



PICARD  
BUSINESS CODE  
OF CONDUCT

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# PICARD BUSINESS CODE OF CONDUCT

## Preamble

Friedrich PICARD GmbH & Co. KG was founded in 1922 as a family-run company. Over the past 100 years, it has grown into one of Europe's largest distributors of rolling bearings and linear motion technology. Since its inception, PICARD has placed people and relationships at the centre of everything we do. In order to continue to thrive and grow, create secure jobs, and contribute to society and the economy in the centuries to come, we need corporate governance that will not only be sustainably economical, but also economically sustainable. This principle guides the business practices of Friedrich PICARD GmbH & Co. KG and all its affiliated companies (hereinafter also referred to simply as "PICARD").

Through sustainable corporate governance, PICARD assumes corporate responsibility towards customers, employees, investors, the public, and the environment. PICARD feels equally committed to all parties involved in the supply chain, namely manufacturers, suppliers and customers.

PICARD respects applicable law, upholds ethical values and promotes sustainable behaviour. All actions, dealings with business partners as well as interactions within the company, are invariably based on the social, ecological and economic responsibilities incumbent upon PICARD. PICARD also requires its employees to observe these principles and integrate them into the corporate culture.

Furthermore, PICARD expects that even its business partners – including in particular manufacturers, suppliers, customers, service providers and their employees – will likewise take responsibility and act conscientiously. The same applies to any third parties involved in the business relationship, such as subcontractors and / or representatives.

This Code of Conduct is based on the fundamental ideas of the United Nations Global Compact and its Ten Principles in the areas of human rights, labour standards, climate and the environment, and anti-corruption, along with the UN's Sustainable Development Goals (SDGs) and the OECD Guidelines for Multinational Enterprises.

PICARD expects its business partners to uphold the following guidelines and values:

## I. Social Responsibility

### Compliance with Applicable Law

The laws, regulations, and other provisions of applicable international and national law must be strictly adhered to. Any violations of applicable law may have serious consequences under civil and/or criminal law for PICARD and its employees, as well as for its business partners. Such violations of applicable law will be identified, remedied immediately, prosecuted, and – where necessary – sanctioned.

### Human Rights

PICARD and its business partners respect the human rights, personal rights, and dignity of every employee and every third party. Every person, without exception, is entitled to the rights and freedoms enshrined in the United Nations Universal Declaration of Human Rights. PICARD and its business partners are committed to diversity and equal opportunities, respect, and tolerance. Discrimination and racism of any kind will not be tolerated.

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## **Exclusion of Forced Labour**

PICARD and its business partners vehemently reject all forms of forced labour, modern slavery, and human trafficking. All employment relationships of employees are concluded voluntarily and can be terminated by them at their own discretion and subject to a reasonable notice period. PICARD and its business partners are committed to fair working conditions.

## **Ban on Child Labour**

PICARD and its business partners strongly support the right of children to personal development and education and take a firm stand against child labour. All child and youth labour contrary to the statutory provisions is strictly prohibited. The minimum age for entering employment is based on the corresponding applicable statutory rules. If there are no government regulations, Convention 138 and Convention 182 of the International Labour Organization (ILO) apply. In the case of the authorised employment of children and young people, it must be ensured that such employment has no negative impact on their physical or mental development.

## **Working Hours and Fair Pay**

PICARD and its business partners comply with the statutory provisions on working hours and compensate their employees in accordance with the relevant national minimum standards. In the absence of statutory regulations, remuneration is determined on the basis of the customary industry and local standards in order to ensure an appropriate standard of living for employees and their families.

## **Prohibition of Discrimination**

PICARD and its business partners ensure that any form of discrimination, intimidation, harassment, or unjustified disadvantage against their employees in the working environment is precluded. In particular, any unequal treatment on the basis of ethnic or social origin, skin colour, gender, nationality, language, religion, physical or mental disabilities, gender identity, sexual orientation, state of health, age, marital status, parenthood, trade union membership or political conviction is prohibited.

## **Compliance with Occupational Health and Safety Standards**

The protection of physical integrity is a top priority for PICARD and its business partners. PICARD and its business partners meet the relevant national health and safety regulations. Appropriate measures are also taken to ensure that the right to the protection of physical integrity is respected. An internally established process continuously reduces the dangers of work-related health risks and demonstrably improves occupational health and safety conditions.

# **II. Ecological Responsibility**

## **Greenhouse Gas Emissions**

PICARD and its business partners adopt suitable and proportionate measures to reduce emissions that pose a risk to the environment and health, including greenhouse gases, and implement them to the best of their ability. In line with its own maxim for action, PICARD recommends that its business partners set time-bound emission reduction targets that are in line with the requirements of the Paris Agreement.

## **Resource Efficiency**

Natural resources are to be used carefully and sparingly. PICARD and its business partners take appropriate measures to ensure the efficient use of energy, water, and raw materials and to minimise damage to the environment and health. Resource and energy efficiency must be continuously increased.

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## **Waste Management**

It is the intent of PICARD and its business partners to organise all business activities in the best possible way to avoid waste and to dispose of it through reuse and recycling processes.

## **Hazardous Substances**

The use of substances and materials that are hazardous to the environment and health must be avoided. PICARD and its business partners are required to fulfil their duty of care with regard to relevant raw materials. Efforts to implement environmentally friendly and resource-saving alternatives must be pursued for the long term. PICARD and its business partners will register, declare, and, if necessary, authorise substances that are hazardous to the environment and health in accordance with the legal requirements of the respective markets.

## **Environmental Management**

PICARD and its business partners are continuously improving their environmental performance and constantly striving to implement and optimise environmental practices in their operational processes and technologies.

# **III. Economic Responsibility**

## **Avoiding Conflicts of Interest**

As far as possible, decisions by PICARD and its business partners are made solely on the basis of objective criteria, without being influenced by financial or personal interests or relationships. Any existing or potential conflicts of interest that do not permit unbiased decision-making are disclosed and immediately resolved.

## **Free and Fair Competition**

PICARD and its business partners are committed to the principles of free and fair competition. PICARD and its business partners follow the applicable competition and antitrust regulations. Anti-competitive agreements and unlawful arrangements with competitors, suppliers, customers, or other third parties are prohibited. PICARD and its business partners do not abuse any dominant market position that may exist for them. They respect fair and free competition and ensure that there is no exchange of information that is deemed sensitive under competition law nor any other behaviour that restricts or is likely to restrict competition in an unlawful manner.

## **Corruption / Bribery / Contributions from Third Parties**

PICARD and its business partners do not tolerate corrupt practices. All forms of corruption, bribery, and corruptibility are rejected. PICARD and its business partners ensure that their employees, subcontractors, and representatives will not give, offer, or accept bribes, kickbacks, improper donations, or other unauthorised payments vis-à-vis customers, public officials, or other third parties.

## **Import and Export (Customs Regulations)**

PICARD and its business partners comply with all applicable legal regulations and requirements for the import and export of goods, services, and information. Sanctions lists and any embargoes are observed.

## **Prevention of Money Laundering**

PICARD and its business partners ensure that the applicable legal provisions for the prevention, avoidance, and prevention of money laundering are complied with. Business relationships are only maintained with business partners whose integrity is not in doubt.

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## **Protection of Trade Secrets and Intellectual Property / Data Protection**

PICARD and its business partners take appropriate measures to protect business secrets and thereby ensure that confidential information is properly protected.

PICARD and its business partners will contractually obligate their employees to protect business secrets and to refrain from disclosing confidential information without authorisation, passing it on to third parties, or otherwise making it accessible in an unauthorised manner. The applicable laws in this regard must be observed.

PICARD and its business partners respect the intellectual property of third parties. Protected intellectual property refers to all results of intellectual work, irrespective of their economic value; in particular including industrial property rights of all kinds, such as copyrights and/or trademark rights.

PICARD and its business partners comply with the applicable data protection laws when collecting, storing, processing, and passing on the personal data of employees, customers, business partners, and other third parties.

## **IV. Legal Consequences of Violations of the Provisions of the Code of Conduct**

PICARD has called on all employees to immediately report specific evidence of any material compliance violation to the office instituted by PICARD for this purpose, regardless of whether the information relates to internal behaviour or the behaviour of a business partner. As a rule, a compliance violation is material if it is likely to cause PICARD significant economic and/or reputational damage.

In the event that a business partner does not respect the basic principles laid down in this Code of Conduct, PICARD reserves the right to sever the business relationship by extraordinary termination without notice for good cause.

At PICARD's discretion, it may choose to waive such consequences and instead take alternative measures if the business partner concerned can credibly assure and prove that it has immediately taken appropriate countermeasures to prevent future violations. In cases where obligations deviating from these principles have been agreed upon with the business partner, these individual agreements shall take precedence.

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