

**SWISSPEARL**

# Swisspearl Group Supplier Code of Conduct



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## Policy statement

This Supplier Code of Conduct provides the foundation for our continuous engagement with business partners and dialogue in good faith on their ethical, social and environmental performance. Business partners are responsible for ensuring compliance with this Supplier Code of Conduct. This Supplier Code of Conduct is an integral part of our relationships and part of all contracts with business partners. In Swisspearl, we fully commit ourselves to the principles of the Supplier Code of Conduct.

## Scope

For the purpose of this Supplier Code of Conduct, 'business partners' means suppliers of goods and services to Swisspearl and joint-venture partners. The Supplier Code of Conduct shall cover all employees of our business partners, including permanent, temporary and consultants as well as possible sub-contracted partners.

## General expectations

We require our business partners to maintain awareness and comply with all applicable legislation, rules and regulations. If this Supplier Code of Conduct sets higher standards than the law, rules and regulations, the highest standards applies. In such cases we constructively guide our business partners to improve.

In addition, we expect business partners to:

- Observe the 10 principles of the UN Global Compact and embed the UN Guiding Principles on Business and Human Rights into their own operations by introducing policies, procedures, and safe and confidential grievance mechanisms appropriate to their sector and size;
- Apply appropriate due diligence measures to ensure the compliance of own operations and sub-suppliers with this Supplier Code of Conduct.

Moreover, Swisspearl prefers business partners who have established key performance indicators for key areas related to the issues covered in this Supplier Code of Conduct, including for example reducing environmental impact of operations and ensuring health and safety.

## Human rights and labour rights

We expect our business partners to follow all applicable laws and regulations regarding human and labour rights. Furthermore, we expect our business partners to avoid and address adverse impacts on human and labour rights as set forth by our Human Rights Policy and the UN Guiding Principles on Business and Human Rights. The following highlights specific areas of minimum expectations of business partner performance:

## **Health and safety**

- Provide safe and healthy working conditions and take appropriate precautionary measures to protect employees from work related hazards and anticipated dangers to prevent accidents and injury to health arising out of, linked with, or occurring in the course of, work or as a result of the operation of employer facilities.
- Continuously improve working conditions and reduce workplace related risks and hazards by, for example, maintaining a written safety programme, ensuring management responsibility for health and safety matters, setting targets, tracking performance and conducting appropriate training.

## **Labour relations**

- Provide all employees with written employment contracts outlining the conditions of employment in a language understood by the employee.
- At the time of salary payment, issue each employee with a salary specification specifying as a minimum, all hours of work during the salary period and the rate of compensation.
- Respect employees' and other workers' rights to join or refrain from joining workers' association or collective bargaining association of their choice or, when restricted, alternative forms of independent and free workers representation.

## **Discrimination**

- Treat employees fairly and provide a workplace which supports a diverse workplace free from discrimination in hiring, compensation, access to training, promotion, termination, retirement, working conditions, job assignments, benefits and discipline based on personal characteristics. This includes, but is not limited to ethnic background, race, religion, age, gender, disability, sexual orientation, outlook or social status.
- Ensure that worker representatives and employees who choose to affiliate or not affiliate are free from discrimination.

## **Diversity and inclusion**

- Provide equal opportunity to all existing employees and qualified applicants and work to promote an equal and diverse workplace, preferably through programmes and initiatives within their business.

## **Stakeholder engagement**

- Engage and consult with potentially affected local communities and avoid causing or contributing to negative impacts. This may include impacts on culture, the environment, natural resources, land, infrastructure or other factors that are important to the fulfilment of human rights for local communities, including their health and livelihoods.

## **Illegal labour practices**

### **Forced labour**

- Allow freedom of movement for all employees during their employment and permit termination of employment after reasonable notice.
- Do not retain original identification documents, deposits or financial guarantees or withhold wages outside of a legal contractual agreement.

- Conduct due diligence aimed at eliminating direct and/or indirect involvement in human trafficking and prohibiting all forms of forced, bonded or indentured labour, involuntary prison labour. This applies to all workers, whether hired directly, by a contractor or recruited through a recruitment agency.

## **Child labour**

- Ensure to employ persons only at an age or higher than defined in the Minimum Age for Admission to Employment or Work in the 10 Principles of the UN Global Compact.
- Protect young workers up to the age of 18 from working conditions that are likely to jeopardise their health, safety or morals, or interfere with their educational needs.
- Conduct due diligence aimed to eliminate direct and/or indirect involvement in child labour.

## **Right to privacy**

- Take all relevant precautions, technical and organizational measures to preserve the confidentiality and security of Swisspearl employees' personal data, and in particular to prevent them from mis-use, damage or communication to unauthorized third parties.
- Use information only for business purpose for which it was provided and handle it in accordance with the terms of its disclosure.

## **Environment and climate**

We expect our business partners to carry out operations with care for the environment, comply with all relevant local and national environmental laws and regulations and maintain all applicable licenses, registrations or permits.

Business partners shall strive to minimize adverse impacts on the environment, human health and livelihoods of their products or services throughout their life cycle by:

- disclosing usage of hazardous materials to facilitate safe management of their product during use, recycling and disposal,
- establishing control mechanisms for the prevention of pollution from hazardous substances, waste and effluents and air emissions,
- providing access to emergency response, including environmental, fire, and conditions of abnormal emission and dispersion, exceeding air quality criteria,
- providing access to immediate measures to protect human health and the environment,
- having systems and practices in place to continuously reduce the adverse environmental and climatical impacts by, for example, maintaining a written environmental and climate programme, ensuring management responsibility for environmental and climate matters, setting targets, tracking performance and conducting appropriate training.
- respecting the "polluter pays" principle.

## Bribery and corruption

Swisspearl promotes integrity and ethics in all aspects of its activities and maintains in its business relationships a zero-tolerance policy on all forms of corruption, whether direct or indirect.

- Maintain adequate procedures for preventing any of the employees, suppliers, agents or other business partners from undertaking any conduct that in any way would give rise to an offense under applicable anti-corruption laws, rules and regulations.
- Ensure that business is conducted in a manner that does not violate UN, EU, Switzerland, UK or US trade sanctions and to inform Swisspearl should they ever become subject to international sanctions.

### **Conflicts of interest**

- Avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest.
- Provide notification to all affected parties in the event that an actual or potential conflict of interest arises. This includes a conflict between the interests of Swisspearl and personal interests or those of close relatives, friends or associates.

### **Unfair competition**

- Have no involvement in anticompetitive business practices.
- Ensure all agreements for not violating antitrust law or misusing dominant market position.

### **Intellectual property rights**

- Do not breach Swisspearl's or any third party's intellectual property rights.
- Do not publicise the cooperation with Swisspearl or utilize Swisspearl trademarks without prior written consent of Swisspearl.

## Conflict minerals and metals

Swisspearl expects its business partners supplying materials to comply with:

- Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas
- SR 221.433 - Ordinance of 3 December 2021 on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO)

When the standards set by the above regulations are not the same, Swisspearl's suppliers are expected to always apply the highest standards.

## Implementation

Swisspearl will give preference to business partners based on quality, price, availability and service and who share our commitment to conduct business in an ethical, environmental and social responsible manner. To evaluate this, we conduct business partner due diligence by conducting activities including, but not limited to:

- Introduction of our Supplier Code of Conduct to all suppliers as an integral part of the contracts
- Supplier screening and self-assessment questionnaires
- Based on the information gathered, initiate additional questions and material requests
- Agreeing action plans for improvement
- Conducting on-audit visits either by ourselves, by a 3<sup>rd</sup> party or a combination

We expect our business partners to maintain documentation necessary to demonstrate their stand and performance, in comparison to this Supplier Code of Conduct.

We expect our business partners to implement continuous improvement practices to continually improve within the areas of human rights, labour standards and the environment and to work against any forms of corruption.

## Violation of the Supplier Code of Conduct

The underlying objective of the Supplier Code of Conduct is to establish a basis for a positive development of responsible business practices through dialogue and ongoing working relationships. However, in cases of violation of the Supplier Code of Conduct, Swisspearl will contact the business partner and in collaboration set up a dialogue around improvement of the situation and prevention of the same in the future.

Swisspearl will endeavour to terminate the business relationship with business partners who repeatedly and knowingly violate this Supplier Code of Conduct and refuse to collaborate with Swisspearl in implementing improvement plans. In certain cases, e.g., business partner engaging in or benefiting from the use of child labour, severe violation of internationally recognized labour rights, significant damage to the environment and/or in cases of corruption and bribery, termination may be with immediate effect.

## Reporting misconduct

Our Supplier Code of Conduct cannot directly cover every issue that might arise. Therefore, business partners shall have in place proper grievance and whistleblowing measures to allow employees to report actual or suspected misconducts without fear of reprisal. Business partners shall:

- Clearly communicate these measures to their employees;

- Allow employees acting individually or with other workers to submit a grievance without suffering any penalty or retaliation;
- Record, investigate and process employee grievances raised.

There is also an option to report concerns anonymously via the Swisspearl Whistleblower channel available on Swisspearl websites.

## Supplier Code of Conduct information

This Supplier Code of Conduct must be reviewed by the Global Head of Procurement & SCM and approved by the Swisspearl Group Executive Management, then followed by an approval of the Swisspearl Supervisory Board at least once a year. It may be amended at any time with the approval of Swisspearl Supervisory Board. In the event of any discrepancies between the English version of this Supplier Code of Conduct and a translated version, the English version will prevail. The latest version of this Supplier Code of Conduct can be found from Swisspearl websites.

## Contact

If you have any comments or questions about this Supplier Code of Conduct, please contact the Group General Counsel, legal (at) swisspearl.com.

# Change log

Version	Date	Description of the change	Changed by