

SWARCO Group
CSR Guidelines

Behavior and Sustainability Management for Suppliers

April 2020



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1 Preamble

The SWARCO CSR Guidelines state the requirements that must be met by our suppliers in terms of sustainable business conduct. CSR (corporate social responsibility) means doing business in a manner based on and in harmony with the respective applicable legal provisions as well as environmental and social aspects. All related topics and the resulting requirements are summarized below.

The Guidelines are shaped by international standards such as the OECD Guidelines and especially the United Nations Global Compact. These SWARCO CSR Guidelines expand on and further clarify the existing SWARCO Supplier Guidelines.

2 Environmental Responsibility

The supplier shall commit to continuously reducing the impact on the environment within the scope of their business activities.

Key measures include:

- Preventing accidents that impact the environment
- Minimizing waste and emissions
- Using energy-saving technologies
- Integrating recycling processes
- Conserving resources through consistent prevention/reduction of waste

Products must continue to meet the usual environmental protection standards. If hazardous materials are used, their storage, handling, and disposal must be regulated. Regulation (EC) No. 1907/2006 (REACH): Declarable or prohibited substances in the corresponding purchased products must be declared.

The REACH Regulation (EC) No. 1907/2006 stipulates information obligations for substances of very high concern, which are listed in the SVHC candidate list.

REACH is intended to ensure a high level of protection for people and the environment, with manufacturers, importers, and downstream users required to register their chemicals and assume responsibility for their safe use (European Chemicals Agency – <https://echa.europa.eu>). The statutory requirements of REACH (registration, information obligation) must be observed for all substances, preparations, and products that are manufactured in or supplied to the EU, are subject to REACH, and are supplied to SWARCO or used in the production process.

Directive 2011/65/EU (RoHS): The RoHS Directive restricts the use of specific hazardous substances in electrical and electronic devices. It regulates how hazardous substances are used and brought into circulation in electrical devices and electronic components. This Directive aims to banish problematic components from electronic waste. Measures include replacing the leaded soldering of electronic components with unleaded soldering, prohibiting the use of environmentally hazardous flame retardant in cable insulation, and promoting the introduction of equivalent replacement products where possible. In addition, the electronic components used must also be free of problematic substances.

We expect our suppliers to make ongoing enhancements to their environmental policy and qualify their employees in the field of environmental responsibility.

3 Human Rights, Working Conditions, and Health

Protection

The supplier shall maintain working standards in accordance with the applicable national laws and provisions. Employees must be protected against physical punishment as well as physical, mental, sexual, and verbal harassment. Employees' privacy must also be ensured.

No persons below the age of 15, or below the statutory minimum age if this is over 15, may be employed. In accordance with the exemption granted to developing countries by the International Labour Organization (ILO), the national minimum age may be 14. The supplier must not employ younger workers between the applicable minimum age and the age of 18 either at night or in conditions that may impair their health, safety, or moral integrity or their physical, mental, spiritual, or social development.

The supplier shall guarantee occupational safety and health protection in the workplace in accordance with the national provisions and also support ongoing enhancements to improve the working environment.

4 Ethics

No employees shall be discriminated against or disadvantaged, especially on account of their gender, disability, ethnicity, origin, religion, or age.

We continue to expect corresponding levels of integrity in our business relationships, including relationships and activities with sub-suppliers and additional business partners.

5 Preventing Bribery and Corruption

The supplier shall commit to observing all statutory provisions concerning bribery, corruption, and acceptance of benefits. The following is prohibited in particular:

- Offering, promising, or providing personal benefits to officials in return for them discharging or failing to discharge any of their official duties
- Offering, promising, or providing illegal personal benefits to employees or representatives from other companies
- Allowing acts of bribery to take place with the help of others, such as relatives, friends, agents, advisors, planners, and intermediaries
- Supporting illegal activities undertaken by other persons

The supplier shall also commit to prohibiting their employees from requesting or accepting personal benefits (e.g. an invitation to a meal or an event) from other persons within the scope of business activities or having such benefits promised to them. However, such benefits shall be permitted if nothing appears to be expected in return, if they are in line with typical national business practices, and if they do not violate any other statutory regulations.

The supplier must immediately report any violations of these rules to SWARCO in order to prevent any further legal disadvantages.

6 Data Protection

The supplier shall commit to observing all applicable data protection laws and provisions in their field of activity, with a particular focus on the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council dated 4/27/2016 (EU General Data Protection Regulation – GDPR).

The supplier shall commit to implementing and maintaining technical and organizational measures that are suitable for their field of activity and correspond to the state of the art so as to ensure an appropriate level of data protection and guarantee data security. In this way, the supplier must secure data of any kind against manipulation, loss, unauthorized access, and other threats. The supplier shall commit to handling any data received from SWARCO (personal, technical, or other data and data in digital or analog (paper) format) with the same care and in line with the same safety criteria as for their own data.

7 Antitrust and Competition Law

The supplier shall comply with the rules of antitrust and competition law, i.e.:

- It is not permitted to reach market-sharing agreements with competitors
- Prices, quantities, conditions, etc. must not be agreed with competitors
- In general, contact with competitors must be restricted to the minimum necessary amount

8 Commitment

The supplier hereby confirms that they acknowledge these CSR Guidelines in full, that they will implement them accordingly within their company, and that they will make them accessible to all employees within their company. The supplier also confirms that they will inspect the requirements at suitable intervals through the use of suitable means and take immediate measures in response to any identified violations.

Company stamp:

Company

Place, date

Legally binding signature