



Supplier Code of Conduct

Supply Chain Management
Thermoplan AG

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1 Introduction

Sustainability and partnership are elementary components of our corporate vision, which is why we want to take responsibility for our supply chains together with our suppliers and make them more sustainable.

1.1 Purpose

This Supplier Code of Conduct (hereinafter referred to as the "Code") defines matters which are important to us for cooperation, and which are a prerequisite for working with us within the framework of section 1.3. We adhere to the principles set out in this Code and expect our suppliers to do the same within the scope of section 1.3. We fully support the UN Guiding Principles on Business and Human Rights (UNGPs), the core conventions of the International Labour Organization (ILO) and the ten principles of the UN Global Compact and expect our suppliers to respect human rights, including labour rights, and the environment in their business activities.

1.2 Scope

This Code applies to all suppliers who provide goods and services to us. We expect our suppliers to communicate the contents of this Code to their employees, representatives and suppliers and to verify compliance with this Code. In particular, social and environmental issues shall be promoted among our own suppliers.

1.3 Liability

Compliance with the terms in chapters 2.1, 2.6 and section 3 is mandatory. The other objectives of this Code are to be actively pursued by the supplier. We reserve the right to request evidence.

2 How we work together as partners

2.1 Fair business practices

We are committed to working together in a spirit of partnership based on fair business practices and trust. Anti-competitive behaviour, corruption and bribery are prohibited.

2.2 Promoting Switzerland as a business location

Switzerland as a business location is close to our hearts and is actively promoted through local partnerships. We would like to encourage our suppliers to also promote Switzerland as a business location, if applicable.

2.3 Transparency

Transparency is essential to make supply chains more sustainable. We expect our suppliers to engage in an open dialogue about the challenges they face in the course of their business. Information on the origin of raw materials relating to goods and packaging materials produced for Thermoplan should be available on request. Furthermore, information regarding the sustainability performance of suppliers shall be available upon request.

2.4 Innovation and cooperation

We are an innovation leader in the industry and actively promote new technologies. In particular, increasing resource efficiency is the focus of these efforts. To expand this in the future, we also rely on the innovative strength and cooperation of our suppliers. We expect an open exchange on potential projects and are receptive to new developments from our suppliers.

2.5 Continuous improvement

We recognise that achieving the contents of this Code is a dynamic process and encourage suppliers to continuously improve their processes. If improvements are needed to achieve this and the supplier wilfully fails to make them, this will have a direct impact on their ability to do business with us.

2.6 Compliance with legal requirements

Compliance with all applicable national laws and regulations, minimum industry standards and all other relevant legal requirements of the countries in which the suppliers operate is required. Furthermore, international and industry standards, such as environmental management, human rights and occupational health and safety standards, must be observed.

3 Social responsibility

In line with the UN Guiding Principles on Business and Human Rights, we acknowledge our responsibility to respect the human rights of all workers who provide us with goods or services. They all deserve the right to live in dignity and work in a safe workplace. We take our role in upholding this right very seriously. The following minimum requirements are mandatory to comply with, to pass on to our own suppliers and to verify compliance.

3.1 Freely chosen employment relationship

Suppliers shall not use or otherwise benefit from forced labour under any circumstances.

Forced labour refers to all forms of bonded labour such as the use of corporal punishment, detention or threats of violence as a means of discipline, and surveillance measures such as the withholding of identification documents, passports, work permits or deposits as a condition of employment. The worker must also be free to leave the employer after reasonable notice.

3.2 Freedom of association and the right to collective bargaining

Suppliers shall grant their workers the right to freedom of association and collective bargaining in accordance with applicable laws and regulations.

3.3 Safe and hygienic working conditions

In accordance with ILO Convention 120, a safe and hygienic working environment shall be ensured, taking into account the common knowledge of the industry and certain hazards. Reasonable measures shall be taken to prevent accidents and injury to health arising out of or in connection with the work by minimising, so far as is reasonably practicable, hazards inherent in the working environment.

3.4 Child labour

Child labour and profiting from it are strictly prohibited. According to ILO Convention 138, the age limit for employment is 15 years (exceptions possible according to national legislation). If suppliers employ young (<18 years) workers, it must be evident that the employment does not expose them to excessive risks that may impair physical, mental or emotional development.

3.5 Wages and social benefits

Wages and benefits must at least comply with applicable national laws or industry standards, whichever is more stringent. In addition, applicable collective agreements must be complied with, including regulations regarding overtime and other bonuses. In addition to meeting the basic needs of workers and their dependents, wages shall be high enough to meet other needs. Suppliers shall not make any deductions from wages as a disciplinary measure or any other deductions from wages of a similar nature and shall refrain from any form of discrimination in employment and remuneration practices.

3.6 Working hours and rest days

Suppliers must ensure that employees follow all applicable laws and mandatory industry standards at work regarding regular working hours and overtime, including break, rest and holiday periods and maternity and paternity leave. In the absence of such legislation, suppliers may not impose regular weekly working hours in excess of 60 hours. Workers must have at least one day off after six consecutive days of work and overtime must be voluntary and paid or compensated in accordance with the applicable law.

3.7 Discrimination

There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on gender, marital status, sexual orientation, race, caste, national origin, religion, age, disability, union membership or political affiliation.

3.8 Regular employment

Work must, as far as possible, be carried out within the framework of a recognised employment relationship established by national law and practice. Obligations to workers under labour or social security law in the context of a regular employment relationship may not be avoided by entering into "labour-only" contracts, subcontracts or home-working arrangements, or covered by training programmes where there is no serious intention to impart knowledge or enter into a regular employment relationship. Nor may such obligations be bypassed by the excessive use of fixed-term employment contracts.

3.9 Humane Treatment

All forms of psychological, physical, sexual or verbal abuse, intimidation, threats or harassment must not be tolerated.

4 Environmental responsibility

We expect our suppliers to take full responsibility for the climate and environmental impacts triggered by their business practices. We encourage our suppliers to identify the environmental impacts of their activities, set specific targets to reduce their emissions and energy consumption, take appropriate measures, demonstrate continuous improvement in environmental performance and demand and evaluate this from their own suppliers. The environmental policy should be integrated into the management system and thus achieve verifiable, continuous improvements in all environmental services relevant to the supplier. Furthermore, we encourage our suppliers to follow our example and join the Science Based Target Initiative (SBTI) and publish the defined targets.

5 Implementation and inspection

Compliance with this code can be checked by us or by third parties upon notification. Furthermore, the contents of this Code can also be agreed upon as concrete development goals in the annual meetings to anchor and promote continuous improvement in the cooperation.

6 Recognition and further steps

Compliance with this Code is a prerequisite for working with us. Acceptance of the Code is made together with the General Terms and Conditions of Purchase (GTCP) upon acceptance of the order. This Code can also be viewed on our website.

6.1 Known non-compliance

If the supplier is aware of internal deviations from this Code, we ask for a proactive notification to our responsible contact person including anticipated corrective measures and a corresponding schedule, if already in place.

6.2 Suspected non-compliance

Suppliers are requested to report suspected violations of regulations, laws and this Code. In the event of suspected breaches of this Code, our relevant contact person can be notified or alternatively the report can be submitted via the Whistleblower address:

Mail: whistleblower@thermoplan.ch

The report and the identity of the reporter will of course be treated with the utmost care and confidentiality.