

# simatec CODE OF CONDUCT

Standards to ensure our behavior is compliant to rules and law

## Contents

<b>1</b>	<b>Introduction .....</b>	<b>2</b>
<b>2</b>	<b>Labour .....</b>	<b>2</b>
2.1	Freely Chosen Employment .....	2
2.2	Young Workers .....	2
2.3	Working Hours .....	2
2.4	Wages and Benefits .....	2
2.5	Human treatment .....	3
2.6	Non-Discrimination .....	3
2.7	Freedom of Association.....	3
<b>3</b>	<b>Health and Safety .....</b>	<b>3</b>
3.1	Occupational Safety .....	3
3.2	Emergency Preparedness .....	3
3.3	Occupational Injury and Illness .....	3
3.4	Industrial Hygiene.....	4
3.5	Physically Demanding Work .....	4
3.6	Machine Safeguarding.....	4
3.7	Sanitation and Food .....	4
<b>4</b>	<b>Management System .....</b>	<b>4</b>
4.1	Company Commitment .....	4
4.2	Management Accountability and Responsibility.....	4
4.3	Legal and Customer Requirements .....	4
4.4	Risk Assessment and Risk Management.....	4
4.5	Performance Objectives with Implementation Plan and Measures .....	5
4.6	Training .....	5
4.7	Communication.....	5
4.8	Worker Feedback and Participation .....	5
4.9	Audits and Assessments .....	5
4.10	Corrective Action Process .....	5
4.11	Documentation and Records .....	5
<b>5</b>	<b>Ethics .....</b>	<b>5</b>
5.1	Business Integrity .....	5
5.2	No Improper Advantage .....	5
5.3	Disclosure of Information .....	5
5.4	Intellectual Property .....	6
5.5	Fair Business, Advertising and Competition .....	6
5.6	Protection of Identity .....	6
5.7	Community Engagement .....	6
5.8	Privacy .....	6
<b>6</b>	<b>Reference documents .....</b>	<b>6</b>

## 1 Introduction

In addition to the simatec Mission Statement, this Code of Conduct describes guiding ethical and legal principles. It leads both company and employees to behave in accordance with business ethics, integrity and legal conformity. This Code of Conduct is accessible for third parties and remains in force for any foreign simatec branch. If in any particular country stricter rules or behavioural principles than those defined in this Code of Conduct are relevant, these stricter rules shall apply.

Suppliers will be encouraged to maintain the principles of this Code of Conduct and actively do their best to comply with them or at least comply with the "Ten Principles of UN Global Compact" (on human rights, labour, environment and anti-corruption) and to regard the Code as a total supply chain initiative.

## 2 Labour

It is essential, to uphold the human rights of workers and to treat them with dignity and respect as understood by the international community. Recognized standards such as the Universal Declaration of Human Rights (UDHR), Social Accountability International (SAI) and the Ethical Trading Initiative (ETI) were used as references in preparing the Principles and may be a useful source of additional information. The Labour standards are:

### 2.1 Freely Chosen Employment

Forced, bonded or indentured Labour or involuntary prison Labour is not to be used. All work will be voluntary, and workers should be free to leave upon reasonable notice. Workers shall not be required to hand over government-issued identification (passports or identity cards) as a condition of employment.

### 2.2 Young Workers

Child Labour is not to be used in any stage of manufacturing. The term "child" refers to any person employed under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported. Workers under the age of 18 should not perform hazardous work and may be restricted from night work with consideration given to educational needs.

### 2.3 Working Hours

Workweeks should not exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergencies, unusual situations, or where it is accepted common local practice. All overtime hours worked shall be voluntary. Workers shall be allowed at least one day off per seven-day week.

### 2.4 Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws and local laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In case of missing legal requirements, the compensation shall be sufficient to meet the workers basic needs. Overtime has to be compensated at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. 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.

## **2.5 Human treatment**

There is to be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor is there to be the threat of any such treatment.

## **2.6 Non-Discrimination**

For the workforce, the working atmosphere has to be free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership in hiring and employment practices such as wages, promotions, rewards, and access to training. In addition, workers or potential workers should not be subjected to medical tests or physical exams that could be used in a discriminatory way with the exception of medical tests done as a legal requirement or to determine fitness for the job.

## **2.7 Freedom of Association**

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment. The rights of workers to associate freely, join or not join Labour organizations, seek representation, join workers' councils in accordance with local laws have to be respected.

# **3 Health and Safety**

Workers are entitled to a safe working place which is non-hazardous to health. 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. Ongoing worker input and education is essential to identifying and solving health and safety issues in the workplace.

The "ILO Guidelines on Occupational Safety and Health" were used as references in preparing the Code and may be a useful source of additional information.

## **3.1 Occupational Safety**

Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicle, and fall hazards) are to be controlled through proactive avoidance, proper design, engineering and administrative controls, preventative maintenance and safe work procedures. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate personal protective equipment. Workers shall be encouraged to raise safety concerns.

## **3.2 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, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.

## **3.3 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: encourage worker reporting; classify and record injury and illness cases; provide necessary medical treatment; investigate cases and implement corrective actions to eliminate their causes; and facilitate return of workers to work.

### **3.4 Industrial Hygiene**

Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. Engineering or administrative controls must be used to control overexposures. When hazards cannot be adequately controlled by such means, worker health is to be protected by appropriate personal protective equipment.

### **3.5 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.

### **3.6 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.

### **3.7 Sanitation and Food**

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities.

## **4 Management System**

A management system whose scope is related to the content of this Code shall be adopted or established. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the participant's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.

### **The management system should contain the following elements:**

- 4.1 Company Commitment:** A corporate social and environmental responsibility policy statements affirming the commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the local language.
- 4.2 Management Accountability and Responsibility:** Senior executive and company representative[s] responsible for ensuring implementation of the management systems and associated programs are clearly identified. Senior management reviews the status of the management system on a regular basis.
- 4.3 Legal and Customer Requirements:** A process to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of this Code.
- 4.4 Risk Assessment and Risk Management:** Identification of the environmental, health and safety and Labour practice risks associated with all operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to ensure regulatory compliance to control the identified risks.

- 4.5 Performance Objectives with Implementation Plan and Measures:** Written performance objectives, targets and implementation plans to improve the social and environmental performance, including a periodic assessment of performances in achieving those objectives.
- 4.6 Training:** Programs for training managers and workers to implement the policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.
- 4.7 Communication:** A process for communicating clear and accurate information about policies, practices, expectations and performance to workers, suppliers and customers.
- 4.8 Worker Feedback and Participation:** Ongoing processes to assess employees' understanding of and obtain feedback on practices and conditions covered by this Code and to bring forward a continual improvement.
- 4.9 Audits and Assessments:** Periodic self-evaluations to ensure conformity to legal and regulatory requirements and to ensure that the content of these Principles has been understood by all workers in order to guarantee a continuous improvement.
- 4.10 Corrective Action Process:** A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.
- 4.11 Documentation and Records:** Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

## 5 Ethics

To meet social responsibilities and to achieve success in the marketplace, there are to uphold the highest standards of ethics including:

### 5.1 Business Integrity

The highest standards of integrity are to be upheld in all business interactions. There has to be a zero tolerance policy. Any and all forms of bribery, corruption, extortion and embezzlement are strictly prohibited resulting in immediate termination and legal actions. All business dealings should be transparently performed and accurately reflected on company's business books and records.

### 5.2 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.

### 5.3 Disclosure of Information

Information regarding labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

### 5.4 Intellectual Property

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

### 5.5 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.

### 5.6 Protection of Identity

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

### 5.7 Community Engagement

Community engagement to help foster social and economic development shall be encouraged.

### 5.8 Privacy

It is essential to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

## 6 Reference documents

The following standards were used in terms of a guidance in preparing this Code and may be a useful source of additional information:

Source Website Link	Source Website Link
ISO 9001 Quality Management System	<a href="http://www.iso.org/">http://www.iso.org/</a>
SA 8000 Social Accountability System	<a href="http://www.sa-intl.org/">http://www.sa-intl.org/</a>
Ethical Trading Initiative	<a href="http://www.ethicaltrade.org/">http://www.ethicaltrade.org/</a>
ILO Code of Practice in Safety and Health	<a href="http://www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf">http://www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf</a>
ILO International Labour Standards	<a href="http://www.ilo.org/public/english/standards/norm/index.htm">http://www.ilo.org/public/english/standards/norm/index.htm</a>
United Nations Convention Against Corruption (UNODC)	<a href="http://www.unodc.org/unodc/en/corruption/index.html">http://www.unodc.org/unodc/en/corruption/index.html</a>
United Nations Global Compact	<a href="http://www.unglobalcompact.org/">http://www.unglobalcompact.org/</a>
Universal Declaration of Human Rights	<a href="http://www.un.org/Overview/rights.html">http://www.un.org/Overview/rights.html</a>

Wangen an der Aare, May 2016



Mischa N. Wyssmann  
Geschäftsführer simatec ag