

RONALGROUP

Guideline for sustainability

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Contents

1. Business ethics 3

2. Respect for human rights 4

3. Working conditions 4

4. Compliance with environmental standards 5

5. Management systems 6

6. Implementation 6

Sustainability in the supply chain

Ethical conduct and sustainability in terms of legal, economic, ecological and social responsibility are key principles at the RONAL GROUP. This also includes long-term and trusted partnerships, as well as legally compliant conduct on the part of suppliers. The RONAL GROUP procures raw materials, goods and services from suppliers around the world to ensure lasting success for the company and its customers by offering an innovative product.

The Guidelines for Sustainability not only apply worldwide to all suppliers, but also to their staff, the RONAL GROUP and its subsidiaries.

The RONAL GROUP expects its suppliers to uphold the principles set out in these Guidelines at their companies. Suppliers are responsible for verifying compliance with the following rules in their own supply chain.

The rules in the Guidelines for Sustainability are based on the content of the following conventions and standards:

- Principles of the Global Compact of the United Nations (UN)
- Guidelines of the Organisation for Economic Co-operation and Development (OECD) for multinational companies
- Agreements of the International Labour Organization (ILO)
- Business Charter for Sustainable Development of the International Chamber of Commerce (ICC)
- SA8000 (standard for socially accountable business management)
- Dodd-Frank Act governing conflict minerals

1. Business ethics

1.1. Compliance with statutory provisions

The suppliers to the RONAL GROUP undertake to comply with the statutory provisions applicable in each case, to respect human rights, and, in particular, to protect the dignity of man.

1.2. Prohibition on corruption

The RONAL GROUP will not tolerate from its suppliers any form of corruption, such as bribery or the bestowing or acceptance of undue advantage, irrespective of whether this takes place directly, involves intermediaries, or is offered to private individuals or government officials. Prohibitions in particular include the offering (active bribery, bestowing of advantages), and acceptance of benefits (passive bribery, receiving) whose purpose is to obtain unlawful advantage.

1.3. Fair competition

The RONAL GROUP expects its suppliers to comply with national and international legislation aimed at maintaining fair competition. This includes the provisions governing unfair competition, as well as antitrust law. Agreements with competitors relating to prices, terms of sale, quantitative restrictions, allocation of territories, or quotes for public tenders, etc., are strictly forbidden.

1.4. Intellectual property

Suppliers shall protect the intellectual property of the RONAL GROUP as, for example, patents, trademarks, copyrights, designs, trade secrets, samples, models and expertise, and shall respect the intellectual property

of third parties. Suppliers shall in particular ensure that products furnished to the RONAL GROUP do not infringe the intellectual property of third parties.

1.5. Product safety

RONAL GROUP products and services, and products procured from its suppliers must not endanger either man or the environment, and shall meet the agreed and/or statutory standards relating to product safety. Suppliers are obligated to clearly communicate information on safe usage.

2. Respect for human rights

2.1. Prohibition on forced and child labor

The RONAL GROUP does not tolerate the use of forced or child labor, either by its suppliers or itself. The minimum age for admission to employment according to the applicable government regulations must be observed by suppliers. Where no national legislation exists, the core labor standards of the ILO shall apply.

2.2. Prohibition on all discrimination

The RONAL GROUP tolerates no discrimination whatsoever and expects suppliers to prohibit discrimination of any nature, for example on grounds of gender, marital status, race, color, ethnic origin, religion or faith, sexual orientation, disability, political opinion or other personal characteristics within their organization.

2.3. Prohibition of disciplinary measures

The RONAL GROUP requires its suppliers to refrain from punishing employees in any manner, whether physical or psychological. This in particular applies where employees report in good faith business practices which violate national, international or internal regulations.

3. Working conditions

3.1. Industrial safety and health at the workplace

The ultimate objective of the RONAL GROUP is a workplace without accidents. All suppliers are obligated to comply with the industrial safety regulations at their sites. Every supplier shall introduce guidelines and procedures on industrial safety and health protection, and disclose them to employees in order to avoid accidents and occupational diseases.

3.2. Living wage

The RONAL GROUP expects that its suppliers are aware of their social responsibility vis-à-vis staff and that the pay and hours of work they offer are fair and reasonable. The supplier shall provide its employees with the social benefits which are their due either by law or contractual agreement.

3.3. Hours of work

The RONAL GROUP requires its suppliers to ensure that their employees are able to achieve a work-life balance, and that they observe the applicable national legislation governing hours of work. Staff hold an entitlement to regular annual vacation.

3.4. Freedom of association

The RONAL GROUP expects its suppliers to maintain open and constructive communication with their employees and workforce representatives. Employees hold the right to collective bargaining and to join a trade union. Where trade unions are not permitted in a country on political grounds, the supplier must provide for independent associations in another form. Suppliers are forbidden to discriminate against employees who act as workforce representatives.

4. Compliance with environmental standards

4.1. Environmental legislation

The RONAL GROUP expects its suppliers to comply with the national environmental legislation applicable in each case.

4.2. Avoidance and reduction in pollution

The RONAL GROUP expects its suppliers to reduce emission levels in the production process, and to monitor and treat harmful emissions prior to their release into the environment to the greatest possible extent. Waste should be avoided or recycled as far as possible. The suppliers to the RONAL GROUP develop procedures to regulate the transportation, storage, and risk-free, environmentally friendly handling and disposal of waste.

4.3. Responsible procurement of raw materials

The suppliers to the RONAL GROUP support activities that ensure the responsible procurement of raw materials. They should avoid the purchase and use of raw materials which were acquired in an unlawful manner or by ethically objectionable or unconscionable means. The usage of raw materials such as conflict minerals, which are subject to embargos or other import restrictions, must be ruled out. Suppliers are therefore obligated to identify these raw materials contained in manufactured items in the supply chain, and to disclose the origin and procurement sources for the raw materials they use.

4.4. Avoidance of hazardous substances

Substances whose release presents a risk to man and the environment must be avoided. The suppliers to the RONAL GROUP operate management systems for hazardous materials which ensure their safe usage and transportation, as well as safe storage, recycling, reuse and disposal.

4.5. Environmentally compatible products

When developing products and services, the suppliers to the RONAL GROUP ensure that they are economical as regards the consumption of energy and natural resources when in use. Where possible, these products should provide for reuse, recycling or risk-free disposal.

The products supplied to the RONAL GROUP do not contain substances of high concern which are subject to the REACH Regulation. Where appropriate, affected constituents must be reported to the RONAL GROUP in advance. Any materials or purchased parts which do not meet the specifications of the RoHS Directive must be replaced by the supplier in agreement with the RONAL GROUP. If necessary, the supplier to the RONAL GROUP must issue an EU Declaration of Conformity confirming compliance with the RoHS Directive.

5. Management systems

The RONAL GROUP expects its suppliers to operate management systems which ensure compliance with the rules given in these Guidelines for Sustainability. The RONAL GROUP gives preference to suppliers who actively use a quality management system complying with ISO TS 16949, an environmental management system complying with ISO 14001 and OHSAS 18001 for industrial safety or equivalent systems.

6. Implementation

6.1. Monitoring and accountability

The supplier shall on request furnish all correct and detailed information necessary for initial assessment in the framework of self-assessment.

He shall moreover submit other information to evidence compliance with the Guidelines for Sustainability. The RONAL GROUP has the right to examine implementation of these Guidelines and to perform verification by means of supplier audits.

The supplier shall automatically notify the RONAL GROUP of any incidents which conflict with the rules of the Guidelines for Sustainability.

6.2. Non-compliance

Every infringement of the rules and requirements given in the RONAL GROUP Guidelines for Sustainability shall constitute a major breach of contract by the supplier. The RONAL GROUP reserves the right, in the event of non-compliance with the Guidelines for Sustainability, to demand corrective action, which must be implemented within a period of time of reasonable length set by the RONAL GROUP. In the event of failure to observe this deadline, or a serious breach of the rules and requirements given in the Guidelines for Sustainability, the RONAL GROUP shall be entitled to end cooperation, where appropriate with immediate effect.

Should you have any queries or further information, please do not hesitate to contact us at umwelt@ronalgroup.com.