

# **Corporate Responsibility & Sustainability at BONOWI International Police Equipment GmbH**

**UN Global Compact, Communication on Progress Report 2020**

*„Corporate sustainability begins at BONOWI with a long-term oriented management value system and a principle-based approach of the corporate value chain management.“*

*Wolfgang Bopp, CEO BONOWI IPE GmbH*



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## 1. Chairman´s Statement

*From the beginning responsible and forward-looking management has been part of the strategic understanding and the central premises of the orientation and control of BONOWI IPE GmbH. Especially in the current turbulent times, sustainable management pays off.*

*Even though Covid-19 has been a tough challenge for the international economy and all societies since the beginning of the year, we are proud that we have mastered the year 2020 very successfully. A big thank you goes to our employees and the entire management team!*

*The basis for the success are far-sighted corporate governance, social and health commitments to our workforce and responsible management along the corporate value chain – along with the continuous improvement of our processes and activities. This is why we have developed into one of the leading companies in the industry in terms of CSR & Sustainability. Our CFO, Mr Florian Brandt, will be responsible for CSR in the future with focus and commitment at management level.*

*In addition to the organisational focus given to the matter, sustainability has gained further significance in our management philosophy and approach: During the course of the realignment of the BONOWI values, we are focusing on the principle of "zero-defect quality" in order to achieve maximum level of protection for our customers.*

*The following "Communication on Progress Report 2020" presents relevant corporate activities, innovations and our development goals in a compact and transparent manner.*

*Respectfully yours,*

*Wolfgang Bopp*

CEO BONOWI IPE GmbH

## 2. Management philosophy, certifications and guidelines in line with the UN Global Compact

### BONOWI Management philosophy

Our strategic and operational activities are guided by the following:

- Proactive and **sustainable business** is the central element of corporate success
- The management bears **responsibility** for all economic, environmental and social aspects of our business
- **Customer orientation** and customer satisfaction are the central premises of corporate success
- The development of **management, quality and leadership principles** in accordance with DIN EN ISO 9001 are an important component of our professionalism and continuity (since 2004)
- **Respect for human rights as well as labour protection and safety** (along the entire value chain) have highest priority
- A positive working atmosphere and a **corporate culture based on diversity and openness** are the basic pillars of our value system
- **Long-term supplier partnerships combined with a professional production and quality management approach** guarantee top product quality

The BONOWI values updated in 2020 focus on the principle of "zero defect quality". BONOWI thus underlines its corporate responsibility with regard to the protection and safety of its customers. The BONOWI management team has aligned the corporate values with their own understanding of values; they are, of course, in line with the UN Global Compact Principles.

Measures in progress	Implementation
During the induction training as well as during selected internal corporate events, the BONOWI Corporate Principles / Corporate Values are presented and their content is explained.	<b>2019/ 2020</b> (completed)
In addition, the BONOWI Corporate Principles / Corporate Values are included in all training documents and made available in various locations of the headquarters.	<b>2019/ 2020</b> (completed)
Support for 1-2 selected social projects in the region.	<b>2019/2020 ff.</b> (completed in 2020)

## 2. Management philosophy, certifications and guidelines in line with the UN Global Compact

### Certifications and guidelines

ISO 9001: Since 2004 BONOWI is certified according to DIN EN ISO 9001 and was successfully re-accredited in the year 2019. The entire corporate and management system is built based on the requirements, guidelines and directives of the ISO 9001.

It is significant that in 2020 more than 500 internal training courses were conducted, and also related to the Global Compact principles, the BONOWI Code of Ethics, new process instructions and the 2020 quality objectives.

In the interest of continuous improvement, a company wide employee idea management and improvement initiative system was installed in 2020 and is currently being introduced. This participatory optimisation system promotes the idea potential of all employees and underlines appreciation towards the entire workforce. At the same time, this measure corresponds to the cooperative management model of BONOWI.

Measures in progress	Implementation
Monitor and comply with the guidelines and requirements of DIN EN ISO certifications to ensure top level corporate governance. An additional quality manager was appointed in this regard.	<b>2019 ff.</b> (completed)
Training and instruction of the quality management teams in all aspects of CSR by an external advisory institute (Focus: UN Global Compact Principles, GRI Reporting as well as current guidelines/ topics in terms of sustainability).	<b>2020</b> (Q4/2020)
Establish the professional COP Report 2019 in cooperation with an external advisory institute, create the COP Report 2020.	<b>2019/ 2020</b> (completed)
Development and implementation of a company suggestion scheme for the continuous improvement of processes, procedures and other aspects within the organisation.	<b>2020 ff.</b>
Preparation of the COP Report 2021.	<b>2021</b>

## 2. Management philosophy, certifications and guidelines in line with the UN Global Compact

### Guidelines for the evaluation of suppliers and cooperation partners

With signing the UN Global Compact, all guidelines and documents concerning the qualification and evaluation of new and existing suppliers and cooperation partners were compared with the ten principles of the Global Compact and amended where necessary in order to establish the principles within supplier management.

BONOWI always had a focus on a sustainable supplier strategy which is reflected by the long-term and fair supplier relations in place today. Regular corporate visits, meetings and site audits reinforce the partnership with the relevant manufacturers and suppliers providing the basis for a trustworthy partnership.

A BONOWI ethical code of conduct is available.

In supplier management, various processes were optimised and new procedures were introduced in 2020, for example to optimise incoming goods inspection or to take account of ecological concerns. In addition, new general terms and conditions of purchase are in progress - and in line with the UN Global Compact Principles and the BONOWI Ethical Codex.

Measures in progress	Implementation
Revision of the supplier evaluation guidelines/ requirement matrix. (In use since 1st HY 2020)	<b>2019</b> (completed)
Creation of an additional letter of confirmation „Sustainable Commitment of BONOWI Partners & Suppliers“ for all partners and suppliers (purpose: documentation of adherence to economical, environmental and social standards). The implementation takes place through the revision of the purchasing terms and conditions.	<b>2019/ 2020</b> (in progress)
Application of the revised guidelines during supplier audits.	<b>2020</b> (completed)

### 3. Strategic planning and Compliance

*„BONOWI is convinced that a proactive compliance culture is daily prevention!“*

Thanks to a proactive „Compliance culture“, all internal and external stakeholders of BONOWI are informed of the importance that the adherence to the law has for the company.

Thanks to diverse measures in the sense of corporate compliance, BONOWI actively works against fraud, bribery, oppression and other forms of corruption. Should such attempts show within the scope of corporate activity or along the value chain, the management intervenes proactively with zero tolerance. The „prevention of corruption“ is a focus of the top management team. The following control measures belong to our corporate practice:

- Approval of all purchase orders by the management
- Approval of all partner and supplier orders by the management
- Approval of relevant distribution orders by the management
- Communication of compliance requirements during supplier and customer meetings
- Regular dialogues and trainings of the employees
- Regular dialogue of the management with key customers and suppliers

In 2020, the decision was taken to revise the compliance guidelines and also to install a new customer clearance committee (NCCC) as a supervisory body to ensure that potential new customers are not supplied to embargo countries or countries with current political instability.

Measures in progress	Implementation
Employee training including sign off of the updated BONOWI Compliance guidelines.	<b>2019</b> (completed)
Confirmation and signature of the „Sustainable Commitment of BONOWI Partners & Suppliers“ from all partners and suppliers with respect to adherence to environmental and social standards. This document also contains relevant aspects of corruption prevention. The implementation takes place through the revision of the purchasing terms and conditions.	<b>2019/ 2020</b> (in progress)
Revision of the BONOWI Compliance Guidelines.	<b>2022</b>

#### 4. Adherence to labour norms and social standards along the supply chain (external perspective)

*„BONOWI stands in for conscious and active governance of the supply chain!“*

To make sure that all suppliers adhere to the principles of the UN Global Compact, to which BONOWI IPE GmbH feels obliged, the supply chain was designed in a very transparent manner securing BONOWI the necessary insights along with the ability to take action whenever necessary with its national or international suppliers. In recent years BONOWI has introduced numerous standards as well as governance and control mechanisms that are in place to provide information, transparency and security in the supply chain:

- Preferred selection of suppliers from the EU
- Avoidance of suppliers from countries not fulfilling labor law requirements
- Suppliers must fulfil statutory and ISO-specific certification requirements
- Predominantly personal care of business relations (e. g. proactive dialogue with business and project partners)
- Regular visits and audits as well as reaccreditations of relevant certificates (once per year)
- Control of labour standards
- Contracting with regional workshops and plants employing the disabled

Measures in progress	Implementation
Confirmation and signature of the <i>„Sustainable Commitment of BONOWI Partners &amp; Suppliers“</i> from all partners and suppliers to adhere to environmental and social standards: <ul style="list-style-type: none"> <li>• Presentation of BONOWI Corporate Principles / Corporate Values along with a written confirmation of the document by all suppliers</li> <li>• Control by an internal check list</li> </ul> The implementation takes place through the revision of the purchasing terms and conditions.	<b>2019/ 2020</b> (in progress)
Regular inspections to evaluate adherence to social standards. Due to the currently limited travel options, partially postponed or otherwise settled.	<b>2019/ 2020</b> (2021 ff.)

## 5. Social alignment of corporate activities (internal perspective)

### *„Employee orientation exceeding the legal requirements!“*

BONOWI considers itself a company with high social focus. This becomes very clear while looking at the fair payment structure, the creation of new jobs and their scope as well as looking at the social benefits provided which significantly exceed statutory requirements. BONOWI considers every individual employee an asset contributing to the customer value. Furthermore, labour protection and work safety are always a priority. Using numerous measures, the statutory requirements are knowingly and purposefully exceeded. BONOWI is characterised by high employee satisfaction and a positive corporate culture (results of a comprehensive analysis by an external advisory institute). Good working atmosphere, respectful cooperation, low employee turnover as well as a low number of sick leaves are indicators for this.

It should be emphasised that the hygiene and occupational health and safety requirements for companies defined by the German government (SARS-CoV2 occupational health and safety standard) have been consistently implemented in order to provide immediate protection for employees and ensure safe working under the special conditions. Protection and safety of the workforce is always a top priority at BONOWI. Thanks to the rapid and professional implementation, there were also no significant organisational restrictions.

As already explained on page 5, over 500 internal training courses were offered and conducted in 2020, also related to the Global Compact Principles, the BONOWI Code of Ethics, new process instructions and the 2021 quality goals. Due to this, the workforce is always comprehensively informed and involved, this promotes a sense of "belonging" and, in line with the cooperative management style and corporate values, openness and respect.

<b>Measures in progress</b>	<b>Implementation</b>
Regular training concerning BONOWI Corporate Principles/ Corporate Values.	<b>2019 ff.</b> (done)
Development of a commission model to govern and motivate employees, tied with economic, environmental and/ or social objectives.	<b>2019/ 2020</b> (done)
Implementation company pension scheme and additional health insurance.	<b>2020</b> (in progress)
Build new corporate headquarters with „health-friendly work places“.	<b>2021</b>

## 6. Environment and climate protection

### *„Environmentally-friendly business is self-evident for BONOWI“*

Environmentally-friendly business, energy and resource efficiency has significant importance for BONOWI and is rooted in the BONOWI corporate values. Not only to adhere to our corporate philosophy but foremost to contribute to the protection of our environment and solve today’s climate protection challenges. An integrated energy and resource management concept is a part of its sustainable economic strategic development. The following measures and activities support the implementation:

- Clear guidelines and requirement specification for all sourcing activities
- Regular customer participation and supplier dialogue
- Regular material analyses
- Avoidance of forbidden materials
- Avoidance of wastefulness (production, packaging)
- Targeted selection of forwarders and transport companies

In the area of environmental management, it can be emphasised for 2020 that waste separation has been optimised by means of selected pre-separation, a valuable step within the framework of environmentally friendly management at BONOWI. The implemented suggestion scheme also promises further suggestions and innovative ideas for continuous improvement at an already high level.

Measures in progress	Implementation
All suppliers must sign the „Sustainable Commitment of BONOWI Partners & Suppliers“ document. The implementation takes place through the revision of the purchasing terms and conditions.	<b>2019/ 2020</b> (in progress)
Construction of new, climate-neutral corporate headquarters <ul style="list-style-type: none"> <li>• CO<sub>2</sub>-neutral, energy efficient thanks to floor heating panels</li> <li>• Energy efficiency in production</li> </ul>	<b>2021</b>

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