



# Blösch AG

## Supplier & Sub-contractor

### Code of Conduct

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#### Preamble

Blösch AG undertakes to uphold moral and ethical values in its business management. Relationships with our trading partners are based on fair, honest and mutually beneficial negotiations, contributing to a high quality of products and services.

The Blösch AG Supplier & Sub-Contractor Code of Conduct supports this commitment. Blösch AG requires that all of its business partners take note of this code of conduct and implement the same principles and ethical values in their own business management. Additionally, we ask our suppliers to make every effort to ensure that these principles are presented to subcontractors and suppliers.

## General duties and ethical trading practices

### Article 1 – Legislation and regulations

Suppliers and subcontractors shall refer to the laws and legislation in force in their country of operation. Where the legislation in force and the code of conduct address the same issue, the most restrictive provision shall prevail.

Suppliers shall ensure that production, delivery or any other transaction subject to specific governmental, legal or regulatory agreements only commence when the required authorizations have been granted.

### Article 2 – General ethical trading practices

Blösch AG expects its suppliers to act in an ethical and transparent manner in respect of business relationships, and in accordance with the applicable principles of this Code of Conduct. They therefore recognize that fundamental commercial principles relating to manufacturing and trade secrets, respect for intellectual property, truthfulness, veracity of information and transparency contribute to stable and lasting business relationships with Blösch AG.

### Article 3 – Anti-corruption and money laundering

Blösch AG prohibits any type of corruption arising from its suppliers or third parties. Suppliers and third parties shall refrain from offering employees of Blösch AG money, loans, rebates, gifts or other types of compensation that could call into question the objectivity and fairness of business decisions. Promotional gifts or presents of reasonable value may be allowed in the event that they comply with the laws and regulations in force. Our suppliers and subcontractors will commit to strongly condemning and taking action against corruption in all its forms.

Suppliers shall combat practices relating to money laundering and financing of terrorism, and enforce the laws and standards in force in this matter. They shall also preserve the security of products during transport, delivery and supply in order to prevent fraud and crime.

## Social responsibility

### Article 4 – General principle

Suppliers shall respect and enforce the United Nations Universal Declaration of Human Rights. They shall also adopt and implement fair and ethical working conditions.

### Article 5 – Occupational health and safety

Suppliers must provide their employees with safe and healthy working conditions in accordance with local laws and any regulations specific to the sectors in which they operate. Health and safety standards must be strictly followed in each of the supplier's manufacturing processes. Appropriate procedures shall be put in place to prevent accidents, injuries, and work-related illnesses. Employees shall be made aware of any risks and hazards to their health and safety, which are specific to their activity. Suppliers will take steps to minimize risks to their employees.

### Article 6 – Remuneration and working hours

Suppliers shall comply with applicable laws and collective agreements in force relating to the statutory minimum wage, other aspects of pay, normal hours of work and benefits. Suppliers shall pay overtime at normal or increased rates in accordance with the applicable legal provisions, and shall not withhold pay for disciplinary reasons.

Normal hours of work shall not exceed the limits imposed by the International Labor Organization conventions and national legislation or collective agreements in force in the industry. Suppliers shall provide all employees with statutory vacation.

## Article 7 – Freedom of association

Suppliers shall allow their employees to freely join an association or union without incurring any penalty, discrimination or other type of harassment. If local labor legislation limits these freedoms, the supplier is encouraged to promote parallel means of free and independent association and negotiations on the part of its employees.

## Article 8 – Non-discrimination

Suppliers shall prohibit any workplace discrimination with respect to hiring, pay, overtime, access to training, promotion, dismissal, or retirement, which is due to race, ethnicity, caste, nationality, religion, disability, gender, sexual orientation, trade union membership, political affiliation, marital status, pregnancy, physical appearance, age, or any other unlawful grounds.

## Article 9 – Forced labor

Suppliers shall prohibit the use of forced labor, such as coerced labor, the confiscation of documents, physical/verbal intimidation or obligatory labor, and shall not restrict the freedom of movement of employees. Any type of work or service imposed under threat of a penalty in the event of a lack of results, or for which the general employment conditions are not voluntary, is considered forced labor.

Suppliers shall not demand any form of down payment, payments to obtain employment or advances on equipment by its employees. Moreover, they will not prevent employees from leaving their employment after reasonable or statutory notice.

## Article 10 – Child labor

Providers can hire young people under the age of 18 and over the age of 15 (or who have not yet attained the age of completion of compulsory schooling) only in specific cases such as apprenticeships or "summer jobs." Young people are permitted to work in a job that does not pose a risk to their health, safety, or moral welfare, in accordance with the legislation in force.

## Article 11 – Discipline and harassment

Providers shall prohibit any recourse for degrading treatment, harassment, physical abuse, coercion, threat, or intimidation in any form whatsoever. Blösch AG recommends that suppliers put an internal disciplinary process in place and communicate it to its employees.

# The Environment

## Article 12 – Atmospheric emissions, energy and water

Suppliers must be able to measure and verify that the atmospheric emissions produced by their activities comply with legal requirements.

Suppliers shall put in place a system that allows them to control their energy consumption and, insofar as is possible, implement improvements to reduce this consumption as well as reduce the greenhouse gases emitted as a result of their activities.

Where possible, suppliers shall put in place a system to control their water consumption. Such systems shall comply with the laws and legislation in force and in the case of exemptions, shall obtain the necessary authorizations. Where appropriate, suppliers shall put in place appropriate measures to limit water consumption and use systems to prevent pollution resulting from chemical substances.

## Article 13 – Hazardous substances and waste

Suppliers shall comply with legislation on the use of hazardous substances. They shall also prohibit the use of substances banned by national and international regulations. In the case of exemptions, they must obtain the necessary authorizations and up-to-date material safety data sheets. Hazardous substances shall not be discarded, released, or dumped illegally.

Suppliers shall monitor that hazardous and non-hazardous waste is handled, stored, and transported in accordance with current safety standards.

## Responsible supply chains

### Article 14 – Product information

Suppliers will honestly communicate the nature of the products they sell. They shall disclose the characteristics of the products they supply to Blösch AG in accordance with the applicable legislation, as well as, if appropriate, the specific national or international regulations and generally accepted industry standards.

Blösch AG may ask suppliers for information on the country of origin of the products delivered as well as the sources of supply of the components and raw materials used in their manufacture.

### Article 15 – Non-supply of "dirty gold"

Blösch AG complies with the principles of the responsible sourcing of gold. Blösch AG requires its suppliers to ensure, insofar as is possible, that the method of extraction of the gold supplied respects human rights and labor laws, and does not harm the environment.

### Article 16 – Policy in respect of diamonds

Suppliers shall have regard to the Kimberley Process Certification Scheme and the World Diamond Council System of Warranties, which aim to stop the trade in conflict diamonds. Suppliers shall:

- Supply only untreated natural diamonds from legitimate sources that comply with the Kimberley Process and the World Diamond Council;
- Have control systems and mechanisms in place in order to identify synthetic stones;
- Prohibit the purchase or assistance in the purchase of conflict diamonds;
- Insert a vendor warranty declaration in all sales invoices for diamonds received by Blösch AG;
- Ensure that employees who purchase and sell diamonds are well informed about the Kimberley Process, government restrictions regarding the trade in conflict diamonds and their obligation to comply with the Blösch AG policy;
- Provide complete and comprehensive information on the gemstone characteristics in accordance with national and international laws and good industry practice.

### Article 17 – Colored stones

Suppliers shall ensure that colored stones are mined according to human rights and labor laws, and are not sourced from conflict zones. Suppliers shall communicate all physical characteristics of the stones with total transparency and in accordance with national and international laws.

## Application and compliance

### Article 18 – Compliance with the Code of Conduct

Blösch AG expects its suppliers to communicate the principles of this Code of Conduct to their employees, subcontractors and any third parties with whom they enjoy a business relationship.

In addition, Blösch AG reserves the right to request information from its suppliers regarding compliance with the terms of this model Code of Conduct, and to verify the application of these principles at any time and without notice. If necessary, Blösch AG may require a supplier to prove that it complies with this Code of Conduct. Blösch AG is authorized to visit the production sites of suppliers as well as those of their subcontractors and suppliers to ascertain whether conditions are met.

In the case of non-compliance, suppliers and subcontractors must undertake to improve and correct any such non-compliance. Blösch AG reserves the right to terminate its commercial relations with any supplier who violates this Code of Conduct or whose suppliers or subcontractors contravene this Code of Conduct.