other import restrictions. Business Partners make reasonable efforts to avoid the use of raw materials, such as conflict minerals, which directly or indirectly finance conflicts with human rights violations.

### 3. HUMAN RIGHTS AND LABOR STANDARDS

**3.1. Business Partners respect the internationally recognized human rights.**

Business Partners acknowledge their responsibility to respect internationally recognized human rights and core labor standards as proclaimed in the International Bill of Human Rights and the eight core conventions of the International Labor Organization (ILO). Business Partners fully respect the personal dignity, privacy and individual rights of its employees and other stakeholders.

**3.2. Business Partners shall refrain from any kind of forced and child labor within their organization.**

Business Partners ensure that all work is voluntary, and workers are free to leave work or terminate their employment upon reasonable notice. Business Partners refrain from any forced, bonded or indentured labor or involuntary prison labor. Business Partners refrain from any form of child labor as defined in the Minimum Age Convention (No. 138) by the International Labor Organization (ILO) or as defined by national law, whichever is more stringent. Young workers under the age of 18 will not perform hazardous work or do night shifts or overtime.

**3.3. Business Partners shall provide their employees with a safe and healthy workplace and provide adequate working facilities to prevent workplace accidents and injuries.**

Business Partners implement adequate management systems to identify and mitigate health and safety risks. Business Partners maintain building safety, electrical installation, machine safeguards and, if applicable, clean and safe housing conditions. Business Partners provide their employees with adequate working facilities which, at a minimum, ensure reasonable access to potable drinking water and sanitary facilities; fire safety; access to emergency medical care; and adequate lighting and ventilation.

**3.4. Business partners shall protect in all business activities the health and safety of involved stakeholders, such as customers or the local community.**

Business partners apply the precautionary principle with respect to the health and safety of potentially affected stakeholders in all their business activities, products and service offerings. Potentially affected stakeholders include any person whose health or safety could be adversely affected by the conduct of the business. Business Partners identify potential sources of danger and take appropriate measures to eliminate them.

**3.5. Business Partners shall prohibit any kind of discrimination in their organization.**

Business Partners do not tolerate any discrimination based on grounds of gender, age, religion, ethnicity, nationality, sexual orientation, marital status, political opinion, health condition or other personal characteristics. Non-discrimination applies to all business activities including aspects of employment such as recruitment, promotion and remuneration.

**3.6. Business Partners shall prohibit harsh or inhumane treatment.**

Business Partners prohibit any physical, mental, verbal, sexual or any other harassment, abuse, inhumane or degrading treatment, corporal punishment or any form of intimidation.

**3.7. Employees of Business Partners shall have the right to form and join unions of their choice.**

Business Partners respect the rights of employees to form and join trade unions and bargain collectively. Business Partners adopt an open attitude towards the activities of trade unions and their

organizational activities. Where the right to freedom of association and collective bargaining is restricted under law, suppliers allow parallel means for independent and free worker representation to engage in dialogue about working conditions.

**3.8. Business Partners shall provide a decent and fair remuneration and reasonable working hours.**

Business Partners will compensate employees fairly and refrain from offering excessively low wages. Wages and benefits paid for a standard working week meet, at a minimum, legal or industry standards, or comply with legally binding, freely negotiated collective bargaining agreements, whichever is higher. In any event, they should always be sufficient to meet basic needs of workers and their families and provide some discretionary income. Deductions from wages as a disciplinary measure are not permitted unless authorized by applicable law and with the express permission of the worker concerned.

Business Partners do not require, on a regular basis, work time over 60 hours per week, including overtime. Employees are allowed at least one day off after six consecutive days of work, and overtime is on a voluntary basis. Employees are entitled to regular annual leave and to social benefits defined by law or contract.

## 4. ENVIRONMENTAL PROTECTION

**4.1. Business Partners shall apply a precautionary approach to protect and preserve the environment.**

Business Partners implement adequate management systems to identify, prevent and minimize relevant negative environmental impacts and to continuously improve environmental protection. This also includes informing and training the employees concerned.

**4.2. Business Partners shall minimize the use of hazardous substances and ensure safe handling.**

Business Partners identify, label and manage hazardous substances with the aim of minimizing their usage and environmental impacts. Business Partners ensure safe handling, storage, recycling and disposal of the identified substances. Business Partners inform and train relevant employees on handling and safety practices.

**4.3. Business Partners shall minimize their negative impacts on natural resources.**

Business Partners minimize their negative impacts on natural resources, including air, water, land and forests. Business Partners continuously optimize their resource consumption, including raw materials, water and energy.

**4.4. Business Partners shall minimize their waste, effluents and emissions.**

Business Partners minimize disposal of solid waste, wastewater and other emissions to prevent pollution of air, water and soil. Business Partners promote the circularity of materials. Business Partners reduce greenhouse gas emissions to combat climate change.

## 5. IMPLEMENTATION AND REPORTING

**5.1. Business Partners shall communicate the contents of this Code to all employees, representatives, suppliers and subcontractors involved in the cooperation with Burckhardt Compression.**

Business Partners use appropriate channels to communicate the requirements of this Business Partner Code to employees, representatives, suppliers and subcontractors. This communication includes all parties involved in the cooperation with Burckhardt Compression. It can be carried out via an own code of conduct. In this case, Business Partners ensure that the requirements of Burckhardt Compression's Business Partner Code are fully reflected in their own code.

**5.2. Business Partners shall carry out due diligence in their business relationships and supply chain with respect to this Code.**

Business Partners identify and assess the risks of violations of the Business Partner Code in their business relationships across the supply chain, including direct suppliers and sub-suppliers. Business Partners take appropriate measures to mitigate the identified risks and use their leverage where appropriate. Business Partners prioritize the salient risks first and continuously review the effectiveness of their measures.

**5.3. Business Partners shall consult the co-applicable guidelines for the implementation of the Business Partner Code.**

These co-applicable implementation guidelines provide further information and interpretation of the principles outlined in the Business Partner Code. This document serves to explain and specify the requirements in the Business Partner Code. The explanations and examples are not exhaustive and are to be understood primarily as a guide.

**5.4. Business Partners shall maintain and, upon request, provide documentation to Burckhardt Compression to evidence compliance to the Business Partner Code.**

Business Partners maintain appropriate documentation of their management approach for adhering with this Business Partner Code. This includes documentation on the due diligence process in their own supply chain. Business Partners provide Burckhardt Compression with the documentation to demonstrate compliance with the Business Partner Code.

**5.5. The latest versions of the Business Partner Code and implementation guidelines are published on the website of Burckhardt Compression.**

The latest versions of the Business Partner Code and the implementation guidelines can be found on Burckhardt Compression's website. Burckhardt Compression requires its main suppliers to sign the latest version of the Business Partner Code. The implementation guidelines will be updated as needed. Burckhardt Compression will notify its Business Partners of any important changes and revisions.

**5.6. Burckhardt Compression reserves the right to conduct audits of its Business Partners and to terminate its business relationships with non-compliant Business Partner with immediate effect.**

Burckhardt Compression or a third party appointed by Burckhardt Compression may carry out periodic, announced or unannounced inspections on the facilities to verify compliance with the Business Partner Code.

Burckhardt Compression follows a cooperative and long-term development approach with suppliers. Assessments and audits in respect of this Business Partner Code primarily serve to identify corrective measures for potential improvements. The goal is to comply with this Business Partner Code and continuously improve beyond it in order to build a strong and reliable partnership. Therefore, we attach particular importance to transparency and engagement in the implementation of this Business Partner Code. For example, we expect suppliers who do not yet meet individual requirements of this Business Partner Code to proactively approach Burckhardt Compression with an improvement plan. Compliance, transparency and commitment are taken into account when selecting suppliers for collaboration.

Partnership and dialog are our preferred means to achieve compliance with this Business Partner Code. Nevertheless, Burckhardt Compression reserves the right to terminate a business relationship with immediate effect in the event of serious or repeated violations.

**5.7. Burckhardt Compression encourages third parties to report irregularities to the Business Partner Code via the global grievance channel**

<https://www.burckhardtcompression.com/speak-up>.

Burckhardt Compression maintains an independent and global Speak Up reporting line for as part of its grievance mechanisms. Any external party can use this channel to report non-compliance with the Business Partner Code. The channel is built upon an independent third-party tool and protects the interests of complainants as much as possible. Reporting and follow-up dialogue for processing a case can be done on an anonymous basis. Burckhardt Compression will not accept any discrimination of or retaliation against individuals who report compliance concerns in good faith. Business Partners respect and support Burckhardt Compression's grievance mechanisms.

Complaints through the Speak Up reporting channel can be placed online via phone. Further information on the design and operation of the grievance channel can be found at <https://www.burckhardtcompression.com/speak-up>.

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