



Supplier Code of Conduct

SÜDWESTDEUTSCHE SALZWERKE AG

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Supplier Code of Conduct of Südwestdeutsche Salzwerke AG (SWS AG) (As of 05/2023)

1. Introduction

Observing and complying with high social, ecological, and ethical standards is of particular importance for Südwestdeutsche Salzwerke AG. Südwestdeutsche Salzwerke AG is convinced that responsible behaviour and fair business practices, taking sustainability into account, serve society best. Since Südwestdeutsche Salzwerke AG is constantly striving to further develop its standards, the suppliers are asked to contribute accordingly.

With this code of conduct, the expectations of Südwestdeutsche Salzwerke AG in terms of social, ecological, and ethical action, and of all suppliers with whom business relationships exist, are specified. If suppliers also operate internationally and therefore different legal systems apply, this code of conduct contains minimum requirements that suppliers must meet to be able to enter and remain in a business relationship with Südwestdeutsche Salzwerke AG. To meet these requirements, it is also necessary for suppliers to pass on the regulations of this Code of Conduct in their respective supply chains.

For future cooperation, it is agreed that the following regulations apply to a joint code of conduct. This agreement shall be the basis for all contracts and deliveries. Suppliers agree to comply with the principles and requirements of this Code of Conduct and, in turn, to contractually obligate their suppliers to comply with the standards and regulations outlined in this document.

The Südwestdeutsche Salzwerke AG reserves the right to check whether the standards defined in this code of conduct are being complied with by the suppliers through a self-assessment, by submitting certificates and by carrying out appropriate audits.

If the suppliers do not meet the above expectations, Südwestdeutsche Salzwerke AG may have reason to reassess the existing business relationships, including all associated supply contracts. The principles formulated in this Code of Conduct thus form an important component in the selection and evaluation of suppliers.

2. Scope

This code of conduct applies to all suppliers of Südwestdeutsche Salzwerke AG and companies affiliated with Südwestdeutsche Salzwerke AG.

3. Requirements for suppliers

Südwestdeutsche Salzwerke AG expects all its suppliers to comply with the applicable national and international laws, regulations, and conventions, as well as the principles of this code of conduct. This behavioural guideline is, amongst others, based on the requirements of the Supply Chain Due Diligence Act (LkSG), the United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the declaration of the International Labour Organizations on fundamental principles and rights at work, as well as the principles of the UN Global Compact (United Nations Global Compact).

3.1. Social responsibility (social standards)

Suppliers must respect human rights in particular in their companies and treat their employees fairly and with respect. This includes the principles listed below:

3.1.1. Child labour ban

Suppliers are not allowed to bring children to work. The definition of child labour is based on the core labour standards (No. 138) of the International Labour Organization (ILO), as well as the principles of the UN Global Compact. Suppliers are, therefore, encouraged to comply with the ILO's recommendation on the minimum age for employment of children. Accordingly, children may not be employed before they reach the locally applicable compulsory school age, at the earliest 15 years of age. If a supplier discovers that a child is working in his or her company, he or she shall immediately take corrective action that is in the best interest of the child and document it accordingly. The worst forms of child labour are guided by Convention No. 182 (slavery, child trafficking, forced and compulsory labour, prostitution, etc.) of the International Labour Organization (ILO) for children under 18 years of age, and may not be exercised because of their particular harmfulness to the health, safety, or morals of children. The rights of young working people are thus particularly worthy of protection.

3.1.2. Forced labour ban

Suppliers shall not use forced labour, bonded labour, or any form of slavery, slave-like practices, servitude, or oppression of domination around the business. All work must be voluntary and without the threat of punishment. In addition, there shall be no unacceptable treatment of employees, such as punishment, mental hardship or coercion, sexual and personal harassment, and humiliation. Disciplinary measures in response to conduct in breach of contract must be presented to employees in an appropriately transparent manner concerning the specific breach of duty. Any form of slavery is incompatible with the ethical principles of Südwestdeutsche Salzwerke AG. Therefore, all suppliers and their subcontractors are expected to oppose all forms of slavery and child labour.

3.1.3. Work safety

Suppliers shall comply with applicable occupational health and safety regulations and provide a safe and healthy work environment to adequately protect their employees from chemical, physical and biological hazards. By applying appropriate safety standards, appropriate preventive measures are taken to mitigate health and occupational safety risks that may arise in connection with the activity. This includes regular assessment of risks and implementation of hazard prevention measures. In addition, suppliers must provide their employees with appropriate personal protective equipment (PPE), if required, and inform and provide appropriate and regular training on health and safety standards. Excessive physical or mental fatigue must be prevented by taking appropriate measures. The minimum requirements for a healthy working atmosphere include clean sanitary facilities and access to drinking water in sufficient quantities.

3.1.4. Remuneration and working hours

Suppliers shall pay reasonable compensation for regular working hours and overtime. Wages must comply with the national statutory minimum wage and applicable collective bargaining

agreements and be following International Labour Organization (ILO) standards. Compensation is intended to provide employees with a reasonable standard of living and, in particular, to cover the cost of ordinary living expenses. Pay deductions as a disciplinary measure are not permitted. Suppliers shall inform employees clearly and in detail about the composition of their compensation. Suppliers are also expected to commit to equal pay for work of equal value. Suppliers must comply with all applicable national laws and binding International Labour Organization (ILO) standards on working hours, including overtime, breaks and paid rest leave.

3.1.5. Freedom of association

Suppliers must respect the right of their employees to freely associate with or join trade unions, per the applicable law of the place of employment. This also includes the right to form an employee representation and a works council as well as the right to strike and the right to collective bargaining.

Open communication with employees regarding the employment relationship is encouraged by suppliers. Employees shall not be discriminated against based on forming, joining or being a member of a union so that they may perform their duties without fear of intimidation or retaliation. If the aforementioned rights are restricted due to local laws, suppliers shall provide alternatives of an autonomous and free association of employees for collective bargaining.

3.1.6. Prohibition of discrimination

Suppliers must ensure, as a fundamental principle of their corporate policy, that all employees are treated equally. Any form of discrimination is unlawful and will not be tolerated unless it is based on the requirements of employment. This particularly applies to unequal treatment based on gender, skin colour, national and ethnic origin, social origin, health status, disability, sexual orientation, age, pregnancy, political opinion, religion, or belief, and also includes the payment of unequal remuneration for work of equal value. The personal rights of every employee are respected. Suppliers are encouraged to create an inclusive work environment and to consider diversity when selecting employees.

3.1.7. Reporting violations

Suppliers are expected to allow all employees and their suppliers the opportunity to report possible violations of laws or internal standards without fear of reprisals and to set up an internal reporting system for violations of the standards.

If concerns about unlawful conduct or misconduct arise, a report should be made through the company's internal complaint procedure, which is accessible through the homepage.

3.2. Ecological responsibility (environmental standards)

Suppliers must act in an ecologically responsible and resource-conserving manner in their companies. This includes the principles outlined below:

3.2.1. Preservation of the natural foundations of life

The supplier is obliged to minimize the environmental impact of its business activities and actively implement measures to promote environmental protection. Südwestdeutsche Salzwerke AG expects suppliers to recognize and comply with all applicable local and internationally recognized environmental standards and laws. The supplier assumes its ecological responsibility throughout the entire supply chain and implements it regarding both products and packaging. The aim is to avoid or reduce the environmental impact of resource and energy consumption, emissions of greenhouse gases and air pollutants, water consumption, spreading in soil and water, and the resulting waste. continuously, preserve biodiversity and promote a circular economy. Suppliers are also prohibited from unlawfully (forcibly) clearing and/or unlawfully depriving land, forests and waters, the use of which provides a person's natural livelihood. Suppliers are expected to take responsibility for the regional localities in which they operate by showing consideration for the respective residents and ensuring healthy and safe living conditions.

3.2.2. Dealing with conflict minerals

Suppliers must ensure that their products and those delivered to Südwestdeutsche Salzwerke AG do not contain any conflict minerals (e.g., tin, tantalum, tungsten, gold) that are mined or extracted in conflict regions and high-risk areas. When procuring minerals and materials, suppliers must therefore adhere to the requirements of the EU Conflict Minerals Regulation and the EU Conflict of Interest Regulation. adhere to the Organisation for Economic Cooperation and Development (OECD) Guiding Principles and the resulting due diligence obligations to prevent human rights violations or similar negative impacts.

3.2.3. Handling mercury, chemicals and waste

Suppliers must comply with the regulations of the Minamata Convention of October 10, 2013, as amended, when handling mercury. This means that, in particular, the phase-out dates (bans) for the manufacture, use, import and export of mercury-added products specified therein must be observed.

Suppliers must comply with the prohibitions of the Stockholm Convention on Persistent Organic Pollutants (POPs) of May 23, 2001, as amended, when handling chemicals. This means that, in particular, chemicals or other pollutants that pose a hazard when released must be handled in such a way that human health and the environment are protected and not endangered. This includes environmentally safe handling, transportation, storage and disposal of waste.

Suppliers must comply with the prohibitions of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of March 22, 1989, as amended, when exporting hazardous waste. This means that, in particular, the import and export regulations for high-risk waste specified therein must be complied with.

3.2.4. Resource and climate protection

Suppliers must use natural resources (e.g., water, energy, raw materials) are used sparingly throughout the production process. This includes a functioning circular economy, such as material reduction, reuse, remarketing, remanufacturing, and recycling. Suppliers shall be committed to the development and use of environmentally and climate-friendly products, processes, and

technologies, following the principles of the EMAS Regulation and the ISO 14001 standard (international environmental management standard).

Suppliers must ensure ongoing environmental improvements and provide evidence of these as required. This includes the reduction of (noise) emissions in the atmosphere, the reduction of raw material and energy consumption and the reduction of wastewater, with the help of clear specifications and concepts.

3.3. Ethical business conduct (governance standards)

Suppliers must act ethically and with integrity to fulfil their social responsibility. This includes the principles outlined below:

3.3.1. Corruption and bribery

Suppliers shall prohibit all forms of corruption, bribery, extortion, and embezzlement and shall apply the highest standards of integrity in all business activities. Suppliers are expected to have "zero tolerance" for corruption and to commit to complying with all applicable national and international anti-corruption laws and industry anti-corruption standards. Suppliers may not offer, grant or accept money or other benefits in business dealings with business partners or public officials to induce favouritism or a favourable decision in the private or public sector. This also applies to so-called "facilitation payments," in which small payments are made to public officials to expedite or facilitate the performance of a routine official act.

3.3.2. Gifts and hospitality

Suppliers must ensure that gifts or entertainment are not used to unfairly influence a business relationship. They are permissible only if they are not cash, follow customs laws, are of insignificant financial value, and do not violate applicable laws or regulations.

3.3.3. Money laundering

Suppliers must comply with all applicable national and international anti-money laundering laws and take all measures to prevent money laundering within their sphere of influence.

3.3.4. Fair competition

Suppliers must compete fairly and conduct business in compliance with applicable antitrust laws.

3.3.5. Data protection and information security

Suppliers must comply with applicable national and international data protection laws when processing personal data and have appropriate organizational structures in place to ensure the confidentiality, integrity, and availability (protection goals) of personal data and information. All suppliers are expected to take the necessary measures to protect personal data and information and to be able to provide evidence of these measures if required.

In particular, the supplier shall monitor compliance with the protection goals, provide sufficient personnel, organizational and financial resources for this purpose and reduce risks to an acceptable level by taking appropriate measures.

3.3.6. Trade secrets

Suppliers must manage confidential information appropriately and protect it against unauthorized access and use. Suppliers shall require their employees to maintain business secrecy. Confidential information and confidential documents may not be disclosed to third parties or made accessible in any other way.

3.3.7. Intellectual property

Suppliers must ensure that intellectual property rights (e.g., intellectual property rights) are protected. industrial property rights, copyrights, and related rights) of its own employees and business partners are respected and protected to the necessary extent.

3.3.8. Trade regulations

Suppliers must comply with national and international import and export control laws and trade and customs laws applicable to their business and provide appropriate information to customs and other authorities as needed.

3.3.9. Conflicts of interest

The suppliers (this also includes service providers such as lawyers) ensure that there is no conflict of interest between them and Südwestdeutsche Salzwerke AG. A conflict of interest exists when a supplier/service provider advises or represents two clients in the same matter/legal matter in a conflicting interest. There is also a conflict of interest if a supplier employs one of the Südwestdeutsche Salzwerke AG employees. The suppliers/service providers will inform Südwestdeutsche Salzwerke AG immediately if a conflict of interest becomes apparent. This also applies if a Südwestdeutsche Salzwerke AG employee has a relationship with the suppliers in a manner other than an employment relationship.

3.3.10. Conduct in compliance with the law

Suppliers must identify and comply with all national, international, and local laws and standards. In addition, suppliers must obtain all necessary permits, certificates and licenses and always keep them up to date.

3.3.11. Risk Management

Suppliers shall have procedures in place to identify and manage risks in all areas considered by this document.

3.3.12. Training

Suppliers must provide their managers and employees with an understanding of the principles of this Code of Conduct, as well as applicable legal requirements and recognized standards, such as training programs.

3.3.13. Communication

Suppliers must also implement the principles set out in this Code of Conduct in their supply chain. Suppliers are therefore expected to communicate and address the principles of this Code of Conduct to their employees, suppliers and (further) providers.

4. Expectations from suppliers

Südwestdeutsche Salzwerke AG expects all suppliers to identify risks within their supply chain and to incorporate appropriate measures to prevent, minimize or eliminate them in all its relevant business processes. In this regard, the suppliers are to inform Südwestdeutsche Salzwerke AG promptly and regularly about identified violations and risks and about the preventive and remedial measures taken.

Südwestdeutsche Salzwerke AG can check the standards and regulations mentioned in this code of conduct at suppliers, by

- demanding a self-disclosure, e.g., in the form of a questionnaire,
- by asking to present appropriate certificates,
- as well as through appropriate audits and on-site visits

The suppliers agree that Südwestdeutsche Salzwerke AG or an inspector appointed in the individual case can carry out the audits mentioned at the supplier's premises during normal business hours after reasonable advance notice. Südwestdeutsche Salzwerke AG has the right to convince itself of compliance with the guideline by the supplier within the scope of the audit through random checks. The supplier undertakes to provide Südwestdeutsche Salzwerke AG with the necessary information upon request. The corresponding audits are then carried out following the law and in compliance with data protection requirements.

If Südwestdeutsche Salzwerke AG discovers that a supplier has violated the contents of this Code of Conduct, it will request the supplier to adjust its behaviour within a reasonable period following the rules and to initiate appropriate remedial measures.

If the violation is of such a nature that the violation cannot be ended in the foreseeable future, the supplier must report this immediately and, together with Südwestdeutsche Salzwerke AG, draw up a concept for the termination or Minimize injury to create and implement.

If the implementation of the measures developed in the concept does not remedy the situation once the period specified in the concept has expired, or the violation of a protected legal position or an environmental obligation is assessed as very serious and if no other milder means are available and in particular an increase in the ability to influence the supplier does not appear promising, Südwestdeutsche Salzwerke AG can, as a last resort, terminate the business relationship with the supplier, including all associated supply contracts.

5. Glossary

United Nations Universal Declaration of Human Rights:

The Universal Declaration of Human Rights, or UDHR for short, is a legally non-binding resolution of the United Nations General Assembly on human rights. It was proclaimed on December 10, 1948, at the Palais de Chaillot in Paris.

UN Guiding Principles on Business and Human Rights:

The UN Guiding Principles on Business and Human Rights were adopted by the UN Human Rights Council in 2011. They represent a global tool for remedying and preventing human rights violations in economic contexts.

International Labour Standards (ILO):

The ILO is a UN agency that brings together governments, employers, and workers from 187 member states to set labour standards and develop policies and programs to promote decent work for all women and men.

United Nations Global Compact (UNGC):

The United Nations Global Compact is a strategic initiative that supports global companies committed to responsible business practices in the areas of human rights, labour, environment, and corruption. Also known as "The Ten Principles of the UN Global Compact".

Suppliers:

Suppliers are all external companies commissioned by Südwestdeutsche Salzwerke AG to deliver goods and/or provide services, as well as the representatives or subcontractors of these companies.

Conflict Minerals:

Conflict minerals are mineral resources and other natural resources that are mined or extracted in conflict or high-risk areas. The term "conflict minerals" covers four chemical elements: Tin, Tantalum, Tungsten and Gold. They are also often referred to as "3TG" after their English initials.

EU Conflict Minerals Regulation:

Since January 1, 2021, the EU Conflict Minerals Regulation has been in force. For EU importers of so-called conflict minerals - tin, tantalum, tungsten, their ores, and gold (3TG), this means that far-reaching due diligence and other requirements will apply. mandatory inspection obligations along the supply chain. They aim to curb funding for violence and human rights abuses in conflict or high-risk areas. The regulation requires that European importers of 3TG have a risk management system in place for raw material purchases and that this is verified by a 3rd party audit. In Germany, the review is carried out by the Federal Institute for Geosciences and Natural Resources (BGR). The EU regulation is based on the due diligence guidelines of the OECD.

Minimata Convention:

The global Minamata Convention is a 2013 international treaty, which aims to curb mercury emissions and releases. The objective is to protect human health and the environment from emissions and releases of mercury and mercury compounds in the air, water and soils. The Convention was signed on October 10 by many countries, including Germany, as well as the EU, and entered into force in August 2017. Since January 1, 2018, the Convention has been implemented by the European Union's Mercury Regulation 2017/852.

Stockholm Convention:

The Stockholm Convention on Persistent Organic Pollutants is an agreement on binding prohibition and restriction measures under international law for certain persistent organic pollutants. Persistent organic pollutants - so-called POP - are organic chemicals that are characterized by their longevity (persistence), accumulate in organisms and thus the food chain, and show harmful effects on the organism of humans and animals.

Basel Convention:

The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of March 22, 1989, is an international environmental treaty that regulates the control of transboundary movements of hazardous wastes and their disposal (with facilities).

EMAS Regulation:

The Eco-Management and Audit Scheme (EMAS) was developed by the European Union and is a community system of environmental management and environmental auditing for organizations that want to improve their environmental performance. Art 1 of the EMAS Regulation aims to promote continuous improvement in the environmental performance of organizations by establishing and implementing environmental management systems, subjecting the performance of these systems to systematic, objective and periodic evaluation, providing information on environmental performance, maintaining an open dialogue with the public and other interested parties and actively involving the organizations' employees and providing them with appropriate training.

ISO 14001:

ISO 14001 is the globally accepted and applied standard for environmental management systems. The standard was published by the International Organization for Standardization in 1996 and last amended in 2015.

Certification:

Voluntary guidelines and standards on environmental, social, ethical, and safety-related aspects, usually verified by external companies, which companies use to demonstrate their sustainability or the sustainability of their products in specific areas.