



AMMPL (BME) Code of Conduct

Notes

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Code of Conduct

The AMMPL and its members are aware of their social responsibility. All those involved in the procurement process as intermediaries between their own company and suppliers in each of the supply markets bear a particular responsibility towards their own company, towards customers and suppliers, towards the environment and towards society.

That is why AMMPL created a Code of Conduct which is explained below. The AMMPL Code of Conduct is a voluntary code that is intended to put substance behind the interest of the Association Materials Management, Purchasing and Logistics and its members in upholding fair, sustainable, responsible, and ethical principles of conduct.

The AMMPL Code of Conduct represents a minimum standard. It is up to each company to recognise the AMMPL Code of Conduct (to submit to it), and each company is at liberty to introduce further codes of conduct with higher requirements of ethical practice for itself and its employees.

The AMMPL Code of Conduct is organised in the following modular format:

- I Preamble**
- II General Principles, Laws and Statutes**
- III 1. Corruption / Anti-Trust Law / Forced Labour / Child Labour**
- III 2. Principles promoting Social Responsibility**
- IV Suppliers**
- V Compliance**

I Preamble

In the preamble the ethical frame of reference is established. This is also where the objectives of the Global Compact are mentioned. The AMMPL Code of Conduct is also guided by additional internationally-recognised standards.

With a firm grounding in the Global Compact, an internationally-recognised frame of reference is to be established. This is also intended to serve the objective of aligning the Code with internationally-recognised standards.

The statements in the Global Compact are to be construed as a frame of reference. The AMMPL Code of Conduct does not associate any concrete rights and obligations with the reference to the Global Compact and other international standards.

II General Principles, Laws and Statutes

Sections II and III contain the material duties that the companies recognise.

These reflect the current legal framework in the Federal Republic of Germany and internationally-recognised standards.

Section II obliges the company recognising the AMMPL Code of Conduct to obey laws and statutes.

This is spelled out more clearly in the subsequent Section III with respect to particularly critical areas of business relationships.

III 1. Corruption / Anti-Trust Law / Forced Labour / Child Labour

Section III 1 substantiates the duties of a company recognising the AMMPL Code of Conduct with regard to corrupt practices, violations against fair competition (anti-trust law), child labour as well as forced labour.

The duties are thus a reflection of current legal status.

Section III 1. a) reviews the legal status in the field of criminal legal conventions against corruption – with a special emphasis on crimes in business dealings.

Basic principles are put forth with regard to gifts, invitations to entertainment etc. Accordingly, management and employees of a company recognising the AMMPL Code of Conduct are not allowed in the course of business dealings to offer, promise, demand, give or accept gifts, payments, invitations or services that are provided with the aim of influencing a business relationship in a prohibited way or with whom there is the risk of jeopardising the professional independence of the business partner. This generally does not apply to gifts and invitations that fall within the bounds of normal business practice with regard to hospitality, convention and courtesy.

For reasons of practicality, there is then a reference to the opportunity for each company to issue more specific internal codes of conduct.

The AMMPL Code of Conduct in this context provides for designating a person who can be contacted when employees of the recognising company are in a conflict of interest or are uncertain whether a conflict of interest exists or could arise. The reasons for this are the following: There are frequently cases in which it is not clear whether a certain behaviour is corrupt (cases of doubt/conflicts of interest). This requires a person / function to be installed that is authorised to address these issues and (if needed, with consultation of third parties) evaluate them and provide answers. At the same time, this person is to be able to investigate any causes for suspicion. This does not include prescriptions about organisational responsibilities ("assumption of additional duties, exclusive assumption of duties, internal or external 'ombudsman' solution etc).

Section III 1. b) reviews the legal status with regard to fair competition (anti-trust law). So-called hardcore cartels are explicitly mentioned.

With regard to the fact that there are cases of doubt that may range between forbidden cartels and permissible collaboration, the company recognising the AMMPL Code of Conduct is obliged to designate a contact person. Generally the provisions concerning "Corruption" apply to the contact person.

Furthermore, the company recognising the AMMPL Code of Conduct commits to rejecting every form of forced labour (Section III 1 c)) and to respect the regulations of the United Nations on child labour – to the extent that national regulations do not provide for stricter measures – (Section III 1 d)).

III 2. Principles promoting Social Responsibility

Section III 2 spells out the duties in the various fields of human rights, discrimination, protection of health, fair working conditions, environmental protection and company secrets.

IV Suppliers

Section IV provides for including the above-mentioned themes in the supply chain. Whereby this is confined to so-called Business Conduct Rules from III 1 (corruption, anti-trust law, forced labour, child labour). The company recognising the AMMPL Code of Conduct commits to promoting these principles to the best of its ability among the company's suppliers.

V Compliance

Section V governs compliance with AMMPL Code of Conduct. The AMMPL Code of Conduct provides that a company recognising the Code may introduce further codes of conduct with higher requirements of ethical practice for itself and its employees.

Furthermore, it is the duty of a company recognising the AMMPL Code of Conduct to inform its employees of the issues governed by the AMMPL Code of Conduct and the resulting obligations. Thus there is a duty to publicise the content of the Code. To the extent that a company recognising the AMMPL Code of Conduct has introduced a code of conduct that is at least equivalent to the AMMPL Code of Conduct, it is not absolutely necessary to publicise the exact "text" of the AMMPL Code of Conduct. There is no prescribed form of publication (such as Intranet, inclusion in labour contracts, training etc.).

A company recognising the AMMPL Code of Conduct is to provide AMMPL with the name of a responsible contact person for the AMMPL Code of Conduct who can provide definitive answers about compliance with the AMMPL Code of Conduct. The company is to take proper organisational steps to ensure that the AMMPL Code of Conduct is upheld by the company and its management. This is achieved especially through the introduction and maintenance of appropriate controls and plausibility checks.

The contact person is the AMMPL interface into the company, which through its "Declaration of Accession" recognises the AMMPL Code of Conduct, and vice-versa. The contact person is the individual authorised to provide definitive information to the AMMPL about compliance with the AMMPL Code of Conduct. Hereby he can rely on the internal company organisational structures and job responsibilities. There is no prescription of internal responsibilities within companies. The company must, however, provide the contact person with a sufficient level of authority, in order for him to obtain information within the organisation to form the basis of his responses.

Frankfurt, 10th November 2008