

# SCHWALBE SUPPLIER CODE OF CONDUCT

SCHWALBE 

The Schwalbe supplier Code of Conduct (hereinafter, Code) defines expectations and guiding principles of conducting business with Ralf Bohle GmbH (hereinafter, Schwalbe). The content of this Code reflects our values of sustainability, integrity, inclusiveness, respect, and excellence of our company. We take pride in being a family-owned enterprise that, since its establishment in 1922, has always focused on innovative, high-quality products and an international outlay that has been connecting different cultures for generations.

This Code is based on the Conventions of the International Labour Organization (ILO), the Universal Declaration of Human Rights by the United Nations and internationally accepted occupational health and safety standards. Furthermore, to ensure greater relevance for our entire industry, the Code's content is in accordance with the Code of Conduct of the World Federation of the Sporting Goods Industry (WFSGI).

By signing our Code, suppliers of Schwalbe products, or components used to manufacture those products, hold the responsibility to implement and follow these standards. Disrespecting the Code can lead to the termination of any business partnership between Schwalbe and the supplier.

To ensure effective communication of this Code, we expect suppliers to educate their employees about the content of this Code and to prominently post this Code in the local language at an easily accessible location at the workplace. Employers shall ensure that a competent contact person is available to their employees who can help them with questions in connection with this Code and clarify cases of doubt.

At a minimum, suppliers and their business partners are expected to meet the following standards:

## **I. LEGAL COMPLIANCE**

Suppliers must operate in full compliance with all applicable local and national laws, rules and regulations relevant to their business activities including but not restricted to employment, environment and health and safety. They shall also inform themselves on their own responsibility about the legal provisions applicable in their field of activity.

## **II. WORKPLACE CONDITIONS & EMPLOYMENT STANDARDS**

### **1. Child Labour**

Suppliers must not use any form of child labour. Child labour is prohibited according to the provisions of ILO and/or national legislation. Of these different standards, the one that imposes the most stringent requirements shall be applied. No person shall be employed at an age younger than 15 or younger than the age applicable for completing compulsory education in the country of manufacture where such age is higher than 15. All legal requirements for employees under 18 shall be followed and no person under the age of 18 shall be engaged in hazardous work or conditions, or any work at night. This includes any work which, by its nature or the circumstances in which it is carried out, is likely to be harmful to the health, safety or morals of children.

### **2. Forced Labour**

Employers must not engage in Human Trafficking or use any forced or involuntary labour, whether in the form of prison labour, indentured labour, bonded labour, slavery or otherwise.

No employee can be compelled to work through force, the threat of force, or intimidation of any form. Practices such as withholding personal property, passports, wages, certificate of education, employment or other documents for improper reasons are also unacceptable.

### **3. Harassment or Abuse**

Every employee shall be treated with respect and dignity. No employee shall be subject to any corporal punishment, threats of violence or any other physical, sexual, psychological or verbal harassment or abuse.

### **4. Non-Discrimination**

Schwalbe promotes equal opportunities. Employees shall be hired, paid and promoted on the basis of their ability to do their job, rather than on the basis of personal characteristics or beliefs. No person shall be subject to any discrimination in employment, included in hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, skin colour, sexual orientation, nationality, age, appearance, disability, religion, political opinion, social or ethnic origin, trade union membership or formation and affiliation and other legally protected characteristics. Foreign or domestic migrant labour shall be treated on an equal basis with local employees.

### **5. Freedom of Association and Collective Bargaining**

Suppliers must recognise and respect the freedom of employees to exercise their right to join (or not to join) organisations and associations of their own choosing and bargain collectively without penalty or interference. Where the right to freedom of association and collective bargaining is restricted under law, employers must allow their employees to raise any job-related grievances without penalty and shall consider the development of parallel means for independent and free association and bargaining.

### **6. Health and Safety**

Suppliers shall provide a safe and healthy workplace in compliance with all applicable laws and regulations, ensuring, at a minimum, reasonable access to potable water and sanitary facilities, safe buildings, fire protection, electrical safety, personal safety equipment and safe use of hazardous substances. Health and safety practices which prevent accidents arising out of, linked with, or occurring in the course of work shall be promoted. Adequate lighting, heating and ventilation systems shall be provided. The workplace shall have safety and health policies and procedures that are clearly communicated to all employees. This also includes sufficient training and instruction of employees.

Emergency plans shall be established to include appropriate fire detection and suppression systems, clear and unobstructed escape routes, adequate exits, contact information for emergency services and recovery plans. These plans and procedures shall be designed to minimise damage to life, the environment and property.

All abovementioned requirements also apply to any employee housing facilities that may be provided by the employer. Suppliers will provide reasonable arrangements for women in connection with pregnancy, childbirth, and nursing, and provide appropriate safety precautions to protect pregnant women.

### **7. Compensation and Benefits**

Employees shall be fully, timely and legally compensated for all hours worked. In all cases, wages must equal or exceed the minimum wage of the industry, whichever is higher and all legally mandated benefits including

insurances, holidays and leave shall be provided. Where local industry standards are higher than applicable legal requirements, we expect manufacturers to meet the higher standards. In any case, the compensation of a living wage must be guaranteed in accordance with local living conditions.

In addition to their compensation for regular hours of work, employees shall be compensated for overtime hours at the rate legally required in the country of operation or, in those countries where such laws do not exist, at a rate exceeding their regular hourly compensation rate.

### **8. Regular Employment**

Employees shall be employed on the basis of a recognised employment relationship established through national law. There shall be no excessive use of subcontracting, apprenticeship schemes, or other forms of irregular employment relationships. The use of temporary, agency and outsourced employees shall be in accordance with local law.

### **9. Hours of Work**

Except in extraordinary business circumstances, employees shall not be required to work in excess of 60 hours (including overtime) per week, or the local legal requirement, whichever is less. All overtime work must be voluntary. Employees shall be entitled to at least one day off in every seven-day period.

## **III. ENVIRONMENT**

It shall be the common goal between Schwalbe and its suppliers to mitigate the environmental impact of manufacturing products. This includes:

- Responsible use of natural resources such as energy, water and raw materials
- Implementing renewable energy where possible to reduce CO2 emissions
- Responsible management and reduction in the use and disposal of hazardous chemicals
- Reducing and avoiding pollution and waste including solids, liquid and air emissions
- Repurposing and/or reintroducing waste, where possible, into the production of new/other goods to mitigate landfill waste
- Prohibition of non-environmentally compatible handling, collection, storage and disposal of waste
- Designing and developing products, materials and technologies according to sustainable principles
- Integrating principles of sustainability into business decisions and practices
- Where applicable, all necessary environmental permits, approvals and registrations are obtained, maintained and kept up to date.

## **IV. SUBCONTRACTORS**

Suppliers must not subcontract production of Schwalbe products, or components used to manufacture those products, without Schwalbe's express written consent, and only after the subcontractor has entered into a written commitment with Schwalbe to comply with this Code.

## **V. COMMUNITY**

Suppliers shall recognise their economic and social impact of their work and commit to engage directly or through partnerships in projects that improve the social well-being of employees and their families in the local community.

## **VI. MONITORING AND COMPLIANCE**

Compliance with the Code shall be reviewed at least once a year and on an ad hoc basis. Suppliers authorize Schwalbe and its representatives (including third parties) to engage in monitoring activities to confirm compliance with this Code. This includes unannounced on-site audits to inspect manufacturing sites and employer-provided housing; review books and records relating to employment matters; and private interviews with employees. Suppliers will maintain on-site all documentation that may be needed to demonstrate compliance with this Code.

## **VII. CORRUPTION, BRIBERY & ETHICS**

Any kickback-payments, bribes, corruption, extortion, fraud, money laundering, deception or any other similar unlawful or improper payments, in cash or kind, are strictly prohibited, whether given to obtain or retain business or for any other purpose. The allocation and acceptance of customary courtesy and promotional gifts of low value as well as business meals and invitations to events with a direct business connection are permissible within a framework appropriate to the business situation and the position of the parties involved if they could not give the impression of undue influence or even obligation.

The highest standards of integrity will be maintained in all business activities. All managers and employees of the supplier must refrain from any activity that could damage the trust that our business partners and the public have in Schwalbe and its choice of suppliers. Schwalbe expects its suppliers to conduct their business in an ethical and responsible manner and also to act with integrity."

## **VIII. DATA PROTECTION AND INFORMATION SECURITY**

The Supplier shall ensure that the legitimate expectations regarding the protection of personal data are met. When collecting, storing, processing, transferring and disclosing personal data, the Supplier shall comply with all applicable laws regarding data protection and information security as well as regulatory requirements.

The Supplier shall also ensure that all information relating to Schwalbe is adequately protected against unauthorised disclosure, modification or destruction and against unauthorised access and that unauthorised access to information processing systems is adequately prevented. Information processing systems and networks must be secured in accordance with the state of the art against manipulation, malware, network attacks or other malicious activities of third parties.

**IX. REPORTING**

Suppliers shall promote and establish communication channels for their employees to lodge complaints or report possible unlawful conduct without fear of repression, intimidation or harassment. Any communication should be treated confidentially. Suppliers must investigate and, if necessary, take action based on the reports.

Suppliers shall report any actual or suspected violations of laws, internal rules and this Code to Schwalbe (please contact: [compliance@schwalbe.com](mailto:compliance@schwalbe.com)). Similarly, if a Schwalbe employee, or anyone associated with the company, has engaged in illegal or improper conduct, suppliers must report the matter to Schwalbe.

We hereby confirm that we share, respect and adhere to and apply the values stated in this Code.

Company name/stamp

Place, Date

Name (Block letters)

Title

Fon

E-Mail

Place, Date, Signature