

## **Südwolle Group's Corporate Social Responsibility Commitment (CSR)**

### **Preamble**

This Corporate Social Responsibility Commitment statement provides orientation and ensures our commitment to entrepreneurial responsibility in a consistent way. Our Commitment defines how we understand our responsibility to employees, partners, the environment and society, and what our priorities are.

Trust, respect, integrity, diversity and sustainability are the basic principles that guide our thinking and actions. They define us and connect all the employees of the Südwolle Group.

We expect our leaders to proactively live out our values, to be role models for our employees and to actively communicate our values and principles.

We also expect our business partners – whether they are subcontractors, suppliers or others – to conduct themselves fairly, with integrity and in a responsible manner when carrying out their business activities.

### **I. Respectful treatment of our employees**

The satisfaction of our employees is indivisible from our company's value culture. Our success is based on the use and development of all existing skills, potentials and differences as well as cooperation based on trust and transparent communication. We strive for a work environment that demands and promotes lifelong learning, openness to new things, and a team spirit that crosses roles and hierarchies.

Diversity is firmly anchored in our company. We believe that helping people with different ideas, strengths, interests and cultural backgrounds working together will make every business successful. We want to ensure that every single employee, regardless of skin colour, age, gender, ethnicity or sexual orientation, feels comfortable with the Südwolle Group and is proud to be an integral part of our company.

We embrace a leadership culture in which mistakes are understood as an opportunity for further development. We strive for respect and appreciation for each other and for open and trusting communication with each other. Decisions are made by consensus and on equal terms; and we encourage our employees to engage constructively in these processes.

We promote the self-determination of our employees, have confidence in them, and develop them so that they can use their existing skills, potential and exercise them to achieve the company's goals. We always seek to understand and support the needs of our employees so they can deliver the best possible service.

## **II. Compliance**

Following the law and legal system of the country in which we do business is a self-evident matter for us. Every employee must observe the applicable policies of Südwolle Group and the legal regulations of the legal systems in which they are working.

## **III. Working environment**

Corporate responsibility means that Südwolle Group takes responsibility for all the consequences of its activities on customers, employees, society, and the environment.

We are committed to create and maintain a safe and healthy workplace free from hazards. We take all reasonable and legally required precautions to ensure that our workplaces are always conducive to safe working. We increase our employees' awareness of eventual occupational risks. Everyone involved must ensure that all work processes meet at least the standards set out in international and local laws and regulations.

As a responsible company, Südwolle Group respects the provisions of international labour law and human rights. We also expect this from our suppliers and business partners.

### **a) No forced labour**

No employee is employed against his or her will. Our employees work for us by their own choice and may terminate their employment at any time. There is no unacceptable treatment of workers such as psychological abuse, sexual or personal harassment.

### **b) No child labour**

Südwolle Group and its suppliers do not employ children under the age of 15. Employees under the age of 18 are only employed, in accordance with local law and for vocational training or internships, .After the successful graduation of the vocational training young people under 18 are only employed with approval of their parents and to bridge the timeframe between their graduation and the age of majority. In addition, Südwolle Group as well as its suppliers and business partners ensure that young employees under the age of 18 do not engage in activities that adversely affect their education and health, physical, mental, moral and social development. Suedwolle Group encourages its business partners to comply with the fore standing as well.

### **c) Freedom of association and collective bargaining**

We respect the right of employees to associate and engage in collective bargaining. All employees may join a union of their choice and have the right to collective bargaining.

### **d) Wage to cover the cost of living**

Employee wages and benefits are at least equal to the industry standard or the statutory minimum wage. The paid income provides a discretionary income for each employee. Reductions and deductions of wages as disciplinary measures are prohibited.

All employees receive written, understandable information about their wage terms and details about their pay.

## **e) Working hours**

Our working hours comply with the laws of the respective country taking into account international standards (ILO) and industry standards.

Individual working hours may not exceed 60 hours per week, and each employee has the right to at least one day off (24 hours) after six consecutive working days. The weekly working hours may not regularly exceed 48 hours. Overtime may only be provided on a voluntary basis.

## **IV. Sustainability**

Südwolle Group, our partners and employees as well as the ecologically sensitized society are expecting sustainable production and product safety. Preservation of the environment is our responsibility towards the future generations. We are increasingly concerning ourselves with topics such as environmentally friendly production and processing of our raw materials, the handling of scarce resources, efficient energy consumption, recycling and life-cycle assessment. We use a wide range of external audits and are involved in relevant associations in order to ensure sustainability. This includes a focus on particularly efficient resource consumption, the use of environmentally friendly chemicals with regard to customer-specific RSL (Restricted Substances List), MRSL (Manufacturing Restricted Substances List) and the continuous process towards the compliance with ZDHC (Zero Discharge of Hazardous Chemicals) programme. The range of our certificates not only includes firmly established ones such as ISO 9001, ISO 14001, ISO 50001, bluesign®, GOTS, IVN Best and Oekotex 100, but also includes a regular eco-balance published by us, which sets out the performance of our individual locations.

We also rely on innovative technologies such as photovoltaics and recycling as well as networking in supply chains; this benefits both the Südwolle Group and the entire environment.

## **V. Social responsibility**

Südwolle Group is a global player – we manufacture and trade worldwide. As such, we feel responsible for shaping the world of tomorrow and are committed to people, the environment and nature.

We therefore assume responsibility worldwide for numerous, sometimes self-initiated projects. We have created better structural and living conditions by building dormitories for our Asian employees. We support talented students and young international professionals with exchanges, training and study programmes.

#### **VI. Conduct with integrity in all business activities**

We are convinced that our products can compete on their own. We do not promise or give out any payments or valuable gifts to induce employees of government agencies or companies to give us an unjustified business advantage. Nor do we contract with others who do this. This applies regardless of location or culture.

#### **VII. Prevention of money laundering**

Südwolle Group complies with legal obligations to prevent money laundering and does not participate in money laundering activities. In addition, we require every employee to have unusual financial transactions, reviewed by the appropriate finance department in case of doubt. This also includes cash suspected of being laundered.

#### **VIII. Avoidance of conflicts of interest**

Any action taken on behalf of Südwolle Group must be reasonable, unbiased and objective. We do not allow our actions to be influenced by what suits our personal interests or the interests of others as these interests may conflict with what is best for our business. A conflict of interest always arises when we find that our personal interests and the interests of the company are not consistent. If such conflicts occur despite attempts to avoid them, we will disclose them and resolve them in accordance with the law.

#### **IX. Handling of gifts and benefits**

In many cultures, gifts, travel and invitations are important for developing and deepening business relationships. However, some gifts and invitations may inappropriately influence the recipient's decision-making or at least give the appearance of such influence. Such offers and invitations are always to be handled carefully, and everyone has to ask themselves whether an invitation is overly generous or associated with obligations.

#### **X. Donations and sponsoring**

We see ourselves as an active member of society and therefore engage ourselves in different ways. Donations and other forms of social engagement are provided to support local non-governmental organisations on voluntary basis and without the expectation of a service in return.

We do not pursue or attempt to pursue any improper influence to the government of any country or political parties, organizations, individual mandate holders or candidates for political office in order to produce an outcome favorable to Südwolle Group.

#### **XI. Handling of information and data privacy**

Our employees, customers and other business partners expect us to treat their information and in particular personal data with care and in accordance with applicable data protection laws. We collect and process personal data only if this is necessary for the fulfilment of the respective task or is required by law.

We handle our trade secrets with thoughtful care and ensure that they are kept in a safe place to prevent unauthorised publication, misappropriation or use at all times.

#### **XII. Appearance and communication in public**

We respect the right to freedom of expression and the protection of personal rights and privacy. Every employee should be aware that they can also be perceived in the private sector as part of and as a representative of Südwolle Group. We expect of every employee to safeguard the reputation and appearance of the company through their conduct and appearance in public. When expressing opinions privately, we ensure that the respective role or activity in the company is not linked to the private statement.

#### **XIII. Contact person**

Many decisions are purely routine in our daily working life. Nevertheless, sometimes we face a situation where our code of conduct has no explicit answer. In such cases it helps to reflect on the decision and ask for advice. You are welcome to contact us about this, even in your native language, by e-mail at: [csr@suedwollegroup.com](mailto:csr@suedwollegroup.com)