

SCHRÉDER Suppliers Code of Conduct





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Committee on August 1st, 2022

Effective August 1st, 2022



INTRODUCTION



In line with the United Nations (UN) Sustainable Development Goal to promote decent work conditions, the Schröder Group has adopted the Responsible Business Alliance Code of Conduct as its standard on Human Rights in August 2020.

The Responsible Business Alliance (RBA), formerly known as the Electronics Industry Citizenship Coalition (EICC) establishes standards to ensure that working conditions in the electronics industry supply chain are safe, that workers are treated with dignity and respect, and that business operations are conducted in an environmentally responsible and ethical way.

The SCHRÉDER Suppliers Code of Conduct is based on the RBA Code of Conduct (Version 7.0 – 2021) and reflects additional SCHRÉDER standards and expectations and the nature of our Suppliers' operations. This Code defines the social and environmental performance requirements for SCHRÉDER suppliers.



Together

FOR OUR FUTURE



SCOPE

All SCHRÉDER suppliers must comply with the SCHRÉDER Suppliers Code of Conduct. SCHRÉDER suppliers include all entities that provide goods or services, whether to or on behalf of SCHRÉDER (“Suppliers”). This includes all Suppliers that are:

- Manufacturing SCHRÉDER products, packaging, parts, components, subassemblies, and materials, or are involved in processes related to that manufacturing; and
- Providing services to or on behalf of SCHRÉDER, regardless of where the service is being performed including at a Supplier’s site, at an SCHRÉDER site, or at a customer’s site.



STATEMENT

While we recognize that there are different legal and cultural environments in which Suppliers operate throughout the world, the SCHRÉDER Suppliers Code of Conduct (the “SCHRÉDER Code” or “this Code”) sets forth the minimum requirements that all Suppliers must meet.

The SCHRÉDER Code is a total supply chain requirement. At a minimum, Suppliers shall require their next tier Suppliers to acknowledge and implement the SCHRÉDER Code and hand the SCHRÉDER Code down to their sub-tier Suppliers. The requirements apply to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker. Fundamental to the SCHRÉDER Code is the understanding that a business, in all of its activities, must operate in full compliance with the laws, rules and regulations of the countries in which it operates and international standards relating to human rights.

The SCHRÉDER Code encourages Suppliers to go beyond legal compliance, drawing upon internationally recognized standards, in order to advance social and environmental responsibility, and business ethics. Where the SCHRÉDER Code and national or local laws have requirements for the same subject matter, Suppliers shall meet the more stringent requirements.

The SCHRÉDER Code consists of seven parts: Labor, Health and Safety, Environment, Ethics, Management System, Auditing and Evaluation and Speak Up. The Reference section outlines the international standards and leading practices which were referenced in the development of the SCHRÉDER Code and may be useful as an additional source of information.



LABOR

Suppliers are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker. The recognized standards, as set out in the References, were used in preparing the Code and may be useful sources of additional information.



Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labor; involuntary or exploitative prison labor; or slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility,

in addition to unreasonable restrictions on entering or exiting company provided facilities, including, if applicable, workers' dormitories or living quarters. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment.

Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms.

All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract. Suppliers, agents and sub-agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to employees' identity or immigration documents, such as government-issued identification, passports, or work permits, unless the holding is required by law. In this case, at no time should workers be denied access to their documents. Workers shall not be required to for their employment. Suppliers shall maintain adequate controls to ensure that workers have not been charged recruitment or placement fees during their recruitment process. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.



Young Workers

Child labor is not to be used in any stage of manufacturing or in the provision of services of supplies. The term “child” refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest.

Suppliers shall implement an appropriate mechanism to verify the age of workers.

The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Workers under the age of 18 (“young workers”) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime.

Suppliers shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students’ rights in accordance with applicable law and regulations.

Suppliers shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labor is identified, assistance/remediation is provided.



Working Hours

Studies of business practices clearly link worker strain to reduced productivity, increased turnover and increased injury and illness. Working hours are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations.

All overtime must be voluntary.

Workers shall be allowed at least one day off every seven days.



Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits.

In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates.

Deductions from wages as a disciplinary measure shall not be permitted. The basis on which workers are being paid is to be provided in a timely manner via pay stub or similar documentation.

For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed.

All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

**Humane Treatment**

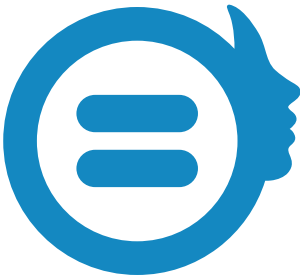
There is to be no harsh or inhumane treatment, including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming or verbal abuse of workers; nor is there to be the threat of any such treatment.

Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

**Freedom of Association**

Suppliers shall respect the rights expressed in the ILO Declaration on Fundamental Principles and Rights at Work. Suppliers shall respect the right of all workers to form and join trade unions, of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities.

Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.

**Non-Discrimination/Non-Harassment**

Suppliers should be committed to a workforce free of harassment and unlawful discrimination.

Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected

genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.

Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way.



HEALTH AND SAFETY

SCHREÉDER recognizes that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. SCHREÉDER also recognizes that ongoing worker input and education is essential to identifying and solving health and safety issues in the workplace.

OCCUPATIONAL SAFETY

Worker potential for exposure to health and safety hazards (e.g., chemical, electrical and other energy sources, fire, vehicles, and fall hazards) are to be identified and assessed, mitigated using the Hierarchy of Controls, which includes eliminating the hazard, substituting processes or materials, controlling through proper design, implementing engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and providing ongoing occupational health and safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with these hazards. Workers shall be encouraged to raise safety concerns. Reasonable steps must also be taken to remove pregnant women/nursing mothers from working condition with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers including those associated with their work assignments, as well as include reasonable accommodations for nursing mothers.

EMERGENCY PREPAREDNESS

Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures, including emergency reporting, employee notification and evacuation procedures, worker training and drills. Emergency drills must be executed at least annually or as required by local law, whichever is more stringent. Emergency plans should also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

OCCUPATIONAL INJURY AND ILLNESS

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness, including provisions to: a) encourage worker reporting; b) classify and record injury and illness cases; c) provide necessary medical treatment; d) investigate cases and implement corrective actions to eliminate their causes; and e) facilitate return of workers to work.



INDUSTRIAL HYGIENE

Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled according to the Hierarchy of Controls. If any potential hazards were identified, Suppliers shall look for opportunities to eliminate and/or reduce the potential hazards. If elimination or reduction of the hazards is not feasible, potential hazards are to be controlled through proper design, engineering or administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well-maintained, personal protective equipment free of charge. Protective programs shall be ongoing and include educational materials about the risks associated with these hazards. Suppliers must also meet the requirements restricting substances in products as well as those used during manufacturing processes in the SCHREDER General Specification for the Environment.

PHYSICALLY DEMANDING WORK

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be identified, evaluated and controlled.

MACHINE SAFEGUARDING

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

SANITATION, FOOD AND HOUSING

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the Supplier or a labor agent are to be maintained clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting, heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

HEALTH AND SAFETY COMMUNICATION

Suppliers shall provide workers with appropriate workplace health and safety information and training in their primary language or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Training is provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.





ENVIRONNEMENT

SCHRÉDER recognizes that social and environmental responsibility is integral to producing and providing world class products and services. In manufacturing or industrial operations, adverse effects on the community, environment and natural resources are to be minimized while safeguarding the health and safety of workers and the public. Recognized management systems such as ISO 14001 and the Eco Management and Audit System (EMAS) were used as references in preparing the Code and may be a useful source of additional information.

ENVIRONMENTAL PERMITS AND REPORTING

All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

POLLUTION PREVENTION AND RESOURCE REDUCTION

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance and facility processes; or by other means. The use of natural resources, including water fossil fuels, minerals and virgin forest products is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling or other means.

HAZARDOUS SUBSTANCES

Chemicals, waste, and other materials posing a hazard to humans or to the environment are to be identified, labelled and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

SOLID WASTE

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).



AIR EMISSIONS

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, routinely monitored, controlled, and treated as required prior to discharge. Ozone-depleting substances are to be effectively managed in accordance with the Montreal Protocol and applicable regulations. Suppliers shall conduct routine monitoring of the performance of its air emission control systems.

MATERIALS RESTRICTIONS

Suppliers are to adhere to all applicable laws, regulations and SCHREDER requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

WATER MANAGEMENT

Supplier shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Supplier shall conduct routine monitoring of the performance of its waste water treatment and containment systems to ensure optimal performance and regulatory compliance.

ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

Suppliers are to establish a corporate-wide greenhouse gas reduction goal. Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked, documented, and publicly reported against the greenhouse gas reduction goal. Suppliers are to look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.





ETHICS

SCHREDER requires its Suppliers, their sub-tier suppliers and any other 3rd party agents to uphold the highest standards of ethics in their business operations.

BUSINESS INTEGRITY

The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement. Suppliers should conduct appropriate risk-based due diligence prior to engaging contractors or third parties to ensure that such third parties comply with the SCHREDER Code and anti-corruption laws including but not limited to the United Kingdom Bribery Act and the United States Foreign Corrupt Practices Act. Suppliers are also responsible for ensuring that any third party they engage agrees to abide by business integrity standards that are no less stringent than the provisions of this Code of Conduct.

NO IMPROPER ADVANTAGE

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping, and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws including but not limited to the United Kingdom Bribery Act and the United States Foreign Corrupt Practices Act.

DISCLOSURE OF INFORMATION

All business dealings should be transparently performed and accurately reflected on Supplier's business books and records. Information regarding Supplier labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable laws, regulations and prevailing industry practices. Falsification of records and/or misrepresentation of conditions or practices in the supply chain are unacceptable.

INTELLECTUAL PROPERTY

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights; and customer and supplier information is to be safeguarded.

FAIR BUSINESS, ADVERTISING AND COMPETITION

Standards of fair business, advertising and competition are to be upheld. Appropriate means to safeguard customer information must be available and used.



PROTECTION OF IDENTITY AND NON-RETALIATION

Programs that ensure the confidentiality, anonymity and protection of Supplier and employee whistleblowers are to be maintained unless prohibited by law. Suppliers should have a communicated process for their personnel and workers to be able to raise any concerns without fear of retaliation.

RESPONSIBLE SOURCING OF MINERALS

Suppliers shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold in the products, parts, components, and materials they manufacture does not directly or indirectly finance or benefit armed groups or contribute to serious human rights abuses in Conflict-Affected and High-Risk Areas, as defined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Suppliers shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request.

PRIVACY

Suppliers are committed to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. Suppliers are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.





MANAGEMENT SYSTEM

Suppliers shall adopt or establish a system to manage the elements of this Code.

The management system shall be designed to ensure (a) compliance with applicable laws, regulations and customer requirements related to the Supplier's operations, products and/or services; (b) conformance with this Code; and (c) identification and mitigation of risks related to this Code. It should also be designed to facilitate continual improvement in the business's social and environmental performance.





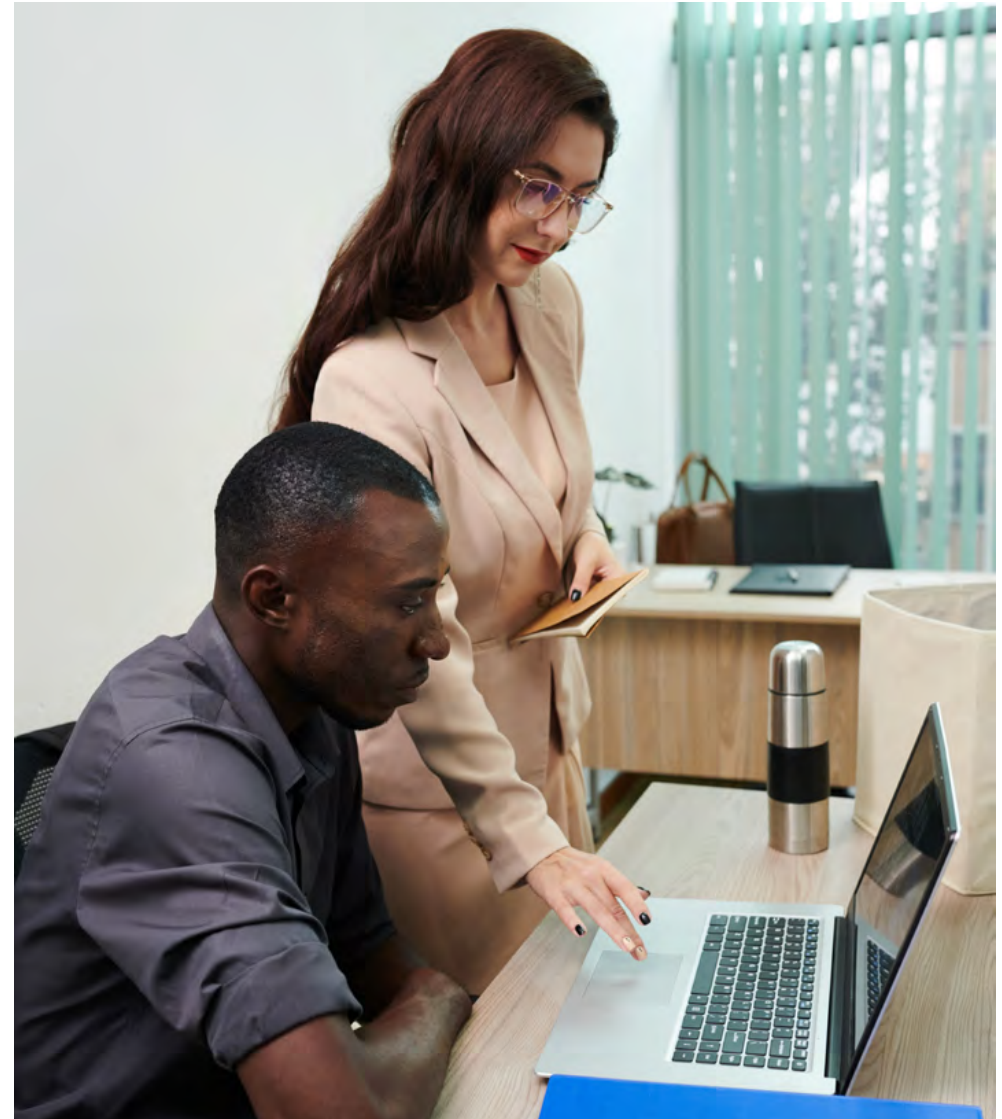
AUDITING AND EVALUATION

Schröder reserves the right to actively verify and audit the suppliers' compliance with Schröder Supplier Code of Conduct without announcement or premises.

These audits may be performed either by Schröder employees or by a third party auditor assigned by Schröder. In connection with an audit, suppliers shall maintain and prepare to provide Schröder access to all relevant and reasonably requested information and documentation.

Any suppliers that do not comply with Schröder Supplier Code of Conduct will be required to provide to Schröder with an action plan to achieve compliance within a reasonable period of Schröder Supplier Code of Conduct time. Suppliers who fail to comply with Schröder Supplier Code of Conduct, will jeopardize its relationship with Schröder and could lead to termination.

Suppliers shall comply with Schröder Supplier Code of Conduct to their subcontractors and monitor their compliance in the workplace.





SPEAK UP



For any breach or suspected breach of the Code, Supplier may raise his concerns via email to win@schreder.com or via our “WIN Line.” The “WIN Line” is available to employees, contractors, suppliers or any third party with whom we conduct business and must be used in accordance with the laws and regulations that are applicable in the country where the reporter lives or works.

The two methods of reporting through the WIN Line are permanently available as follows:

- [The secure website](http://schreder.ethicspoint.com/) (reporters self-enter the information)
<http://schreder.ethicspoint.com/>
- [The toll-free numbers listed by country](https://secure.ethicspoint.eu/domain/media/enuk/gui/106870/index.html)
<https://secure.ethicspoint.eu/domain/media/enuk/gui/106870/index.html>

This Code of Conduct may not cover every situation a supplier may face.

When I doubt, or when there are questions about a violation, the supplier should seek guidance through its direct contact person at Schröder or through the following e-mail:
win@schreder.com



REFERENCES

The following standards were used in preparing this Code and may be a useful source of additional information. The following standards may or may not be endorsed by each Supplier.

[Dodd-Frank Wall Street Reform and Consumer Protection Act](#)

[Eco Management & Audit System](#)

[Ethical Trading Initiative](#)

[ILO Code of Practice in Safety and Health](#)

[ILO International Labor Standards](#)

[ISO 14001](#)

[National Fire Protection Association](#)

[OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#)

[OHSAS 18001](#)

[Universal Declaration of Human Rights](#)

[United Nations Convention Against Corruption](#)

[United Nations Convention the Rights of the Child](#)

[United Nations Convention on the Elimination of All Forms of Discrimination Against Women](#)

[United Nations Global Compact](#)

[United States Federal Acquisition Regulation](#)

[SA 8000](#)

[SAI](#)