

A fascination for packaging. **Since 1876.**



SCHELLING at a glance

SCHELLING AG is a company rich in tradition built on the foundations of trust. Each and every decision made within the company is expected to comply with the Code of Conduct. Any breaches are expected to be reported by each employee as a matter of course without them having to fear any repression thereof.

As a leading manufacturer of packaging, we bear a special responsibility towards our customers, our employees, consumers and the environment. We fulfil our responsibility under our "e⁵" quality label:

$$\text{ECONOMY} \times \text{ECOLOGY} \times \text{EFFICIENCY} \times \text{EMOTIONS} \times \text{ETHICS} = e^5$$



ECONOMY: The cost savings generated by ground-breaking packaging systems provides users with a crucial competitive advantage in the market.

ECOLOGY: Economic use of resources, reduced transport volumes, energy-efficient and environmentally friendly production and full recyclability.

EFFICIENCY: Innovative construction and automated assembly integrated into the production process produce the required packaging on a just-in-time basis.

EMOTIONS: We are passionately committed to our customers. The continuous pursuit of the best possible product solution for our customers is what drives us.

ETHICS: We always act in accordance with applicable laws and our company policies. Our actions are fair and truthful. We never compromise our values to achieve success.

We attach particular importance to "the 3Ms": mankind, materials and machinery. We give corresponding priority to investments in these areas. Our thoughts and activities are customer-focused.

Who are we?

SCHELLING AG (hereinafter referred to as SCHELLING) is an independent Swiss, family-owned company dating back more than 140 years. As a manufacturer of high-quality packaging and displays made from corrugated cardboard and solid board as well as print products, package leaflets and labels, it offers its customers everything under one roof as a one-stop shop.

SCHELLING, which is headquartered in Rapperswil, has five locations in Switzerland and Germany.

Introduction and scope

For SCHELLING, operating means acting with honesty and integrity based on "e⁵" at all times and in every situation. We would like to give our customers a fair and sustainable competitive advantage through our products and services. We also wish to offer all employees a forward-looking and secure working environment.

(The male form is used to represent all genders throughout the rest of the Code.)

1. Quality and product safety

We ensure that all products, raw materials and services meet the agreed requirements and specifications and are in line with applicable laws and provisions.

We shall notify our customers immediately if we establish or suspect that there are regulatory, quality-related, safety or labelling-related problems associated with products we have supplied or with SCHELLING products.

2. Compliance with laws and provisions

We shall comply with all the laws and provisions that apply in the countries in which we have a registered office or operate and consequently supply our products and services.

3. Prevention of bribery and corruption

We shall comply with the applicable laws to prevent bribery, corruption and money laundering.

We shall make every effort to prevent any form of bribery, corruption or illegal conduct. This also includes influencing the actions or decisions of relevant decision-makers, including government officials or private individuals. We shall refrain from granting any advantages to employees of business associates (in the form of bribes or similar) that serve the purpose of initiating business dealings.

4. Fair competition

We shall comply with any applicable competition and antitrust law. We shall refrain from any illegal conduct, such as price fixing, market sharing and market division, transmission of confidential and commercially relevant information or agreements about limiting sales or production to restrict or distort fair competition or the free market, in particular, agreements with other competitors.

5. Confidentiality and data protection

We shall treat any commercial, operational or technical information from business partnerships that is classified as confidential strictly confidentially. Confidential information may only be disclosed or made accessible to third parties by our business associates for purposes other than the successful fulfilment of the supplier's contractual obligations after prior approval in writing has been obtained.

Personal data, such as those of customers, suppliers or employees shall be stored and processed in line with the applicable data protection provisions.

6. Compliance with sanctions

We shall comply with applicable trade sanctions and embargoes and shall implement them without exception.

7. Prevention of conflicts of interest

We shall avoid any situation, such as the offering of gifts, invitations or hospitality, which could lead to a conflict between personal interests and the interests of the supplier or SCHELLING, or could prevent a fair and objective assessment.

8. Protection of assets

Assets, all equipment, instruments and materials that are made available to SCHELLING by business associates to fulfil our contractual obligations will be used conscientiously by SCHELLING. We shall treat this material with the necessary care and attention and shall guarantee that it is used, stored and maintained appropriately.

9. Intellectual property

We shall protect and respect our business associates' intellectual property. Any licensed property rights may only be used for the contractually agreed purposes.

10. Compliance with international labour standards

We shall respect international labour standards in accordance with the core labour standards of the International Labour Organization (ILO) and the UN Guiding Principles on Business and Human Rights and shall apply these accordingly.

11. Freely chosen employment

Every employment must be freely chosen. Forced labour, bonded labour, slavery and human trafficking will not be tolerated in any form whatsoever. We shall ensure that no deposits are collected during the appointment process and that no legal documents, such as originals of employees' identification documents, are retained and shall refrain from anything that leads to an unintentional dependency. We shall also ensure that employees' freedom is only restricted by the agreed contractual regulations regarding performance and that, apart from this obligation, employees are free to leave the site. Employees are free to leave their employer after an appropriate notice period.

12. No child labour

The term 'child labour' describes labour that is intellectually, physically, socially and/or morally dangerous or harmful for children and prevents them from attending school. SCHELLING does not employ children nor do we use child labour. We respect the principles of the ILO Convention No. 138 on the minimum age for admission to employment and the ILO Convention No. 182 on eliminating the worst forms of child labour and implement these conventions.

When appointing employees below the age of 18, we shall provide evidence that the young workers are not exposed to any inappropriate risks during their employment that could damage their physical, intellectual or emotional development.

SCHELLING has the requisite management systems to monitor its supply chains with regard to the risk of child labour and to take action against it. If cases of child labour emerge, SCHELLING will take the measures needed to stop them. If they occur, SCHELLING will contact the local government, NGOs and other stakeholder groups to end the occurrence of child labour and tackle the underlying issues.

13. Freedom of association

We shall respect the right of employees to join or not to join workers' organisations and trade unions of their choice and to participate in collective bargaining.

14. Lawful and fair remuneration

With regard to wages, working hours, social benefits and binding agreements including overtime, overtime allowances and other payment agreements, SCHELLING shall comply fully with all applicable laws and provisions. We pay employees at least the normal rates for the sector and match the local employment market. SCHELLING does not deduct any wages as a form of punishment. It also informs employees in writing and in the language of the respective employment location about the conditions of their employment in relation to their salary before their employment starts and provides details of the respective hours worked and remuneration thereof in each salary statement.

SCHELLING shall ensure that wages for employees' regular working hours will guarantee an appropriate standard of living for them and their dependants.

15. No excessive working hours

In relation to the number of working hours per day and the number of working hours per week, SCHELLING shall comply with applicable law. In emergencies, employees may be ordered to work overtime but this will be compensated appropriately.

16. No discrimination

SCHELLING does not discriminate against anybody on the grounds of race, gender, age, nationality, marital status, ethnic origin, religion, sexual orientation, membership of a trade union or other employees' organisation or political affiliation. Appointment, remuneration, promotion, disciplinary measures, employer benefits and conditions of employment are based solely on performance and a person's ability to do his work.

17. Respect and dignity

SCHELLING shall treat all employees with respect. Physical punishments, threats of violence and any form of verbal, physical, psychological or sexual assault or harassment are neither exercised nor supported.

18. Safe and healthy working conditions

SCHELLING shall provide its employees with a safe, healthy working environment, which complies with all applicable laws and provisions. It will prevent work-related accidents and emergencies through appropriate measures and will minimise the dangers inherent in the working environment. SCHELLING shall protect its employees from exposure to hazardous materials and will provide personal protective equipment free of charge if required.

All equipment provided for employees shall be clean and safe. SCHELLING shall ensure that employees have access to drinking water and clean sanitary facilities.

SCHELLING shall guarantee emergency management including the appropriate provision, labelling and announcement of emergency exits and instruction in emergency procedures. It will ensure that employees are adequately protected through regular emergency drills.

19. Environmental management

SCHELLING shall comply with all applicable provisions regarding environmental protection. We shall obtain all necessary, environmentally relevant approvals and registrations and will keep these up to date.

20. Environmental compatibility

SCHELLING shall minimise the environmental impact of its activities, in particular, the effects on the climate and biodiversity and will implement measures to protect soil and water. We also require our suppliers to use natural resources sustainably.

SCHELLING shall implement an internationally recognised environmental management system (ISO 14001), with which it will determine, manage and reduce its impacts on the environment and will document compliance with provisions as well as its measures for continuous improvement of environmental management.

SCHELLING shall set itself targets for protecting the environment and will publish these targets. It will implement the necessary measures and will switch voluntarily to better production processes and technologies with the aim of reducing its environmental impact. SCHELLING is committed to research into and development of environmentally friendly products and services. It shares "best practices" with its suppliers and implements measures to reduce environmental impacts along its entire supply chain.

21. Emissions

SCHELLING is actively committed to reducing its emissions of greenhouse gases in particular, makes efforts to measure and reduce its company's emissions and develops strategies for this purpose.

In accordance with the requirements of the environmental standard ISO 14001, of the Forest Stewardship Council (FSC) and the voluntary CO₂ compensation measures with the organisation myclimate, SCHELLING reports publicly on its greenhouse gas emissions, including those of its upstream activities and on its emissions of hazardous materials and has targets and strategies to reduce its entire climate impact. They encourage it to set scientifically based targets. Ideally, SCHELLING will be able to account for its emission intensity by product. The sustainability report can be downloaded from our website.

22. Deforestation and biodiversity

SCHELLING shall ensure that its business activities do not contribute directly to deforestation and to the loss of biodiversity. It checks raw materials in its supply chain that are linked to the risk of deforestation with the requisite care.

Before it establishes new businesses or expands existing businesses, SCHELLING not only obtains all necessary legal concessions but examines the project with the requisite care in relation to biodiversity, CO₂ and social aspects.

SCHELLING shall commit to ensuring that neither its businesses nor its supply chain contribute to uncontrolled deforestation, that it has the systems needed to monitor its supply chain with regard to compliance and progress with this obligation and shall deal with any possible violations immediately.

23. Safeguarding the rights of the indigenous and local population

SCHELLING shall pay attention to the rights of indigenous communities and the local population in the environment of its business activities and along the supply chain. It will act in line with the UN Declaration on Free, Prior and Informed Consent (FPIC).

24. Implementation of the Code in the supply chain

SCHELLING shall inform its own suppliers about the provisions of this Code. We expect all suppliers to implement and maintain a continuous process of improvement regarding the introduction of sustainable processes along the entire upstream supply chain, which is consistent with the requirements and principles of this document.

SCHELLING expects its suppliers to comply with this Code of Conduct to the same extent to which SCHELLING itself is committed to the Code. SCHELLING shall notify its suppliers of these requirements and will review compliance with these requirements on the basis of a risk approach.

25. Traceability

SCHELLING shall maintain a directory of its direct suppliers and is able to trace flows of material back to the locations providing them.

SCHELLING actively involves its supply chain to improve transparency and traceability and is able to trace raw materials back to their place of origin.

26. Instructions for implementation

SCHELLING shall ensure that this Code of Conduct is complied with in its entirety by:

- Formulating guidelines
- Defining and allocating roles and responsibilities
- Implementing processes
- Informing all employees and relevant third parties about the issues
- Giving employees and contractors adequate training
- Monitoring compliance with guidelines and processes
- Initiating corrective measures if necessary
- Reporting on progress

27. Reporting irregularities

SCHELLING shall offer its employees a communication channel through which they can report irregularities anonymously.

SCHELLING also has a process for dealing appropriately with complaints from employees and will ensure that they are protected against retaliatory measures.

28. Reports of breaches of the Code of Conduct

SCHELLING is required to react if it has sufficient reason to believe that employees, representatives or contractors of SCHELLING are engaged in misconduct such as financial irregularities, fraud, anti-competitive practices, corruption or breaches of material requirements in the areas of work, health, safety or the environment. Irregularities of this kind are to be reported by e-mail to compliance@schelling.ch.

29. Monitoring compliance

We expect SCHELLING to do all that is necessary to inform its employees, representatives and contractors of the principles of this Code and to ensure that they understand them and comply with them. SCHELLING is required to document compliance with the principles of this Code adequately. SCHELLING reserves the right to review compliance with the principles by suppliers.

If there are indications for SCHELLING that there have been breaches in certain areas at our business associates, we are required to take appropriate remedial action and in the most extreme cases to stop working with the associate.

30. Updating the Code

The SCHELLING Code will be regularly reviewed and updated to take account of changing requirements as a result of our commitment to "e⁵", Swiss legislation and normative requirements. The current issue of the Code can be viewed on our website under www.schelling.ch/en/downloads

References

The following references are not expected to create additional obligations above and beyond those laid down in the SCHELLING Code. However, we recommend that our business associates observe the references listed below.

Our references

SCHELLING Code of Conduct
ISO 9001:2015
ISO 14001:2015
ISO 45001:2018

International labour standards

Freely chosen employment

ILO Convention 29 (Forced or Compulsory Labour) and 105 (Abolition of Forced Labour)
'Employer pays' principle, which is laid down in the Dhaka Principles for Migration with Dignity.

No child labour

ILO Convention 138 (minimum age for admission to employment) and 182 (prohibition and immediate measures to eliminate the worst forms of child labour)

Freedom of association

ILO Convention 87 (freedom of association and protection of the right to organise) and 98 (right to organise and collective bargaining)

Lawful and fair remuneration

ILO Convention 131 (minimum wage fixing)

No excessive working hours

ILO Convention 1 (limiting the hours of work) and 14 (weekly rest day)

No discrimination

ILO Convention 100 (equal remuneration) and 111 (discrimination in employment and occupation)

Safe and healthy working conditions

ILO Convention 155 (occupational safety and health)

Environmental management

ISO 14001 Environmental management system standard

Code of Conduct

The undersigned confirm the following:

- We have received and noted the current SCHELLING Code of Conduct dated August 2023.
- We are responsible for knowing all relevant laws and regulations in the country or countries in which our company operates.
- Should the provisions of this Code contradict the laws or regulations of the country/countries in which we operate, we shall notify SCHELLING of this.
- We will comply with the provisions of this Code and its appendices.
- We will adequately inform our employees, representatives and contractors of the provisions of this Code and ensure that they abide by these provisions.
- We will document compliance with the Code and provide SCHELLING with the requisite evidence of this on request.

Signature

Name

Position

Company

Company
address

Date

The requirements and expectations listed in this document are additional to and do not replace requirements, standards, regulations, manuals and expectations applicable to the respective business associates. Existing contractual agreements between business associates and SCHELLING will neither be replaced nor restricted nor revoked by the Code. Should an agreement contradict the Code in whole or in part, the Code will apply. Otherwise, the present document represents an addition to these contractual agreements. Business associates that ask SCHELLING to demonstrate legally binding acceptance of their own Code of Conduct by way of a confirmatory signature are not expected to have to do this from now on, as SCHELLING undertakes to comply with the present CODE and expects the same from its business associate in order to comply with the business associate's Code.