

Business Practices



BKW Group¹ Procurement Policy

BKW's Procurement Policy lays down a binding framework for Group-wide procurement management and, together with the Supplier Code of Conduct, sets out the ethical principles by which BKW abides in its dealings with the market.

The Procurement Policy and Supplier Code of Conduct formulate BKW's expectations of all BKW buyers in order to ensure an efficient and coordinated procurement organisation, and define the requirements that BKW imposes on its suppliers.

Mission

In conjunction with the individual business areas, the procurement organisation is responsible for ensuring that all goods and services purchased comply with the requirements of the user. This is determined by deploying procurement organisation processes and instruments geared to meeting the needs of internal and external customers.

Based on the use of standardised procurement systems and tools, BKW procurement ensures Group-wide transparency. The procurement processes available throughout the Group, as well as information on procurement

markets, suppliers, revenues and methods, enable needs to be coordinated and pooled Group-wide in order to actively leverage the procurement potential.

BKW employees act as discerning and fair contractual partners and foster business relations based on transparency, openness and mutual respect. Employees know and consistently abide by the prevailing laws and regulations governing procurement. Moreover, they reject and internally disclose dubious and corrupt business practices.

Supplier management

BKW expects its suppliers to be innovative and prepared to make an active contribution to the efficiency and continual improvement of their products and services. Goods and services are purchased with the focus on cost-effectiveness and security of supply along the value chain throughout

the entire life cycle, and must meet social and ecological criteria. Suppliers are selected and evaluated according to the criteria of quality, price, performance, sustainability and deadlines.

The most economically favourable offer is selected. In the case of goods which are largely standardised (product parity), the lowest price can be selected as the sole criterion.

Requirements

Technical requirements are specified on a vendor-independent basis. Company variants and innovative solutions are desirable. Longer-term partnerships are sought in the case of strategic and important products.

¹ The BKW Group comprises BKW AG and its Group companies. In order to make this report easier to read, the Group will be referred to as BKW. Where the text relates specifically to BKW AG or BKW Energy Ltd., this is expressly mentioned.