

Purchasing Policy						QSE-Doc. No.	DB-LPZ-8	
Guidelines for suppliers, service providers and contractors						Version No.	1	
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(1) Policy

Our policy applies to the entire supply chain. We expect our suppliers to adhere to this policy and to require their own suppliers to adhere to this policy in their procurement chain.

Bene's suppliers¹ and contractors (service providers) are integral components of Bene's success. Every day, Bene and its suppliers take decisions that influence the degree to which Bene can deliver high-quality products, at competitive prices, in a timely fashion, to its customers.

Together with the guidelines laid out below, this policy documents the basic principles, practices, and expectations for the development and cultivation of a business relationship with Bene. Bene operates within the applicable legal and customary requirements and standards, and is committed to working together with suppliers who share our company's dedication to doing business in a legal and ethical way. We view our commitment not just as our commercial responsibility, but also as an opportunity to improve living conditions for people around the world. Beyond our own business activities, we also expect this attitude from our suppliers and partners.

Bene is aware of cultural differences and the challenges presented by the design and implementation of these basic principles worldwide. Bene remains convinced however that these basic principles are universal in character; the company understands, however, that the methods for meeting these expectations can be different. Such methods must however comply with the laws, values, and cultural expectations of different societies around the globe.

There is an expectation that all Bene suppliers will not only take note of these "Guidelines for suppliers, service providers and contractors"² but will also adhere to it. If suppliers have questions, they should approach a Bene procurement representative. You can also contact Bene procurement for questions related to whether certain processes or contracts are allowed. Procurement employees can offer an overview and advice about the relevant Bene guidelines.

We require our suppliers and contractors to comply with the applicable statutory provisions and regulations in the relevant country of origin and the International Charter of Human Rights.

The following codes also serve as a basis for this policy:

- The 10 principles of the UN Global Compact (see "The 10 principles"³)
- Labour standards of the International Labour Organization (ILO)⁴
- ILO Code of Practice on safety and health

Bene reserves the right to review suppliers' compliance with these guidelines. If Bene learns that certain processes or conditions are not compliant, then Bene reserves the right to take action. Bene procurement is responsible for the management of supplier and service provider relationships. Correspondence and questions regarding materials or services should be directed to the relevant person in procurement.

Bene is grateful for the contribution that suppliers make to the company's success and hopes to continue cultivating business relationships with suppliers that are equally satisfactory for both parties.

*This document has been released electronically (see header line)
and is therefore valid without a signature.*

Haas, Manuel
(Manager Procurement)

Schuschnig, Joerg
(Managing Director Operations & Finance)

¹ Suppliers are vendors, service providers, or contractors of any kind

² Download at www.bene.com

³ <http://www.unglobalcompact.at> or <http://www.unglobalcompact.com>

⁴ <http://www.ilo.org/global/lang-en/index.htm>

(2) The Bene Guidelines in detail

2.1 Ethics

Suppliers must conduct business in an ethical manner and must act in an honest way. Bene expects its suppliers to comply with all legal and official requirements related to ethical questions.

2.1.1 Honest business practices and fair competition

Suppliers must conduct their business in a competitive manner and in unimpaired compliance with all applicable laws, requirements, and ordinances. Suppliers cannot pay nor accept bribes or other illegal incentives to other companies or authorities. Suppliers must engage in fair business practices, including proper and truthful advertising.

Bene employees are obligated to comply with all applicable provisions (e.g. Bene's Code of Ethical Conduct DB-LPZ-7), including the following ideas regarding relationships with suppliers:

- Employees must treat all suppliers, customers, and other persons with whom Bene maintains a business relationship, in a strictly fair and objective manner, without granting preferential treatment or advantage owing to personal financial considerations or personal relationships.
- Employees cannot accept (directly or indirectly) gifts, prejudicial discounts, payments, fees, loans, hospitality, favours, or services from persons or firms that want to influence procurement decisions, or create the appearance, claim, or right to such.
- Employees may not conduct any business transactions in Bene's name with immediate family members or with supplier companies in which they hold a financial interest if the Bene employee has an apparent or actual influence on the supplier's relationship with Bene.
These relationships must be declared in accordance with Bene guidelines.
- Employees are not authorised, without permission from Bene, to use the Bene name and/or logo.
- A list of names with a description of the grant must be provided at any time upon request.

External employees and representatives of Bene (i.e., consultants, external sales forces, etc.) must also adhere to the applicable provisions of Bene. We expect that employees and Bene suppliers report violations or possible violations of these supplier guidelines to Bene procurement.

2.1.2 Reporting problems

Employees at supplier firms must be encouraged to report problems or illegal activities to the Manager Procurement in the context of their relationship with Bene, without the threat of reprisals, intimidation, or harassment. Suppliers must assess reported problems promptly and react to them.

2.1.3 Data security

Suppliers may only use or disclose confidential information from Bene with the express written permission of Bene and to Bene's advantage. Suppliers are expressly prohibited from sharing confidential information from Bene with other competitors or suppliers, or to disclose such information in other ways. All information or data regarding Bene's business activities must be treated at all times as confidential if such information is not known publicly.

Bene can require that suppliers confirm these commitments by signing a confidentiality agreement related to the aforementioned confidential information and guaranteeing that the data protection rights of companies, employees, and customers are protected.

2.1.4 Sales techniques

Suppliers must interact with Bene in an open and honest manner. The following sales techniques are strictly prohibited:

- Backdoor selling – circumventing the proper Bene channels to convince an individual to purchase a specific product or service.
- Promising unrealistic delivery dates – deliberately and knowingly promising unrealistic delivery times to Bene with the aim of securing an order.
- Making an assurance despite a lack of capacity – a promise that a product or service will be delivered without having the capacity to fulfil this commitment.

- Requesting competitor information – a request for information regarding the products, pricing, delivery conditions, sales or other information about competitors.
- Offering gifts of an excessive value.
- Offering prices that are disadvantageous for Bene if the supplier is the sole provider of such goods or services.
- Requiring Bene to accept an offer after the call for tenders has expired.

2.1.5 Process for supplier visits

Suppliers have limited access to Bene facilities. All Bene suppliers must adhere to the following procedures.

- Suppliers may only enter a Bene facility after properly registering and donning visitor identification.
- Suppliers must be accompanied by a Bene representative.
- Suppliers must wear high-visibility jackets in the production area (and also safety boots if work is being carried out).
- Suppliers may only enter offices or workstations in offices when accompanied by Bene employees and whilst wearing visible visitor identification.
- Suppliers must return their visitor identification when they leave the Bene premises.

2.2 Working conditions

Suppliers must be dedicated to the fair treatment of their employees and must treat them with dignity and respect. Bene expects its suppliers to comply with all legal and official requirements related to guaranteeing the human rights of its employees, including:

2.2.1 Freedom of work

Suppliers may not support forced or obligatory labour, involuntary prison labour, or human trafficking.

2.2.2 Child labour and adolescent employees

Suppliers may not engage in child labour. Adolescent employees may only be employed if they have reached the minimum legal age for employment, for work that is not dangerous, and have attained the age at which compulsory schooling no longer applies in their respective country. Personnel files must contain sufficient data on the review of the employee's age.

2.2.3 No-discrimination rule

Suppliers must prevent harassment and discrimination in the workplace. Discrimination of any kind is prohibited, whether on account of race, skin colour, age, gender, sexual orientation, ethnic affiliation, physical impairment, religion, political affiliation, labour union organisation, or marital status.

Bene expects all of its suppliers to share Bene's commitment to equal opportunity and diversity in the working world.

2.2.4 Fair treatment

Suppliers must guarantee that no rough or inhumane treatment occurs in the workplace, including sexual harassment, sexual abuse, corporal punishment, mental or physical duress, verbal abuse or intimidation of employees.

2.2.5 Wages, social payments, and working times

Suppliers must remunerate all employees in accordance with applicable tariff laws, including minimum wage, overtime, and legally prescribed social payments, as is customary in their respective countries.

Suppliers must promptly inform employees about the basis of their remuneration. Furthermore, we expect that suppliers inform their employees as to whether overtime is required and if so, how they will be paid for it. Suppliers must maintain proper records of working time and holiday for their employees.

2.2.6 Freedom of assembly

Suppliers are encouraged to engage in open communication and direct discussion with their employees to resolve questions related to the workplace and to remuneration. Suppliers must respect employee rights to freedom of assembly. Employees must be able to speak openly with the management, without threat of reprisals, intimidation, or harassment in accordance with local regulations.

2.3 Health and safety

Suppliers must protect all employees at their workplace, and if applicable, in company-provided housing, by offering them a safe and healthy environment. Bene expects its suppliers to comply with all legal and official requirements related to occupational health and safety, including:

2.3.1 Employee protections

Suppliers must protect all employees at the workplace and at other company facilities, including residences and transportation vehicles, from contact with chemical, biological, and physical dangers, as well as physically strenuous tasks.

For example, the management team at a supplier firm, depending on the type of work, is responsible for providing proper hearing protection and protective gloves, masks, and other forms of protective equipment for employees.

2.3.2 Hard physical work

If employees are required to perform work that is physically straining, including manual handling of materials, heavy or constant lifting, work involving standing for long periods as well as assembly work that is repetitive or requires physical strength, then this work must be ascertained, assessed and monitored by the suppliers.

2.3.3 Process security

Suppliers must have programmes in place to prevent and to respond to accident-caused releases of chemicals in catastrophic volumes.

2.3.4 Preparation for emergencies and emergency aid

Suppliers must identify and assess emergency situations that could impact the workplace and, if applicable, company-provided housing. Suppliers must minimise potential negative consequences by implementing and upholding effective emergency plans and emergency aid procedures. A supplier's management team, for example, is responsible for providing awareness-building safety training, emergency exercises, and other safety exercises in the context of safety training, depending on the industry and as required by fire and safety regulations.

2.3.5 Hazard information

Suppliers must provide safety information about dangerous substances at the workplace.

2.4 Environmental protection

Suppliers must work conscientiously and efficiently in terms of environmental protection and strive to minimise negative effects on the environment. Suppliers are called upon to protect natural resources, to avoid the use of dangerous substances as much as possible, and to support measures for recycling and reuse. Bene expects its suppliers to comply with all laws, requirements, ordinances, regulations, permits, licenses, certifications, and orders related to the environment and the use of legally regulated substances, including:

2.4.1 Environmental permits

Suppliers must acquire all necessary environmental permits, licenses, and certifications, and must fulfil all applicable requirements pertaining to operations and reporting.

2.4.2 Waste and emissions

Suppliers must have systems that guarantee safe handling of waste, airborne emissions, and waste water, as well as the transport, storage, recycling, re-utilisation and management of waste, airborne emissions, and waste water. Waste, emissions, and waste water that could have negative effects on the health of human beings or the environment must be managed, controlled, and treated appropriately before being released into the environment.

2.4.3 Legally regulated substances

Suppliers must comply with laws, regulations, and customer requirements that apply to controlled substances (e.g. REACH). This includes answering questions regarding the composition of materials and parts, the prohibition or restriction of specific substances, including labelling for recycling and disposal.

2.4.4 Illegal timber harvesting

Suppliers undertake to comply with the EU Timber Regulation FLEGT in its entirety and not to take part in illegal logging. The supplier will ideally have valid Chain of Custody certification (e.g. PEFC or FSC)

2.4.5 Conflict minerals

Suppliers must ensure that their parts and products do not contain any “conflict minerals” – for example, tantalum, cassiterite (tin), gold, wolframite (tungsten or its derivatives), from the Democratic Republic of Congo or one of its adjacent countries. Suppliers must ensure that they have appropriate systems for meeting these requirements (see also the “Dodd Frank Act”, Title 15, Section 1502).

2.5 Management systems

Suppliers must use management systems to enable continual improvement and to guarantee compliance with these basic principles. Elements of management systems include:

2.5.1 Competences and responsibilities

Suppliers must allocated sufficient financial, personnel, and technical resources to provide the agreed service.

2.5.2 Legal and customer requirements

Suppliers must ensure that they have recognised, and ensured compliance with, all applicable laws, requirements, regulations, ordinances, permits, licenses, certifications, orders, standards, and relevant customer requirements.

2.5.3 Risk management

Suppliers must provide for mechanisms that recognise and control risk in all of the areas contained within this document. Suppliers must have sufficient financial resources to continue their business activities and guarantee their solvency.

2.5.4 Documentation

Suppliers must maintain the required documentation to prove compliance with these basic principles and applicable laws, requirements, rules, ordinances, permits, licenses, certifications, and orders.

2.5.5 Continuous improvement

We expect the continual improvement of suppliers by setting performance targets, executing implementation plans, and taking actions required to correct defects discovered in the course of internal or external audits, inspections, and management audits.

2.6 Know How

2.6.1 Combating product counterfeiting

In the context of ongoing collaborative efforts to protect the supply chain from such dangers as counterfeiting, illegal re-importation, and the theft of Bene products, Bene expects its suppliers to immediately report to Bene any instances of being offered counterfeited, illegally re-imported, or stolen products, or if suppliers are aware of any such products.

2.6.2 Intellectual property

Suppliers must respect rights to intellectual property; technology must be transferred and knowledge and expertise passed on in such a way that property rights remain protected.

(3) Confirmation by Bene supplier

We (supplier or service provider) hereby confirm that our company has received the Bene Supplier Guidelines, and that we have read and understood them, and that we will comply with them as long as we are a supplier to Bene.

This agreement will be made in German and English. In Case of any discrepancies the German Version will be binding.

Name and address of the company:
(Company stamp)

Representative:
Title of representative:

Signature:
Date:

(4) Amendments

Version No.	Description of amendments
1	First Draft