

Supplier Code of Conduct for Sustainable Procurement

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This Supplier Code of Conduct governs the requirements of the Schüco Group for responsible procurement.

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1 Preamble

The Schüco Group (hereinafter referred to as Schüco) recognises its social responsibility and commits to do business in a manner that is lawful, as well as ecologically and socially responsible. Furthermore, Schüco endeavours to optimise its corporate actions and its products in terms of sustainability.

The integrity of Schüco suppliers plays a key role in this process. Schüco therefore also expects them to fulfil all relevant legal and ethical requirements and to comply with the recognised environmental, social and corporate governance standards.

The Supplier Code of Conduct summarises the requirements that Schüco has for its suppliers and for responsible procurement.

2 Basis and scope

The Supplier Code of Conduct is based on internationally recognised principles as stipulated in the Universal Declaration of Human Rights¹, the UN Guiding Principles on Business and Human Rights², the OECD Guidelines for Multinational Enterprises³, the ILO Declaration on Fundamental Principles and Rights at Work⁴ and the UN Global Compact⁵.

Schüco commits to comply with the principles set out in this Code of Conduct and obliges its suppliers to implement the principles in the same way.

Schüco also requires its suppliers to ensure that their suppliers and service providers who provide products or services for Schüco (collectively referred to as “Subcontractors”), whether directly or indirectly, comply with these or equivalent principles. The suppliers must inform their subcontractors of the requirements of this Code of Conduct and take suitable measures to ensure compliance with the requirements stipulated in this Code of Conduct throughout their entire supply chain.

3 Supplier requirements

3.1 Human rights and fair working conditions

3.1.1 No child labour

The suppliers do not employ any children below the statutory minimum employment age in the respective country or legal system. Under no circumstance may employees be under the age of 15. Employees under the age of 18 shall only work according to the statutory requirements, e.g. in terms of the applicable working hours and conditions.

3.1.2 No forced labour

All labour must always be provided voluntarily. The suppliers do not use any forced labour, servitude or involuntary labour. Before they start work, all employees, both permanent and temporary, must receive freely

¹ Resolution of the General Assembly 217A (III). Universal Declaration of Human Rights of the United Nations of 10/12/1948.

² UN Guiding Principles on Business and Human Rights.

³ OECD Guidelines for Multinational Companies

⁴ Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO).

⁵ United Nations Global Compact.

agreed work documents in a language that they understand, which respect their statutory and contractual rights. Employees must be allowed to retain control over their identification papers (e.g. passport, work permit or any other personal legal document). The employer must not use physical restrictions to impair the employees' freedom of movement. The suppliers shall ensure that, throughout their entire induction phase and period of employment, employees do not have to pay fees or make other payments in order to be employed. The suppliers are responsible for the payment of fees and duties that may be incurred in association with the employment. Penalisation, psychological and/or physical coercion are prohibited. Disciplinary guidelines and procedures must be clearly defined and communicated to the employees.

3.1.3 Fair pay and working hours

The suppliers shall comply with the applicable laws and binding industry standards on working hours, overtime, wages and salaries as well as other employer benefits. The suppliers shall pay the employees on time, regularly, in the full amount in the statutory currency of the country of employment, and comprehensibly and clearly inform the employees of the basis on which the employees are paid. Deductions from wages and salaries as a disciplinary measure are not allowed, unless this is permitted according to local law. If the minimum wage is not sufficient to cover the employee's basic needs, the wage paid should be higher than the statutory minimum wage.

3.1.4 Ban on discrimination

The suppliers shall promote diversity, equality and integration. They shall also ensure that there is a respectful working environment. They must not discriminate on the basis of gender or gender identity, race, skin colour, religion, age, disability, sexual orientation, national origin, caste, marital status or motherhood, political affiliation, trade union membership, disability, citizenship, social or ethnic origin, age or other characteristics protected by law, or accept any such discrimination.

Equal opportunities must be ensured for appointment, employment, remuneration and granting of other benefits, as well as for promotion, dismissal and retirement. Any form of psychological, physical, sexual or verbal abuse, intimidation, threat or harassment must not be tolerated. The privacy of employees must be respected.

3.1.5 Gender equality and empowerment of women (only for aluminium extrusion companies)

Schüco requires its suppliers to implement a programme which promotes gender equality and strengthens the role of women in employment practices, training opportunities, conclusion of contracts, engagement processes and management activities. When introducing such a programme, the suppliers should use the Women's Empowerment Principles of the UN Global Compact as a guideline.

3.1.6 Freedom of association and collective bargaining

The suppliers must respect the rights of the employees to freedom of assembly and association. The employees or their representatives must have the opportunity to assemble, organise themselves and communicate openly with the company management about working conditions.

The suppliers recognise that collective bargaining will be carried out according to the applicable laws.

3.1.7 Occupational health and safety

Schüco requires its suppliers to endeavour to implement a high level of occupational health and safety.

The suppliers shall comply with the applicable occupational health and safety regulations and provide a safe and healthy working environment in order to maintain the health of employees, protect third parties and prevent accidents, injuries and work-related illnesses.

In particular, employees shall be given access to a sufficient quantity of drinking water and provided with appropriate lighting, temperature control and ventilation, adequate sanitary facilities and personal protective equipment. All employees must receive regular and appropriate training in the areas of health, safety, accident prevention and emergencies at the workplace.

If employees are provided with accommodation, this must meet the basic needs of the employees.

3.1.8 Rights to property / security personnel

The suppliers must respect the rights to property, including the collective and traditional rights of women, indigenous peoples and local communities, which are affected by their activities and procurement practices.

When employing security personnel to protect a project or site, measures must be taken to minimise the risk of human rights violations; in particular, a background check must be carried out.

3.2 Ethical business practices

3.2.1 Anti-corruption

Schüco requires its suppliers to comply with the statutory regulations on fighting corruption. The suppliers shall conduct their business in an ethical manner and in compliance with all applicable rules and regulations. They shall not promise or grant any benefits to unduly influence business activities or to gain an undue advantage. All of the suppliers' transactions must be documented in its books according to statutory provisions.

3.2.2 Fair competition

The suppliers shall comply with the applicable competition and anti-trust laws. In particular, the suppliers commit to refrain from agreements and coordinated conduct that are aimed at or result in a prevention, restriction or distortion of competition.

3.2.3 No money laundering

The suppliers shall comply with all applicable laws and regulations aimed at tackling money laundering. They shall keep financial records and prepare reports according to international laws and regulations.

3.2.4 Data protection

When collecting, saving, processing and transmitting personal data, the suppliers must observe the national laws and those valid for the respective country relating to data protection and information security, and observe official requirements.

3.3 Environment

3.3.1 Environmental protection

The suppliers undertake to protect the environment and shall conduct their work in an ecologically responsible manner. This applies in particular in relation to the conservation of resources, reduction of emissions and compliance with applicable environmental protection law. The international environmental management

standard ISO 14001 can be used as a parameter for ecologically responsible business activity. The suppliers shall take suitable and documented measures based on this standard in order to ensure environmental protection. Suppliers are asked to strive for the latest technical standards in order to achieve optimum resource efficiency.

3.3.2 Reduction of environmental impacts

The suppliers shall reduce emissions as far as is possible in line with the state of the art. The suppliers must avoid or recycle waste. Materials used should be recyclable.

When developing products and services, the suppliers shall ensure that using them is economical in terms of the consumption of energy and natural resources.

The suppliers shall find economical solutions to improve energy efficiency and minimise energy consumption. The use of renewable resources must be given preference.

The suppliers shall assess the carbon footprint of their business activities and products and pursue an ambitious carbon reduction target for their companies and the primary materials that they procure. This carbon reduction target must be scientifically substantiated, if possible, and must be in keeping with the Paris Agreement.

Schüco reserves the right to collect primary data on the suppliers' carbon footprint in relation to procured goods and services, or to gather information on the suppliers' efforts to be sustainable.

The suppliers must ensure that they do not cause any harmful soil pollution, water contamination, air pollution, harmful noise emissions or excessive water consumption that has a negative effect on the health of people, their access to clean water or sanitary facilities, or that has a considerable and negative impact on the natural resources needed to grow and produce food.⁶

3.3.3 Biodiversity and ecosystem services (only for aluminium extrusion companies)

The suppliers must assess the risk and the potential impacts on biodiversity and ecosystem services arising from the use of land and activities in the suppliers' sphere of influence. If risks affecting ecosystem services are identified, the suppliers must check these and develop an appropriate action plan if necessary.

The suppliers are requested to avoid introducing non-indigenous species which could damage biodiversity and ecosystem services, and to adhere to the 'no-go' commitment for World Heritage sites.

3.3.4 Handling hazardous substances

The suppliers must label, monitor and inspect hazardous materials, chemicals and substances, and ensure that they are handled, moved, stored, reused and disposed of safely. Employees in key positions must be aware of product safety practices and shall receive appropriate training. The suppliers may not produce or use any persistent organic pollutants, and must handle, collect, store and dispose of these substances in an environmentally sustainable manner. Hazardous waste must be handled correctly and in accordance with local, national and international laws.

⁶ ISO/TC 190 applies to soil contamination threshold values, unless the FAO has issued other guidelines. The relevant WHO guidelines apply to all other threshold values. These include: the WHO Guidelines for Drinking-Water Quality (2006), which apply to water consumption and use. The WHO Global Air Quality Guidelines (2021), which apply to the limit values for air pollution. The regionally applicable WHO guidelines for community/ambient noise, which apply to noise thresholds. If there are no such regionally applicable guidelines then the WHO Guideline for Community Noise (1999) shall apply.

4 Implementation

4.1 Management systems

When selecting and working with suppliers, Schüco values those who actively operate a quality management system in accordance with ISO 9001, an environmental management system in accordance with ISO 14001, an energy management system in accordance with ISO 50001 as well as an occupational health and safety management system in accordance with ISO 45001, or equivalent systems.

4.2 Human rights due diligence (only for aluminium extrusion companies)

The suppliers undertake to meet due diligence obligations in relation to human rights (relating to gender equality) in accordance with the UN Guiding Principles on Business and Human Rights, in order to identify, prevent, mitigate and be aware of adverse effects on human rights.

4.3 Risk-based due diligence (only for aluminium extrusion companies)

The suppliers undertake to implement risk-based due diligence across their supply chains in accordance with the OECD Due Diligence Guidance of Minerals from Conflict-Affected and High-Risk Areas, in order to identify and assess risks in relation to conflict-affected and high-risk areas (CAHRAs). This requires regular evaluation. As soon as risks have been identified, the suppliers must develop and implement a response strategy, review the due diligence practices and report on an annual basis. Schüco must be informed as part of this process.

4.4 Audit

Schüco is entitled to request the necessary information on the implementation of this Code of Conduct from the suppliers. Schüco reserves the right to verify that suppliers are complying with this Code of Conduct, as the need arises. If there is sufficient suspicion of an infringement, audit may be conducted without prior notice, depending on the severity of the possible infringement.

4.5 Dialogue: Information and complaints management

The suppliers are obliged to inform Schüco of any infringements against this Code of Conduct. Schüco has set up a complaints management process that is open to everyone and via which information about infringements may be provided. Further information about this is available on the Schüco website at <https://www.schueco.com/de-en/company/about-schueco/compliance>.

4.6 Right to suspension and termination

Schüco reserves the right to demand corrective measures and, if necessary, to end the cooperation if a supplier fails to comply with the regulations in this Code of Conduct.

In the event of repeated or serious infringements, Schüco may suspend or terminate the business relationship with the suppliers. Before terminating the relationship, Schüco will provide notice of this intention and grant an appropriate period for the elimination or, if this is not possible within a reasonable period, the minimisation of the infringement of the requirements. If the infringement is due to intent or gross negligence on the part of the supplier and Schüco cannot be expected to continue the business relationship taking all of the circumstances into account, Schüco may terminate the business relationship without notice.

5 Legal notice

None of the above provisions of the Supplier Code of Conduct gives rise to third-party rights or claims against Schüco.

6 Glossary

Glossary/List of abbreviations		
Abbreviation:	Long form:	Explanation:
ILO	International Labour Organization	The International Labour Organization (ILO) is an agency of the United Nations and is based in Geneva. It is responsible for formulating and implementing international labour and social standards.
UN	United Nations	
ISO	International Standards Organisation	
Corporate Governance	Corporate management and monitoring	The legal and factual framework for the management and monitoring of companies for the well-being of all relevant stakeholders.
OECD	Organisation for Economic Co-operation and Development	
UN Global Compact	Voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals.	Voluntary initiative of commercial enterprises to implement universal sustainability principles, recognised by the UN.
CAHRAs	Conflict Affected and High-Risk Areas (CAHRAs)	The Responsible Minerals Initiative (RMI) promotes the responsible procurement of minerals from conflict-affected and high-risk areas (CAHRA).
Carbon Footprint		Total greenhouse gas emissions (calculated in CO2 equivalents) generated when a product is manufactured.