



**BW LPG**

**CODE OF CONDUCT  
GUIDE TO PROCUREMENT ETHICS**



## Summary

The code departs from four core values:

- Business ethics,
- Expertise and objectivity,
- Open competition, and
- Sustainability

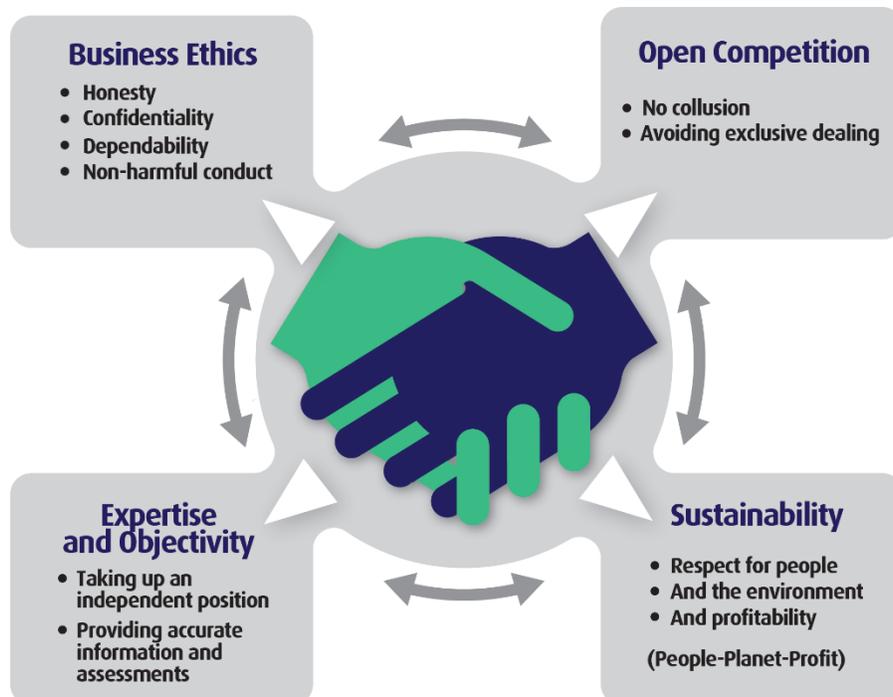
The basic idea is for procurement professionals to be honest, dependable, show integrity, operate in line with procurement-related standards, and make decisions based on facts instead of self-interest. Parties involved in the procurement process are entitled to equal opportunities, and it is key to strike a healthy balance between people, planet and profit.

The Code of Conduct follows on from the four core values and focuses on the following core subjects:

1. Legislation and regulations,
2. Personal interest,
3. Conduct towards competitors, and
4. Corporate social responsibility

In short, what it boils down to is that procurement professionals shall show integrity, always try to be ethical in their actions and be open to learning. They shall abide by applicable legislation and rules, respect honest competition, be fair towards business partners, and keep business and personal interests separate. They shall protect the trade and company secrets and be mindful of their position when using social media.

## Core values of the Procurement Code of Conduct



## I Introduction

BW LPG is aware of corporate social responsibility towards customers and suppliers, but also towards the environment, society at large, and, of course, the Company. The following four core values apply here:

- Business ethics,
- Expertise and objectivity,
- Open competition, and
- Sustainability

The Code of Conduct is intended to convey the importance we attach to the abovementioned four principles, which we will further describe in Chapter II. Chapter III will subsequently present the actual Code of Conduct.

The idea behind the Code of Conduct is to provide a touchstone that procurement professionals can fall back on during their business contacts, and sometimes also outside their professional domain, as private activities may sometimes also impact on a person's professional role.

The Code of Conduct is in full compliance with the basic principles specified by the UN's Global Compact platform. And it was furthermore compiled in line with the appropriate ILO Conventions (International Labour Office), the United Nations' Universal Declaration of Human Rights, the UN Conventions on the Rights of the Child, the Convention for the Elimination of All Forms of Discrimination of Women, and the OECD's Guidelines for Multinational Companies.

It is important for everyone to understand that 'good conduct' may very well mean going above and beyond the stipulations of codes of conduct and guidelines. In the end, it is all about acting in the 'spirit' of the Code of Conduct and not only obeying the 'letter' of the code of conduct. The code does therefore not offer a checklist, but rather a number of guiding principles that are relevant to procurement professionals.

## II Core Values

We will describe the four core values that lie at the basis of the Code of Conduct. These core values are business ethics, expertise and objectivity, open competition, and sustainability.

### ***Business ethics***

By this we mean that procurement professionals shall be honest and dependable, and not cause others harm. Within all aspects of the procurement process, they act in good conscience, always speak the truth, so that stakeholders are never misled. Confidential information shall never be revealed to third parties, unless legal or professional obligations require revelation of such information. Confidential information shall never be used for personal gain. Procurement professionals shall adhere to all legislation and regulations that apply to them, and refrain from actions that may discredit the profession. Procurement professionals shall respect other cultures and customs.

### ***Expertise and objectivity***

When asked, procurement professionals shall always provide, providing there are no legal objections or confidentiality obligations that impede this, correct information and endeavor to make the right decisions based on sound knowledge and experience. They shall show integrity under all circumstances, acting honestly and in line with professional standards. In order to be able to do the latter, procurement professionals shall stay abreast of relevant developments in their professional field.

Objectivity is all about procurement professionals basing their judgement on facts instead of on prejudice or self-interest. They shall not be open to improper influencing by third parties and avoid any relationships that may influence their professional and independent judgement in an undesirable manner.

***Open competition***

This means: no collusion, offering all potential suppliers' equal opportunities in bidding for an order, selecting suppliers based on objective criteria, and preventing exclusive dealing.

***Sustainability***

By this we mean that procurement professionals shall respect people and the planet in striving for profits: People, Planet, Profit.

The four core values are by no means stand-alone values but are instead reinforced by their mutual connection. Possible conflicts between core values require careful assessment to be able to choose the best way to proceed.

### **III The Procurement Code of Conduct**

In Chapter II we listed the four core values that underlie the Code of Conduct. The Code of Conduct ensues from these values and is made up of the following core subjects: legislation and regulations, personal interest, conduct towards competitors, and corporate social responsibility.

***General***

Procurement professionals shall show integrity, always endeavour to act in an ethically correct fashion, and be open to learning and improving themselves, colleagues, and the procurement sector at large.

1. Legislation and regulations

Procurement professionals shall abide by all applicable legislation and regulations in all countries where they perform business activities. Business partners shall always be treated fairly, and a deal is a deal, meaning that contracts shall always be honoured.

2. Personal interest

Procurement professionals always ensure business and personal interests are kept separate. Procurement decisions shall be made independently and objectively.

Procurement professionals shall comply with anti-corruption legislation, meaning that they shall refrain from offering, promising, providing, or approving in-kind personal benefits aimed at obtaining an advantage in business transactions, influencing a business relationship in an improper or prohibited manner, or compromising the business partner's professional independence.

Neither shall procurement professionals demand nor accept personal benefits in dealings with business partners. An exception is made for minor benefits that stay within the boundaries of normal business practice and relate to hospitality, business courtesies, and (local) customs.

Unequivocal guidelines formulated by employers, about offering and receiving gifts and accepting invitations to business entertainment and events, will provide procurement professionals with clarity on what is and what is not permitted, and stipulate exceptions for giving and receiving gifts that are not of

great value and have a symbolic meaning. Other issues that may also require boundaries, such as business dinners and corporate outings, can also be clearly demarcated in such guidelines.

3. Conduct towards competitors

Procurement professionals shall respect fair competition and with that legislation and rules that on the one hand enforce and stimulate competition and on the other prohibit collusion and price fixing.

4. Corporate social responsibility

a. *Forced labour*

Procurement professionals shall reject any kind of forced labour, and respect United Nations charters on human rights and the rights of children. They shall specifically endorse the Convention concerning the minimum age for admission to employment (Convention No. 138 of the International Labour Office, or ILO), and the Convention concerning the prohibition and immediate action for the elimination of the worst forms of child labour (ILO Convention No. 182). Whenever national regulations stipulate stricter measures, these regulations shall take precedence over international conventions.

b. *Discrimination*

Procurement professionals shall counter, within the boundaries set by current legislation and regulations, all forms of discrimination, and unfair and unequal treatment based on sex, race, disability, ethnic or cultural background, religion or world view, age, or sexuality in particular.

c. *Treatment of employees*

Within the boundaries specified by national statutory provisions, they shall protect employees and their health at work. Procurement professionals shall support continuous development or this process to improve the work environment.

Procurement professionals shall respect, within the boundaries set by current legislation and regulations, employees' right of association. They shall stimulate lasting protection of the environment for current and future generations. Procurement professionals shall comply with legislation and regulations concerning the protection of the environment, and welcome employees' ecological initiatives.

d. *Dealing with confidential information*

Procurement professionals shall see to it that trade and company secrets be kept. Confidential information and confidential documents shall only be revealed to third parties or made accessible in other ways with prior consent or by court order.

e. *Social media*

Procurement professionals shall be mindful of the interests of others when using social media, also when stating personal opinions. Based on their position, procurement professionals shall assess whether and what they can publish in a private capacity.