



# Responsible Sourcing Policy

June 2023

We Elevate





# Table of Contents:

- Introduction & Framework .....2
- Monitoring against our standards .....2
- Fundamental Principles & Requirements .....2
- 1. Human Rights .....3
  - 1.1. Child Labor .....3
  - 1.2. Conflict Materials .....3
  - 1.3. Discrimination and Harassment .....3
  - 1.4. Employment Practices .....4
  - 1.5. Forced Labor .....4
  - 1.6. Freedom of Association, collective bargaining, and non-retaliation .....4
  - 1.7. Occupational Health and Safety .....5
  - 1.8. Supplier Diversity .....5
- 2. Environmental Impact .....5
- 3. Anti-Bribery & Corruption .....6
- 4. Fair Competition .....7
- 5. Trade Sanctions & Export Control .....7
- 6. Conflicts of Interest .....7
- 7. Intellectual Property and Confidentiality .....8
- 8. Privacy, Personal Information and Data Security .....8
- 9. Quality Assurance and Product Safety .....8
- 10. Implementation and Management systems .....9
  - 10.1. Flow Down .....9
  - 10.2. Recording and Monitoring Compliance .....9
  - 10.3. Commitment and Accountability .....10
  - 10.4. Reporting of Concerns .....10
- 11. Entire Policy and Interpretation.....10
- 12. Changes to this Policy.....10
- Acknowledgement and Agreement.....11
- References.....11

## Introduction & Framework

Since its founding in 1874, Schindler has adhered to the principle of providing high quality products in a manner that is ethical, responsible, and legally compliant and dealing fairly and openly with its employees, customers and suppliers.

Through our Responsible Sourcing Policy (the “Policy”), we hold our vendors and suppliers to the same high standards. This applies to all suppliers, service providers, subcontractors, and other vendors and business partners including their affiliates, officers, directors, agents, employees, representatives, subcontractors, and consultants (the “Suppliers”).

While the Policy sets forth our minimum expectations for all Suppliers, it is not comprehensive. The aim of this Responsible Sourcing Policy is to reinforce Schindler’s commitment to collaborate with Suppliers towards a long-term and sustainable future. Schindler requires all of its Suppliers to adhere to principles of fair dealing with others, equitable and non-abusive relationships with employees, safe workspaces, and legal compliance, and to conduct business in a way that promotes Schindler's Core Values: Safety, Create Value for the Customer, Commitment to People Development, Integrity & Trust, Quality, and respect human rights. This is supported by our Code of Conduct ([group.schindler.com/coc](http://group.schindler.com/coc)) and Schindler's Human Rights Policy ([group.schindler.com/hrp](http://group.schindler.com/hrp)).

## Monitoring against our standards

Adherence to the standards contained in this Policy is one of the criteria used in the Schindler Supplier selection and evaluation process.

Supplier shall adhere to applicable legal standards and any higher standards contained herein. Where needed Schindler may conduct audits, development and progress monitoring of corrective action plans, and provide recommendations.

## Fundamental Principles & Requirements

Schindler and all its subsidiaries, representatives and employees are committed to, and require all Suppliers to comply with all applicable legal requirements in the manufacturing and distribution of products and supplies and in the provision of services. Supplier’s compliance not only underpins many of the other requirements in this Policy, but it is also essential to Schindler’s ability to meet its own high standard of legal compliance and high standards of business conduct. Therefore, in all aspects of its business, Supplier shall adhere to and comply with:

- all applicable laws, ordinances, regulations, rulings, orders, and decrees of all federal, territorial, state, local or other governmental or judicial authority,
- the rules, regulations, policies, and procedures of all self-regulatory or industry bodies applicable to the industries in which the Supplier operates, and
- the local customs and practices in the jurisdictions where the vendor or supplier operate. If local laws, customs or practices are less stringent than Schindler’s policies and internationally recognized human rights and labor standards, the Supplier shall seek to follow the highest standards.

Supplier must maintain compliance systems and be able to demonstrate a satisfactory record of compliance with all applicable legal requirements, including, but not limited to:

## 1- Human Rights

Schindler is committed to high standards of business ethics and integrity including the support and respect of internationally recognized human rights and labor standards as outlined in international human rights frameworks. Schindler's commitment to respect human rights is further elaborated in the Schindler Human Rights Policy. Moreover, important aspects of Schindler's commitment to promoting rights of workers are set out in Schindler's Inclusion & Diversity Commitment. Schindler requires its Suppliers to uphold the same values and to introduce human rights due diligence in their operations and value chains.

### 1.1 Child Labor

Supplier shall not tolerate or use child labor in any stage of its general activities other than in accordance with all applicable laws and regulations. With regard to minimum employment age, Supplier will follow the principles of the UN Global Compact and the ILO Minimum Age Convention, No.138 as well as the ILO Worst Forms of Child Labor Convention, No. 182. The minimum employment age is the age of completion of compulsory schooling, but not less than 15 years old unless exceptionally allowed by the ILO Conventions and/or relevant local laws (e.g. for formal apprenticeships).

### 1.2 Conflict Materials

Schindler requires Supplier to support Schindler's goal of not purchasing or using natural resources extracted from a conflict zone or the trade in which supports conflict, or any products manufactured from such resources. Supplier shall comply with the requirements set forth in applicable regulations, such as the EU Regulation on Conflict Minerals (Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas), the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor and the final rule regarding the use of "Conflict Minerals" under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Supplier shall cooperate with Schindler's efforts to perform due diligence on the use of conflict materials, including by providing the access and information required for regulatory reporting.

### 1.3 Discrimination and Harassment

At Schindler, our mission is to foster and sustain an inclusive culture that welcomes, supports, recognizes, and celebrates employees of all backgrounds. We require our suppliers to uphold the same values. Therefore, Supplier shall treat its employees with fairness, impartiality, awareness, and sensitivity, and shall grant equal opportunity in all aspects of employment to all persons without unlawful discrimination. This includes prohibiting unlawful discrimination on any protected basis under applicable law, including color, race, religion, gender or gender identity, sexual orientation, national origin, citizenship, ethnicity, age, disability, pregnancy, veteran status, genetic information, or other legally protected

factors. Supplier shall provide a safe and effective channel for those who have observed unlawful discrimination to disclose their experience to Supplier management without fear of reprisal or retaliation.

Supplier shall maintain and adopt policies and procedures to provide a work environment free of unlawful harassment. Harassment includes any verbal or other conduct that is offensive, bullying, intimidating, or disparaging to any individual or group and is based on that individual's inclusion or perceived inclusion in a legally protected group. Harassment also includes sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion, verbal abuse, and unreasonable restrictions on entering or exiting Supplier's facilities. Supplier's policies and procedures prohibiting harassment must apply to all persons involved in the operation of the company and must prohibit unlawful harassment, whether directed to employees, applicants for employment, outside vendors, contractors, customers, or others.

## 1.4 Employment Practices

Supplier shall ensure that compensation paid to its personnel (including employees, contractors, and temporary or part-time employees) complies with at least all applicable wage laws or the local industry rate, whichever is higher, including those relating to fair wages, overtime hours, social security, paid leave and mandatory benefits, and that all employees are provided with employment documents that are freely agreed and which respect their legal and contractual rights. Working hours are not to exceed the internationally recognized minimum standards of 48 regular hours of work per week, a rest period of at least 24 hours every seven days and a maximum of 12 hours of voluntary overtime per week. Supplier will allow its employees legally mandated breaks as well as holiday and vacation days to which they are legally entitled, including time off when ill or for maternity leave. All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

## 1.5 Forced Labor

Supplier shall not use or profit from any form of labor provided involuntarily und threat of penalty, including, but not limited to: forced overtime, human trafficking, slavery or servitude, bonded labor (including debt bondage), forced prison labor. There shall be no unreasonable restrictions on employees' freedom of movement. Supplier shall not withhold or otherwise destroy or conceal, confiscate, or deny access by its employees to their personal documents (originals). Employees shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per the employee's contract. Employees migrating for the purpose of work shall not be required to pay recruitment fees or other related fees for their employment, as this can lead to situations of debt bondage. Should victims of human trafficking be found in the vendors and supplier's operations, they must be provided with adequate access to remedy.

## 1.6 Freedom of Association, collective bargaining and non-retaliation

The basic right of all employees to form trade unions and employee representations and to join them shall be respected by the Supplier. In countries where this right is restricted by local laws, alternative legitimate options for employee participation shall be supported as described by the ILO (e.g., works councils). Employee representatives shall not be subject to discrimination, harassment or termination of

contract in retaliation for exercising employee rights, submitting grievances, participating in union activities, or reporting suspected legal violations.

## 1.7 Occupational Health and Safety

Suppliers shall provide workers with a safe and healthy work environment and to manage their operations to minimize impact to the environment and community. Suppliers shall establish and maintain a management system or program that encourages continual improvement in health and safety performance and includes the following elements and is guided ISO 45001 Occupational Health and Safety Management (OHS) Standard:

- An effective process to protect employees from unsafe noise levels and to provide appropriate lighting and temperatures in the workplace.
- An effective process to provide and maintain operating machinery and equipment with guarding or other protective measures as necessary to prevent injury to workers.
- An effective process to identify, evaluate and control workplace exposures to chemical, biological, and physical agents to prevent worker illness and injury.
- An effective process to identify and control hazards in the workplace (examples include activities such as regular inspections, hazard surveys, job hazard analyses, equipment hazard reviews, and ensuring that employees do not conduct work while under the influence of alcohol or illegal drugs).
- An effective process to determine the cause of incidents that result or could result in injury, illness, property or environmental damage or business interruption.
- An effective process to encourage employee participation in health and safety programs and to encourage employees to report workplace illnesses and injuries.
- An effective Health & Safety (H&S) training program for new and existing employees.
- An effective emergency action program for each of its manufacturing locations covering events such as fires, medical emergencies, weather/natural disasters, spills, and air releases.

In addition, Supplier shall maintain a workplace environment in the spirit of the UN Universal Declaration of Human Rights and the Conventions of the International Labor Organization.

## 1.8 Supplier Diversity

Schindler is committed to improving diversity among its Suppliers. To this end, if requested by Schindler, Supplier shall provide information relating to any and all of its diversity programs, diversity spend, and other such data as Schindler may reasonably require.

## 2- Environmental Impact

Schindler is committed to become a net zero business by 2040 and its net-zero targets are aligned to the Science Based Targets initiative (SBTi).

Suppliers are required to minimize air pollution, develop and implement plans to support Schindler to reach its goal of having net zero emissions by 2040. Suppliers are encouraged to assess their own climate related risks and implement adaptation and resilience plans.

Schindler requires that Greenhouse Gases (GHG) emissions are calculated and reported publicly according to the GHG Protocol and reduction targets are aligned with the SBTi.

Supplier shall conduct its operations with awareness of its impact on its physical environment and shall maintain and adopt policies and procedures to improve environmental efficiency (including with regard to consumption of water, energy, raw materials, office materials as well as business travel and transportation mileage), minimize all forms of waste, increase the proportion of its energy consumption from sustainable sources, increase recyclability of products, and strive to continuously reduce the carbon footprint of Supplier's operations. This includes obtaining, maintaining, and complying with all environmental permits, licenses, and registrations necessary for Supplier's operations.

Supplier shall monitor, control, minimize and appropriately treat emissions and pollutants to air, soil, and water, including wastewater, waste, pollution, volatile chemicals, corrosives, particulates, aerosols, and combustion products from Supplier's operations. Supplier shall minimize or eliminate the discharge of byproducts into its environment and waterways and shall maintain and adopt policies and procedures to reduce greenhouse gas and other forms of emissions. To the extent applicable, Supplier shall adhere to ISO 14001 or comparable standards. In addition, Supplier shall comply with all applicable Schindler requirements regarding the prohibition, restriction, labeling for recycling or disposal of specific substances.

Schindler welcomes opportunities to collaborate with our Suppliers to reduce our environmental impact and to help preserve our environment for future generations; Supplier should work with its Schindler Sourcing Category Manager to collaborate on potential opportunities.

At a minimum, Supplier must develop, implement, and maintain:

- An effective process to assess that sufficient and qualified resources are assigned to the environmental program.
- An effective process for maintaining drums, storage tanks and other storage containers to prevent water or soil contamination or accidental discharge and a process to remedy any existing contamination.
- An effective process to ensure proper treatment of chemical or process wastewater prior to discharge.
- An effective process to ensure safe handling and appropriate disposal or recycling of waste.
- An effective environmental impact training program for new and existing employees

### **3- Corruption & Fraud**

Schindler requires its Suppliers to have a zero-tolerance policy toward bribery and corruption. Therefore, Supplier shall provide a workplace free of bribery and corruption by complying with all applicable laws relating to bribery, money laundering and corruption. Supplier shall not engage in any form of extortion, money laundering or embezzlement. Supplier shall prohibit the exchange of anything of value (including money) to or from government officials or any other person (including Schindler employees or any Schindler representative) to influence actions or obtain an improper advantage. Supplier shall comply with the U.S. Foreign Corrupt Practices Act, UK Bribery Act, as well as any similar state, local, territorial, federal, or national laws and regulations dealing with bribery of government officials or private persons.

Business decisions must be made on the basis of fair and objective criteria. Supplier is prohibited from directly or indirectly providing, soliciting, or accepting improper payments, gifts, bribes, kickbacks, entertainment, or other business gratuities from individuals that contradict Schindler's zero-tolerance policy toward bribery and corruption. Supplier and its personnel shall not directly or indirectly provide any corporate hospitality (including meals & entertainment) or other benefit to, or at the request of, a Schindler employee or members of their households in any situation in which it might influence, or appear to influence, an employee's decision in relation to Supplier. Only occasional gifts of nominal value without business obligations to Supplier, Schindler, or our employees are acceptable.

Supplier shall refrain from and reject any involvement in fraudulent practices to the detriment of Schindler or its customers and business partners. This involves collusion with disloyal employees to artificially increase invoice amounts and sharing of achieved illicit profits. Supplier must report to Schindler (see Speak-up line in cif. 10.4) any hints about or requests to participate in such practices.

## **4- Fair Competition**

Supplier shall maintain a high standard of fair business and competition. Supplier shall not enter into any agreements with its competitors to set prices, restrict the availability of products, or allocate customers or markets.

## **5- Trade Sanctions & Export Control**

Schindler complies and requires all its Suppliers to identify and comply with applicable trade sanctions and export control laws, including but not limited to US, EU, Chinese and Swiss trade sanctions laws. Suppliers need to know the trade sanctions and export control laws applicable to them and to comply with them.

Supplier shall inform Schindler without delay if (i) Supplier, its immediate owner or ultimate beneficial owner, or any director, officer or representative of Supplier is or becomes subject to international trade sanctions or restrictions, or (ii) Supplier becomes subject to a sanctions compliance investigation, or (iii) Supplier is or becomes aware that any of the products, software or technology it supplies to Schindler is subject to any export controls or export license requirements. Supplier shall provide Schindler upon request with all information related to the export-controlled product and its license requirements, where applicable.

In case some trade sanctions are in conflict with other trade sanctions or laws applicable to you (e.g. anti-sanction laws), our trade sanction and export control experts are pleased to support.

## **6- Conflicts of Interest**

Supplier shall avoid any interaction with Schindler personnel that may conflict, or appear to conflict, with the duty of Schindler personnel to act in the best interests of Schindler. Conflict of interest typically occurs when personal interests interfere with or appear to interfere with a Supplier's ability to perform the work/services without bias. Supplier shall disclose to Schindler all conflicts of interest or situations giving the appearance of a conflict of interest in its engagement with Schindler. Further, Supplier shall inform Schindler if any Schindler personnel or members of their family or relatives hold a material financial or other interest in vendor or supplier, holds a managerial position with vendor or supplier, or is directly or indirectly employed by vendor or supplier.

## **7- Intellectual Property and Confidentiality**

Supplier shall hold Schindler's business, financial and technical data as well as business correspondence confidential and not misappropriate Schindler's or others' tangible or intellectual property. Technology and know-how must be transferred in a manner that protects intellectual property rights.

Supplier must use appropriate means to safeguard Schindler information, internally and externally, by ensuring internal firewalls are in place and that Supplier's organization understands confidentiality requirements. Unless authorized by Schindler in writing, Supplier is not entitled to publicize its cooperation with Schindler or utilize Schindler trademarks without the express prior written consent of Schindler. If you are party to a non-disclosure or confidentiality agreement with Schindler, that agreement is incorporated by reference and your obligations under that agreement are in addition to those set forth in this Section.

## **8- Privacy, Personal Information and Data Security**

Supplier shall maintain and adopt reasonable safeguards to secure personal data and confidential information of all with whom Supplier does business or otherwise interacts (e.g., other suppliers, customers, consumers, and employees), including Schindler. Supplier must comply with all applicable privacy and information security laws and regulatory requirements, including as applicable the General Data Protection Regulation of the EU (GDPR), the Swiss Data Protection Act, the California Consumer Privacy Act (CCPA), and the Brazilian Lei Geral de Proteção de Dados (LGPD), and all other applicable federal, state, provincial, and local laws, statutes, regulations, rules, and ordinances of any country or jurisdiction relating to privacy, data protection, information security or data breach notification.

If Supplier believes or has reason to believe that any unauthorized destruction, loss, alteration of or access to personal data of Schindler has occurred (a "Security Incident"), Supplier shall: (a) promptly notify us; (b) promptly, in consultation with us, start an investigation of the Security Incident and take all appropriate actions to remediate the effects of the Security Incident and mitigate any risk that may arise from the Security Incident; (c) preserve all records and other evidence relating to the Security Incident; (d) provide us with a written report on the outcome of its investigation, including any risk to the personal data of Schindler, the corrective action Supplier will take, or has taken, to respond to the Security Incident and such other information as we may reasonably request; and (e) provide us with satisfactory assurance that such Security Incident will not recur. Schindler will not be restricted from disclosing the occurrence of a Security Incident to our customers, potential customers, employees, or governmental authorities.

## **9- Quality Assurance and Product Safety**

Supplier shall maintain a quality assurance program ensuring that its products and services meet or exceed all applicable quality commitments. Schindler's Quality Management System is driven by the international standard: ISO 9001: 2015. Schindler's requirement towards our suppliers is to perform quality assurance measures that include identification and correction of issues and defects before products are shipped, conducting testing to identify issues and defects, and identifying and correcting the root causes

of issues and defects. Supplier shall also develop, implement, and maintain methods and processes appropriate to its products to minimize the risk of introducing counterfeit parts and materials into deliverable products.

## **10- Implementation and Management systems**

Suppliers are required to establish appropriate management systems that include effective due diligence procedures to detect, prevent, and mitigate any adverse impacts related to corruption, human rights, labor rights, occupational health and safety, and the environment. This shall ensure compliance and facilitate continuous improvement on the requirements, also with Suppliers.

Suppliers must put in place appropriate and effective reporting mechanisms in all areas addressed by these requirements, to allow for workers and communities (and their organizations, where they exist) to raise concerns. Complaints and incidents must be regularly monitored and incorporated into the vendors' and supplier's risk assessment considerations and mitigation measures, as part of the management system.

Suppliers must meet all relevant local and national regulations on the environment including the implementation of an effective environmental management system that supports identifying risks, measuring and monitoring performance, and driving continual improvements to mitigate or minimize environmental and social impacts in their operations. Where local laws are less stringent than Schindler's policies and internationally recognized human rights and labor standards the vendors or suppliers shall seek to follow the higher standards where possible.

Schindler will review and may terminate its business dealings with any vendors or suppliers who fail to adhere to these principles or violate in any way the terms of this Policy.

You and your company as Supplier acknowledge the importance of meeting or exceeding the requirements of this Policy and agree that it is an integral part of each and every contract between Schindler and the Supplier. To the extent that the terms of this Policy conflict with any such contract, you will comply with the more stringent requirement.

### 10.1- Flow Down

Supplier shall ensure that its agents, contractors, vendors, suppliers, and business partners directly or indirectly engaged in the provision of products or services to Schindler comply with this Policy.

### 10.2- Recording and Monitoring Compliance

Supplier is required to actively help Schindler in achieving compliance with this Policy. Supplier shall create and maintain accurate books and records regarding the products and services provided to Schindler and Supplier's compliance with this Policy. Such records must be retained based on applicable retention requirements, including all company requirements, relevant laws, regulations, and guidelines (including the Foreign Corrupt Practices Act of the United States and similar laws and regulations in other relevant jurisdictions). Supplier shall make such records, and all relevant information and documents needed to verify Supplier's compliance with the Policy, available for review by Schindler or its auditors upon request.

### 10.3- Commitment and Accountability

Schindler will review and may terminate its business dealings with any Suppliers which fail to adhere to these principles or violate in any way the terms of this Policy.

### 10.4- Reporting of Concerns

Supplier shall inform Schindler if Supplier becomes aware of any potential violation of this Policy, Reports, questions, or concerns with Supplier's compliance with this policy. This information can be sent to your Schindler Category Manager. In addition, reports can be made (anonymously, where permitted by local law) via the Schindler Speak Up Hotline (<https://schindler.integrityline.com/>) or by email to the relevant Schindler Compliance Officer.

Supplier shall provide its personnel with adequate systems to raise their concerns and grievances. If permissible by applicable laws, these reporting systems must protect confidentiality and allow anonymity. Supplier shall not directly or indirectly retaliate against personnel who report misconduct or raise an ethical issue in good faith.

Schindler or its designees may survey Supplier's relevant premises to validate compliance with this Policy if Schindler has reason to believe that Supplier may be in breach of this Policy.

## 11 - Entire Policy and Interpretation

This Responsible Sourcing Policy supersedes and replaces any previous policies of Schindler regarding its subject matter.

Headings are for reference purposes only and shall not in any manner affect the meaning, interpretation, or effect of any provision hereof. References to specific legal requirements in this policy are not intended to limit the general scope of Supplier's responsibility to comply with all applicable laws.

## 12 – Changes to this Policy

Schindler reserves the right, at its sole discretion, to amend or modify this Policy at any time. Schindler will notify Supplier sufficiently in advance of such changes taking effect.

## Acknowledgement and Agreement

Unless otherwise acknowledged and agreed by Supplier (e.g. as part of an agreement), this Policy must be signed by duly authorized signatories of the respective Supplier company and returned to sender within 15 working days of receipt. Therefore, by signing below, Supplier confirms receipt of a copy of Schindler's Responsible Sourcing Policy and agrees to comply with its terms henceforth.

Supplier Company Name:

Supplier Company Address:

Authorized Signatory 1:

Authorized Signatory 2 (if required):

## References

- Schindler Code of Conduct ([group.schindler.com/coc](https://group.schindler.com/coc))
- Schindler CoC Guidelines ([group.schindler.com/coc-guidelines](https://group.schindler.com/coc-guidelines))
- Schindler Human Rights Policy ([group.schindler.com/hrp](https://group.schindler.com/hrp)) and the principles, guidelines and standards referenced therein:
  - [Universal Declaration of Human Rights \(UDHR\)](#)
  - [International Covenant on Civil and Political Rights \(ICCPR\)](#)
  - [International Covenant on Economic, Social and Cultural Rights \(ICESCR\)](#)
  - [ILO Core Labor Conventions](#)
  - [ILO-IOE Child Labour Guidance Tool for Business](#)
  - [UNICEF's Children's Rights and Business Principles \(CRBP\)](#)
  - [Ten Principles of the UN Global Compact \(UNGC\)](#)
  - [United Nations Guiding Principles on Business and Human Rights \(UNGPs\)](#)
  - [OECD Guidelines for Multinational Enterprises](#)
  - [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#)
  - [Women's Empowerment Principles \(WEP\)](#)
- Schindler's Inclusion & Diversity Commitment ([Link](#))