



Zehnder Group Supplier Code of Conduct

Zehnder Group International Ltd. (“Zehnder”) together with all its affiliates strives to improve the quality of life by providing its customers the best indoor climate solutions. Our claim “Always the best climate” embodies our vision.

Long-term cooperation, mutual commitment, sustainability and social responsibility are key principles that represent our vision. Zehnder strives to implement those principles in the procurement of raw materials, semi-finished goods, finished products, services and CAPEX investments. Together, we expect our suppliers to live these principles and commitment in support of our vision.

Zehnder strives for economic, social and environmental sustainability to ensure delivery of our products to our customers and the long-term success of Zehnder and its stakeholders. Our suppliers are business partners with expertise and capabilities that we use to enable improvements in efficiency, effectiveness and business continuity. In delivering our products, our customers and stakeholders expect Zehnder to uphold high standards of responsible and ethical behaviour in our operations and to hold our suppliers to the same high standards.

To honour this commitment, Zehnder has been a signatory of the United Nations Global Compact (UNGC) since 2022 and is thus committed to actively promoting the 10 UNGC fundamental principles addressing human rights, labour, the environment and anti-corruption. Our Supplier Code of Conduct (“Code”) integrates these principles, and aims to encourage collaboration, transparency, and honesty between Zehnder and its suppliers.

This Code applies to all Zehnder’s suppliers worldwide. The requirements of this Code extend to all employees of every supplier, regardless of their role at or relationship with the supplier. Hence, this Code also applies to workers who are employed or mandated in any capacity, on short-term contracts, or on a part-time basis.

Suppliers will actively oblige their suppliers or contractors to comply with the principles of this Code in their supply-chain and are expected to document their efforts to achieve such goals. Notwithstanding, Zehnder may explicitly require suppliers to apply this Code to certain sub-suppliers.

Suppliers must comply with this Code in every business relationship with Zehnder. Zehnder is determined to maintain high standards of business ethics and integrity and we always comply with the applicable laws and our internal policies. This ethical standard of doing what is right is a mentality we wish to encourage in our suppliers. As such, this Code is based on internal Zehnder guidelines, as well as international reference framework and soft law, such as the following regulations:

- Zehnder Group Code of Conduct ([link](#))
- Zehnder Group Human Rights Directive ([link](#))
- United Nations Universal Declaration of Human Rights (UDHR)
- United Nations International Covenant on Civil and Political Rights (ICCPR)
- United Nations International Covenant on Economic, Social and Cultural Rights (ICESCR)
- United Nations Women’s Empowerment Principles (WEPs)
- International Labor Organization (ILO) and ILO Core Labor Conventions



- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- Ten Principles of the United Nations Global Compact (UNGC)
- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Business Conduct
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- UNICEF's Children's Rights and Business Principles (CRBP)
- ISO 45001 Occupational Health and Safety Management (OHS) Standard
- ISO 14001 Environmental Management
- United Nations Convention on the Rights of the Child
- International Labor Organization (ILO) and ILO Core Labor Conventions

A. Human rights

As a supplier to Zehnder, supplier shall:

- Comply with fundamental human, workers', and consumers' rights;
- Respect the personal dignity, privacy and rights of each individual;
- Refuse to make any person work against their will, and;
- Prohibit behaviour including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative

B. Fair labour conditions

Supplier shall ensure fair labour conditions. In particular, supplier shall:

- Refrain from employment discrimination based on gender, age, ethnicity, nationality, religion, marital status, disability, union membership, political affiliation or sexual orientation;
- Support diversity within both the general employee body and management;
- Respect the rights of its employees to freely associate and bargain collectively;
- Not tolerate or use child labour in any stage of its activities;
- Not use any forced labour, and allow all employees to end their employment freely upon reasonable notice;
- Compensate employees fairly with a wage that covers basic needs, and follow local wage regulations and / or collective agreements, including on overtime pay and pay parity, and;
- Ensure that working hours, including overtime, time off, and breaks are in line with the applicable local legislation and international standards.

C. Health, safety and environmental management

Supplier shall provide a safe and healthy workplace for all their employees and shall conduct their business in an environmentally sustainable way. In particular, supplier shall

- Undertake efforts to continuously reduce greenhouse gas emissions, and specifically reduce within-company emissions to net zero by 2050;
- Establish appropriate organizational structures and procedures for the effective management of health, safety and environmental risks;
- Adhere to all relevant health, safety and environmental regulations;



- Ensure that all workers are sufficiently aware of these risks and appropriately trained on the implementation of control measures, including but not limited to fire response and first aid;
- Provide necessary safety and protective equipment to employees;
- Ensure access to clean drinking water and sanitary facilities at all times;
- Assist Zehnder with environmental reporting standards compliance by providing environmental information when requested on supplied materials, products, and services, including Life-Cycle Assessments (LCAs) and/or Environmental Product Declarations (EPDs);
- Ensure efforts to safely dispose of and reduce the use of hazardous substances in operations;
- Implement the principles of the Circular Economy where possible, including but not limited to committing to waste reduction, improving the share of recycled material in products, and improving the recyclability of products;
- Ensure efforts to continuously minimize the negative environmental impact of both own and supply-chain operations and to improve environmental protection, and;
- Comply with the environmental laws and requirements in force at the place of manufacture.

D. Material compliance and conflict minerals

- Supplier shall ensure that the goods provided to Zehnder comply with all relevant legal and customer requirements¹, regarding the prohibition and restriction of substances, including hazardous substances.
- Supplier must comply with all applicable laws and regulations regarding minerals likely connected to conflict areas². Additionally, supplier must establish a policy to reasonably assure that the procurement of high-risk minerals for their products does not directly or indirectly finance or benefit armed groups.
- Supplier is expected to develop, implement, and maintain effective methods and processes appropriate to their products to minimize the risk of introducing counterfeit parts and materials into deliverable products. In addition, supplier shall provide notification to recipients of counterfeit product(s) when warranted and exclude them from the delivered product.

E. Business ethics

Supplier shall conduct its business in an ethical manner. In particular, supplier shall:

- Assure full compliance with applicable laws and international standards;
- Refrain from any and all forms of money-laundering, corruption, extortion and bribery, in particular regarding payments, gifts, or other commitments;
- Adhere to anti-trust and other competition laws;

¹ These requirements include but are not limited to: RoHS (Restriction of Hazardous Substances), REACH (Registration, Evaluation Authorization and Restriction of Chemicals), perfluoroalkyl substances (PFASs) regulations, and The Red List Building Materials by the International Living Future Institute.

² Minerals likely connected with conflict areas are the following (<https://www.responsiblemineralsinitiative.org/>): Tin, Tantalum, Tungsten, Gold, Mica, Bauxite, Copper, Silver, Iron, Cement, Sulfur, Cobalt, Zinc, Rare Earth elements.



- Immediately disclose to Zehnder (by contacting compliance@zehndergroup.com) all information regarding actual or potential conflicts of interest in connection with its activities as a Zehnder supplier, including disclosure of any financial interest a Zehnder employee may hold in supplier's business;
- Protect all sensitive information, including confidential, proprietary and personal information provided by Zehnder and our respective business partners;
- Respect applicable laws governing intellectual property rights assertions, including protection against disclosure, patents, copyrights and trademarks;
- Adhere to international trade regulations (traffic control) and export control regulations such as sanctions or the international boycott list;
- Protect confidential and proprietary information of others, including personal data from unauthorized access, destruction, use, modification, and disclosure, through appropriate physical and electronic security procedures; and
- Comply with applicable data privacy laws.

F. Secure business

Supplier shall conduct its business in a safe manner. In particular, supplier shall:

- Implement reasonable measures for minimizing exposure of Zehnder to security threats such as terrorism, crime, cyber-attacks, pandemics and natural disasters;
- Report data breaches or cyber-attacks which may affect supply of products to Zehnder immediately;
- When visiting or working at Zehnder locations, follow Zehnder's security procedures and report any security concerns to the appropriate Zehnder channels;
- Make all reasonable efforts to implement an emergency response program that addresses the most likely anticipated emergencies and puts in place adequate measures to mitigate risks to product supply; and
Have an adequate product safety stock or similar to bypass production shortages and the like.

G. Procurement by supplier

Supplier shall procure goods and services in a responsible manner. In particular, supplier shall:

- Select its own tier one suppliers providing goods or services directly or indirectly to Zehnder on the basis that they agree to comply with standards comparable to those set forth in this Code;
- Track and manage the sustainability performance of their suppliers;
- Perform risk assessments of all suppliers (economic, environmental, or social impacts) and manage the identified risks accordingly; and
- Conduct internal trainings of the procurement team to fulfil these standards.



H. Inspections and corrective actions

Supplier shall:

- Ensure and demonstrate compliance with this Code;
- Keep records of all relevant documentations and provide Zehnder with supporting documentation upon request; and
- Verify its compliance with this Code at all times.

Zehnder reserves the right to audit and inspect supplier's operations and facilities at Zehnder's own cost and upon reasonable notice, with or without support of a third party. If the results of such an audit or inspection causes Zehnder to believe that supplier does not comply with this Code, supplier shall take necessary corrective actions in a timely manner, as directed by Zehnder. If supplier fails to rectify the deficiencies in due time as directed by Zehnder, Zehnder may take appropriate sanctions, including suspending or terminating any business relationship with supplier.

I. Access to remedy

- Zehnder welcomes open dialogue about meeting the criteria of this Code and expects all suppliers to show willingness to eliminate non-conformities.
- In the spirit of this, Zehnder welcomes and supports the implementation of grievance mechanisms by suppliers, including whistleblowing and integrity lines, which provide a simple and accessible channel for stakeholders to raise concerns to be addressed by the company, assisting in the prevention, detection, and remediation of corporate misconduct.
- In the context of our business relationship, if suppliers believe that the terms of this Code are not adhered to, or that Zehnder is not acting in accordance with this Code, we encourage to raise such concerns via E-Mail to: compliance@zehndergroup.com or via our integrity line <https://zehndergroup.integrityline.com>, which is an online tool to report compliance breaches.

This Code was released by the Group Executive Committee on 26.10.2021 and entered into force the same day. It was updated effective as of 27.12.2024. It may be adapted from time to time.

Zehnder Group Human Rights Directive

Accessible via the following link: <https://documents.zehndergroup.com/human-rights-directive>

Zehnder Group Code of Conduct

Accessible via the following link: <https://documents.zehndergroup.com/code-of-conduct>

Zehnder Group Integrity Line:

Accessible via the following link: <https://zehndergroup.integrityline.com> or by using the following QR Code;



Date

Name

Company details (stamp or write your company details)