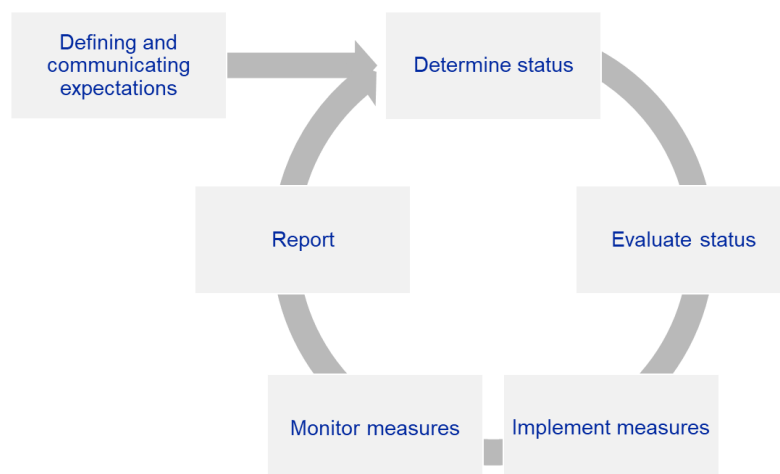


## Guidelines for Responsible Procurement BLS Supply Chain Policy

This document "BLS Guidelines for Responsible Procurement" (in the following referred to as "Guidelines") specifies the legal requirements, BLS internal principles and the expectations of BLS with regard to responsible procurement both for ourselves and for our suppliers.

These Guidelines are based on Art. 964k para. 1 no. 1 and 2 and para. 2 of the Swiss Code of Obligations (CO, SR 220) and the Ordinance on Due Diligence and Transparency with regard to Minerals and Metals from Conflict-Affected Areas and Child Labour (VSoTr, SR 221.433). It is an integral part of the sustainable procurement management system (see diagram). Specifically, the Guidelines can be assigned to the step "Define and communicate expectations". This makes the Guidelines a core prerequisite for the further steps for the sustainable procurement management system. Further internal<sup>1</sup> and external<sup>2</sup> requirements must be observed when the Guidelines are concretised or operationalised with the help of concepts and instruments.



### Purpose

The aims of the Guidelines are as follows:

- the avoidance of ecological risks
- the avoidance of social risks, in particular, but not exclusively, child labour
- creation of a standardised procedure for identifying the above-mentioned risks
- creation of a standardised approach to dealing with the above-mentioned risks and any negative effects

Dealing with economic risks is not part of these Guidelines.

<sup>1</sup> BLS Code of Conduct for Suppliers

<sup>2</sup> Federal Act on Public Procurement (BöB, SR 172.056.1), Ordinance on Public Procurement (VöB, SR 172.056.11)

## **Scope**

These guidelines apply to all aspects of BLS in its entirety. They therefore apply to all employees of BLS Ltd. and its subsidiaries insofar as they have an influence in their function on procurement transactions or on the relationship with suppliers.

All stakeholders affected by procurement (employees, suppliers and third parties) who are associated with the activities, products and services of BLS are required to organise their activities in accordance with these Guidelines.

## **Corporate responsibility**

### **General information**

Sustainability in the sense of a balanced consideration of economic, social and ecological interests is a central part of our corporate philosophy and therefore also an integral part of our strategy. In this sense, we do not simply move people and goods, but are committed to sustainable public transport and freight transport, both in Switzerland and in Europe.

### **Economic responsibility**

We utilise our resources in a targeted and efficient manner and thus in the spirit of sufficiency. To achieve this, we act in a forward-looking and needs-orientated manner. When it comes to procurement, we consistently select the most favourable offer, taking ecological, social and economic aspects into account.

### **Social responsibility**

We are aware of our social responsibility as a mobility service provider and want to fulfil this in both our narrower and broader spheres of influence. Consequently, we attach great importance to business practices along the entire supply chain that respect general human rights, labour rights, the protection of employees, occupational health and safety, and combat corruption. In doing so, we are guided by international regulations<sup>3</sup>.

### **Ecological responsibility**

We are pursuing the goal of reducing our direct and indirect emissions to net zero by 2050 at the latest. To this end, we are implementing environmental protection measures, utilising the opportunities offered by the circular economy and increasing our energy efficiency. We also expect our suppliers to actively increase their energy efficiency and reduce their consumption of resources.

## **Resources and specifications**

### **Promotion of transparency**

We procure in a demanding, international environment and rely on supply chains that are complex. In order to fulfil our responsibility, while at the same time identifying and minimising potential risks, we demand transparency from our suppliers and their supply chains. We use the following tools to achieve this transparency and identify any risks:

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<sup>3</sup> ILO Conventions Nos. 138 and 182, ILO-IOE Child Labour Guidance Tool for Business, OECD Due Diligence Guidance for Responsible Business Conduct, UN Guiding Principles on Business and Human Rights

- Supplier information that we request based on our contracts and that must be disclosed (example: indication of origin ["made in" label] of a product)
- Information, in particular from authorities, international organisations and civil society
- Recognised standards and certification systems
- On-site checks

We pursue a risk-based approach: the greater the presumption of ecological and social risks in the supply chain, the more frequently and intensively we utilise the above-mentioned instruments.

### **Anchoring sustainability in procurement transactions**

In our procurement transactions, we integrate suitability criteria, award criteria or technical specifications that concretise environmental and social responsibility. In this way, we contribute to a competition of sustainability among suppliers. We always adhere to the requirements stipulated in public procurement law<sup>4</sup>. We also oblige our suppliers to comply with environmental and social standards with the "BLS Code of Conduct for Suppliers". Suppliers are obliged to demand that their business partners also comply with these standards.

### **Evaluation of suppliers**

We expect our suppliers to fulfil their corporate responsibility in the spirit of these Guidelines and in accordance with the precautionary principle. Depending on the social and environmental risks in the supply chain, we reserve the right to demand the disclosure (or implementation) of a systematic sustainability assessment from our suppliers. This allows us to support our suppliers in their sustainable development where necessary – because we maintain relationship with our suppliers that is based on partnership.

### **Dealing with risks**

In order to effectively pursue a risk-based approach, risks must be identified transparently and impartially. In terms of our supply chains, this means that we recognise risks as such. After identification, the risks are assessed, documented and addressed with suitable measures. Depending on the probability of occurrence and the potential extent of damage, the risks are transferred to the higher-level risk process. We report on the measures taken and progress in the supply chains as part of our annual non-financial reporting. Dealing with risks in this way is part of our self-image as an organisation that is continuously striving towards improvement.

### **Reporting risks**

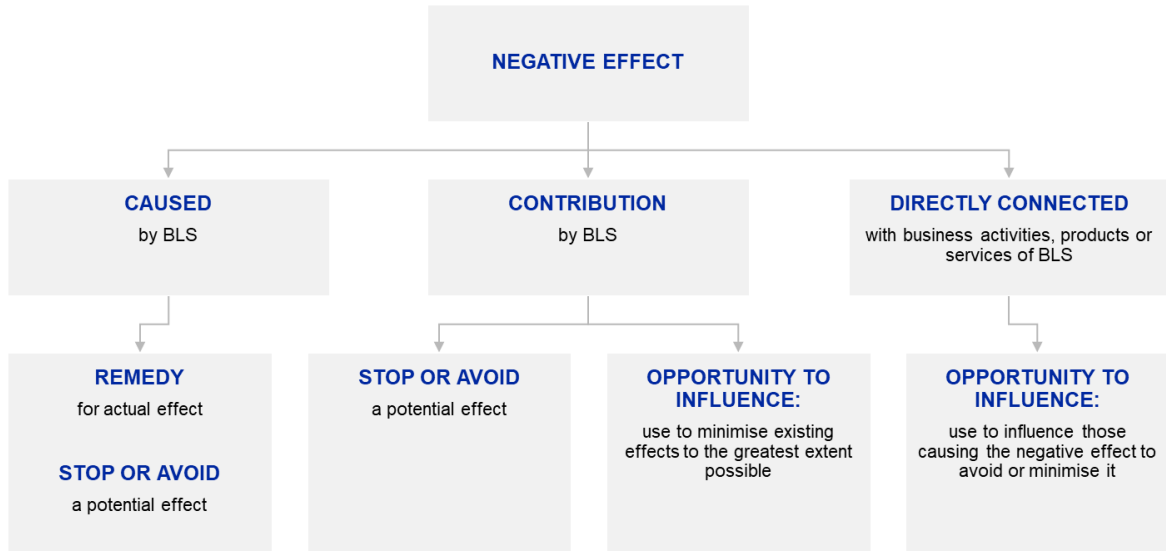
We encourage all stakeholders (employees, suppliers and third parties) associated with BLS activities, products and services to report misconduct directly to the person responsible. If this is unsuccessful or not possible, you can contact your own superior or the superior to whom the person concerned reports. Finally, justified concerns that these guidelines or other BLS provisions are being violated can be submitted to the designated reporting office. The reporting office is open to everyone and can be used anonymously if required. Every report that is received is investigated.

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<sup>4</sup> Federal Act on Public Procurement (BöB, SR 172.056.1), Ordinance on Public Procurement (VöB, SR 172.056.11)

**Procedure in the event of non-compliance with these guidelines**

If we identify deviations from these guidelines, the materialisation of risks or other negative effects in connection with our business activities, we take appropriate measures. We are guided by the diagram below<sup>5</sup>:



**Entry into force**

These Guidelines have been approved by the BLS Executive Board and will enter into force on 1 November 2024.

<sup>5</sup> Based on the OECD Due Diligence Guidance for Responsible Business Conduct