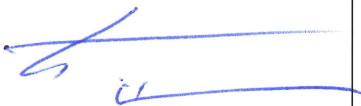
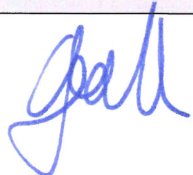




**SÜDWESTDEUTSCHE SALZWERKE AG**

# **Declaration of Principles on Respect for Human Rights and the Environment**

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Organisation	SWS-Konzern	
Department	Compliance	
Classification	Convention	
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## **1. Scope of application and applicability**

This Statement of Principles on Human Rights and Environmental Due Diligence applies to SWS AG and all companies directly and indirectly controlled by it (hereinafter "SWS AG"). The board of management, the respective management and the executives are responsible for the implementation of this policy statement.

## **2. Control equipment and self-commitment**

SWS AG is committed to the principles of the following internationally recognized human rights frameworks and the standards contained therein:

- Universal Declaration of Human Rights
- ILO Core Labor Standards (International Labor Organization)
- OECD Guidelines for Multinational Enterprises
- Ten Principles of the UN Global Compact

SWS AG professes also to the goals of the Paris Climate Agreement and strives to contribute to climate protection and thus to limiting the rise in temperature. According to this, SWS AG is striving for climate neutrality by 2045 and has set itself interim targets for the reduction of CO<sub>2</sub> emissions for the years 2025 and 2035.

For the employees, valid the SWS Code of Conduct as a set of values that formulates social responsibility in the areas of the environment and climate protection as well as compliance with human rights and the prohibition of forced and child labor. For suppliers, the requirements and principles for cooperation are described in the Supplier Code of Conduct. Suppliers get invited to consequently spread and hold these standards, also for all following companies involved in the provision of services (e.g. subcontractors). In the event of a violation, suppliers are requested to demonstrably put an end to it. Otherwise, could be the termination of the business relationship the consequences.

## **3. Concrete requirements of SWS and to suppliers**

Responsible corporate governance is one of the foundations of SWS AG's actions. SWS AG is aware of its special duty of care due to its own business activities as well as for the supply and value chains. SWS AG respects human rights, takes its responsibility to comply with legal requirements seriously and avoids human rights violations in the course of its business activities.

As a result of its business activities, SWS AG has traditionally felt a particular commitment to human health and the environment and strives for eco-efficiency. Employees are required to protect natural resources in their work and to ensure that SWS AG's business activities have the least possible impact on the environment. In their decisions and activities, all employees should follow ecological and social criteria as well as economic aspects.

The receipt of the environment and the livelihoods of future generations is thus firmly anchored in the daily self-responsible, environmentally and energy-conscious actions. To implement these principles, an environmental management system in accordance with ISO 14001 and an energy management system in accordance with ISO 50001 have been implemented at all SWS AG locations. The company's own business activities are checked for significant environmental impacts and effective guidelines and procedures are established to minimize them. Measures are to be implemented and documented that adequately reduce adverse impacts on the community, natural resources and the environment overall.

SWS AG is equally aware of its ethical responsibility. The ethical principles of the Ethical Trade Initiative are anchored in the company. In addition, ethics audits (Sedex Members Ethical Trade Audit (SMETA)) have been

carried out at the places Bad Friedrichshall and Bad Reichenhall since 2013, which include regulated employment relationships with appropriate pay, working time regulations, and freedom of association and collective bargaining. SWS AG therefore adheres to internationally defined human rights in accordance with the definitions of the International Labor Organization (ILO), which includes in particular the prohibition of child labor and forced labor.

It is the declared goal to implement the principles and values together with the suppliers of SWS AG. SWS AG therefore strives to ensure that, wherever possible, its suppliers act in accordance with the same or similar principles and to support SWS AG in complying with them. These principles, values and legal requirements are laid down in the Code of Conduct for Suppliers. In addition to human rights and environmental issues, the code also contains specifications on data protection and other related topics.

SWS AG has also implemented a comprehensive compliance management system to prevent violations of the law that are subject to penalties and fines and to ensure compliance with generally accepted ethical standards. In particular, compliance training and various compliance guidelines are used to create each employee's understanding of the legal framework, SWS AG's values and the resulting obligations of each individual. Employees in the areas entrusted with awarding contracts are sensitized through training and work instructions with regard to the relevant parts of the Supply Chain Sourcing Obligations Act to recognize and, if possible, avoid risks related to human rights and the environment. Regular participation in these training courses is binding for these employees.

#### **4. Risk analysis and risk management**

Through integrated risk management, SWS AG attempts to identify any danger in a preventive manner. The aim of risk management is the controlled and conscious handling of process risks and event-related risks by identifying, assessing, continuously monitoring, controlling and systematically reporting them. Due diligence compliance is integrated into the risk management system (RMS), the quality management system (QM) and the internal control system (ICS).

The analysis of compliance with due diligence obligations is carried out annually and on an ad hoc basis on the basis of a catalog containing human rights and environmental risks, among other things. An internal human rights committee has been formed for this purpose.

Risk management, as well as the central organizational anchoring of risk assessment by an independent body mandated by the Executive Board, guarantee risk analysis within the company as part of a bottom-up and top-down process. The consideration of human rights and environmental criteria in supplier evaluation is an essential part of SWS AG's procurement strategy.

SWS AG takes appropriate steps to ensure that its direct and indirect suppliers comply with the regulations of the German Supply Chain Sourcing Obligations Act (Lieferkettensorgfaltspflichtengesetz). In case of significant peculiarities, steps are taken that may lead to the termination of a contractual relationship with the supplier.

#### **5. Complaints procedure and whistleblower system**

The registration and prevention of conduct harmful to the company is made possible by the introduction of an electronic whistleblower system. The system competent employees, suppliers, customers and injured parties to report irregularities. The system is permanently available on the homepage, what means all around the clock, so that whistleblowers can anonymously, confidentially and directly address information on violations of this policy statement, among other things.

Incoming declarations are checked for their factual content, human rights and environmental risks are rated and remedial action is initiated where necessary. All information on compliance management and the whistleblower system can be found in the Code of Conduct, the Supplier Code of Conduct and on the website [www.salzwerke.de](http://www.salzwerke.de) under the heading Compliance.

## **6. Documentation and reporting**

The implementation of human rights and environmental duties of care is an ongoing process that is subject to regular internal audits. This policy statement is updated accordingly as required. For the latest information on human rights and environmental issues, please refer to our non-financial statement and the homepage.