



Supplier guideline

1. Preamble

SAR Elektronik GmbH is committed to ecologically and socially responsible corporate management. We expect the same behavior from all our suppliers. We also expect our employees to observe the principles of ecological, social and ethical behavior and to integrate them into the corporate culture. Furthermore, we strive to continuously optimize our business activities and our products [or services] in terms of sustainability and ask our suppliers to contribute to this in the sense of a holistic approach.

For future cooperation, the contractual partners agree to the validity of the following regulations for a joint code of conduct. This agreement shall form the basis for all future deliveries. The contractual partners undertake to comply with the principles and requirements of the Code of Conduct. Suppliers are requested to contractually oblige their subcontractors to comply with the standards and regulations set out in this document. This agreement comes into force upon signing. A breach of this Code of Conduct may be cause for the company to terminate the business relationship, including all associated supply contracts.

The Code of Conduct is based on national laws and regulations as well as international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on the Rights of the Child and Business Conduct, the United Nations Guiding Principles on Business and Human Rights, the International Labor Standards of the International Labor Organization and the United Nations Global Compact. We expect our suppliers to comply with all relevant laws and regulations as well as the requirements of standards.

2. Requirements for suppliers

2.1. Social responsibility

2.1.1. Exclusion of forced labor

No forced labor, slave labor or comparable work may be used. In the context of ethical recruitment, all work must be voluntary and employees must be able to leave work or employment at any time. In addition, there must be no unacceptable treatment of workers, such as psychological hardship, sexual and personal harassment.

2.1.2. Prohibition of child labor

Child labor may not be used at any stage of production. Suppliers are requested to comply with the recommendation from the ILO conventions on the minimum age for the employment of children. Accordingly, the age should not be less than the age at which compulsory education ends and in any case not less than 15 years.

2.1.3. Fair remuneration

Die den Arbeitskräften gezahlte Vergütung hat sämtlichen anwendbaren Gesetzen zur Entlohnung zu entsprechen, wozu z. B. Gesetze zum Mindestlohn oder zu Überstunden gehören. Falls der gesetzliche Mindestlohn nicht ausreicht, die Kosten des Lebensunterhalts zu decken, ist der Geschäftspartner verpflichtet, ein Entgelt zu zahlen, das die Grundbedürfnisse deckt. Lohnabzüge als Strafmaßnahmen sind nicht zulässig. Die Grundlage, nach der Arbeitskräfte entlohnt werden, wird den Mitarbeiterinnen und Mitarbeitern fortlaufend durch eine Lohnabrechnung bekannt gegeben.

2.1.4. Fair working hours

Working hours must comply with applicable laws or industry standards. Overtime is only permitted if it is voluntary and does not exceed 12 hours per week, while employees must be granted at least one day off after six consecutive working days. The weekly working time may not regularly exceed 48 hours.

2.1.5. Freedom of association

The supplier respects the right of workers to freedom of association, to join trade unions, to appeal to workers' representatives or to join works councils in accordance with local laws. Workers must be able to communicate openly with management without fear of reprisal or harassment.

2.1.6. Prohibition of discrimination

Discrimination against employees in any form is not permitted. This applies, for example, to discrimination based on gender, race, caste, skin color, disability, political conviction, origin, religion, age, pregnancy or sexual orientation. The personal dignity, privacy and personal rights of each individual are respected.

2.1.7. Health protection, safety in the workplace

The supplier is responsible for a safe and healthy working environment. By setting up and applying appropriate occupational safety systems, necessary precautionary measures are taken against accidents and damage to health that may arise in connection with the activity. In addition, employees are regularly informed and trained on applicable health and safety standards and measures. Employees are given access to sufficient quantities of drinking water and access to clean sanitary facilities.

2.1.8. Use of private or public security forces

The deployment of security forces must be geared towards safeguarding the rights and dignity of all persons concerned. Security services may not use violence or impair the rights of employees or other persons.

2.1.9. Complaints mechanisms

The Supplier is responsible for establishing an effective grievance mechanism at the facility level for individuals and communities that may be affected by adverse impacts.

2.1.10. Dealing with conflict minerals

For the conflict minerals tin, tungsten, tantalum and gold, as well as for other raw materials such as cobalt, the company establishes processes in accordance with the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and expects its suppliers to do the same. Smelters and refineries without appropriate, audited due diligence processes should be avoided.

2.1.11. Financial responsibility

Suppliers are required to fulfill financial obligations properly and on time. This includes the payment of taxes, duties and salaries as well as the responsible management of financial resources to ensure the long-term stability of the business.

2.1.12. Export controls and economic sanctions

Suppliers are obliged to comply with all applicable export controls and economic sanctions. Trade with sanctioned countries, companies or persons is prohibited. Violations of legal regulations will not be tolerated.

2.2. Ecological responsibility

2.2.1. Treatment and discharge of industrial wastewater

Wastewater from operational procedures, manufacturing processes and sanitary facilities must be typified, monitored, checked and, if necessary, treated before discharge or disposal. In addition, measures should be introduced to reduce the generation of wastewater.

2.2.2. Dealing with air emissions

General emissions from operations (air and noise emissions) and greenhouse gas emissions shall be typified, routinely monitored, verified and treated as necessary prior to release. The supplier is also responsible for monitoring its emission control systems and is required to find cost-effective solutions to minimize any emissions.

2.2.3. Handling waste and hazardous substances/chemical management

The supplier shall follow a systematic approach to identify, handle, reduce and responsibly dispose of or recycle solid waste. Chemicals or other materials that pose a risk if released into the environment shall be identified and handled in a manner that ensures safety during handling, transportation, storage, use, recycling or reuse and disposal.

2.2.4. Reduce consumption of raw materials and natural resources

The use and consumption of resources during production and the generation of all types of waste, including water and energy, must be reduced or avoided. This is done either directly at the point of origin or through procedures and measures, e.g. by changing production and maintenance processes or procedures within the company, by using alternative materials, by making savings, by recycling or by reusing materials.

2.2.5. Dealing with energy consumption/efficiency

Energy consumption must be monitored and documented. Economic solutions must be found to improve energy efficiency and minimize energy consumption.

2.2.6. Dealing with animal welfare, biodiversity, land use and deforestation

The protection of animals, biodiversity and valuable ecosystems is a central component of our requirements. Our suppliers must guarantee that there will be no impairment of soil quality. Responsible planning ensures that land is used sensibly without additional deforestation. This also contributes to animal welfare and the preservation of biodiversity.

2.2.7. Land, forest and water rights and ban on forced evictions

All activities (including the production and processing of raw materials) should protect natural ecosystems and prevent the alteration, deforestation and degradation of forests. This is to be achieved through the identification and management of natural forests and other natural ecosystems. Furthermore, no unlawful evictions from land, forests or water bodies will be carried out, whether for acquisition, development or other use.

2.3. Ethical business conduct

2.3.1. Fair competition

The standards of fair business, fair advertising and fair competition must be observed. In addition, the applicable antitrust laws must be applied, which in particular prohibit agreements and other activities that influence prices or conditions when dealing with competitors. These regulations also prohibit agreements between customers and suppliers that are intended to restrict customers' freedom to determine their own prices and other resale conditions.

2.3.2. Confidentiality/data protection

The supplier undertakes to meet the reasonable expectations of its client, suppliers, customers, consumers and employees with regard to the protection of private information. The Supplier shall comply with data protection and information security laws and regulatory requirements when collecting, storing, processing, transferring and disclosing personal information.

2.3.3. Intellectual property

Intellectual property rights must be respected; technology and know-how must be transferred in such a way that intellectual property rights and customer information are protected. Suppliers undertake to respect patents, trademarks, designs and copyrights of SAR Elektronik GmbH and third parties and to protect them from misuse.

2.3.4. Plagiarisms

Suppliers must guarantee that no counterfeits are produced or distributed. All products supplied must be original and comply with legal and quality requirements.

2.3.5. Integrity/bribery, taking advantage

The highest standards of integrity must be applied to all business activities. The Supplier shall have a zero tolerance policy against all forms of bribery, corruption, extortion and embezzlement. Procedures for monitoring and enforcing standards shall be implemented to ensure compliance with anti-corruption laws.

2.3.6. Conflicts of interest

Suppliers must inform SAR of any situation that could lead to a conflict of interest, e.g. if SAR employees enjoy professional, private and/or significant financial benefits or have shareholdings in a supplier's company.

2.3.7. Whistleblowing and protection from retaliation

The Supplier undertakes to protect whistleblowers from dismissal, harassment or other forms of retaliation.

2.3.8. Sustainability policy of subcontractors

The supplier undertakes to also provide its suppliers with the standard sustainability policy regulations in a supplier guideline.

2.3.9. Disclosure of information

All relevant information relating to the environment, working conditions, safety and business practices must be disclosed in a transparent manner. SAR Elektronik GmbH expects complete and correct information that meets the legal requirements.

3. Implementation of the requirements

We expect our suppliers to identify risks within their supply chains and to take appropriate measures. In the event of suspected violations and to safeguard supply chains with increased risks, the company requires disclosure of the supply chains.

The company checks compliance with the standards and regulations listed in this document using a self-assessment questionnaire and sustainability audits at suppliers' production sites.

The company reserves the right to take appropriate measures against suppliers who do not meet these requirements, which may ultimately lead to the suspension or termination of a supply relationship.

4. Acknowledgement and consent of the supplier

By signing this document, the supplier undertakes to act responsibly and to comply with the principles/requirements listed. The supplier confirms that it effectively communicates the content of this code to employees, agents, subcontractors and suppliers and ensures that all necessary precautions are properly implemented.