

# // Sustainability Policy for ZSW Suppliers

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The basic principles set out in the United Nations Global Compact provide the framework for action and conduct at the ZSW. In order to establish these principles, the ZSW issues its suppliers with its Sustainability Policy, duly calling upon providers of goods and services to uphold and respect human rights and the relevant legislation. It is also incumbent upon ZSW suppliers to insist on adherence to the principles listed below and to put optimum measures in place to communicate the relevant standards in their own supply chains.

The ZSW expects its suppliers to abide by the following principles:

## **SOCIAL SUSTAINABILITY**

### **Respect for human rights**

ZSW suppliers are required to respect internationally acknowledged human rights and to facilitate appropriate conduct in recognition of the same. In all their business operations and within their own sphere of influence, ZSW suppliers are to put measures in place to ensure that there is no violation of human rights or involvement in any such abuse, either on their part or on the part of their business partners and suppliers.

### **Prohibition of forced labour**

Forced or compulsory labour is not permitted. Employees must not be compelled to surrender their identity card, passport or work permit as a precondition for employment.

### **Prohibition of child labour**

Child labour must not be used at any stage of production or processing. ZSW suppliers are required, as a bare minimum, to follow the recommendations set out in the Conventions published by the ILO (International Labour Organization) on the minimum age at which children may be employed. Children must not be inhibited in their development, and their health and safety must not be compromised.

### **Fair pay, working hours and social welfare benefits**

The basic principles which apply to the minimum wage, overtime and statutory social welfare benefits must be observed. Working hours and non-working times must comply, as a minimum, with the requirements set out in the applicable laws, the industry standards or the relevant ILO Conventions, whichever is stricter. Overtime is allowed on a voluntary basis only.

As a public contracting authority in Baden-Württemberg, the ZSW is subject to the law in force in the federal state of Baden-Württemberg demanding adherence to collective pay agreements and statutory minimum wage levels in public procurement (Landestariftreue- und Mindestlohngesetz Baden-Württemberg - LTMG). This law dictates that bidders issuing quotations to the ZSW for contracts worth EUR 20,000 or more must submit a signed undertaking along with the bid to pay the minimum wage ("Verpflichtungserklärung zum Mindestentgelt") or face disqualification from the tender process (exclusion criterion).

## **Equal opportunities / prohibition of discrimination**

ZSW suppliers have a duty to uphold equality in relation to employment opportunities and to refrain from any form of discrimination. Employees must not be placed at a disadvantage on any grounds, such as on the basis of their descent, ethnic origin, nationality, skin colour, religion, ideology, political activity, trade union involvement, gender, sexual orientation, age, disability, ill health or pregnancy.

## **Freedom of association and right to collective bargaining**

The principle of freedom of association should be upheld and the right to collective bargaining duly acknowledged. Employees must be able to discuss working conditions openly with the senior management without fear of disfavour or disadvantage. The right of workers to form a union and appoint a representative is respected, as is the right of any worker to join a union and to be elected as a representative.

## **Health and safety in the workplace**

In their capacity as employers, ZSW suppliers are required to put systems in place to guarantee health and safety in the workplace, duly abiding as a minimum within the national legislative framework and facilitating constant improvements in the working environment.

## **BUSINESS ETHICS & COMPLIANCE**

### **Observance of the law**

ZSW suppliers have a duty to observe all the laws and regulations applicable to them and to the business relationship with the ZSW. The highest standards of integrity are expected in all commercial operations and business relations. ZSW suppliers are required to refrain from any form of fraud or breach of trust, criminal offences relating to bankruptcy, corruption, granting of undue advantages, bribery or abuse of power.

### **Fair competition**

Laws which serve to defend and promote competition, especially antitrust laws, must be obeyed. ZSW suppliers must abide by the principles of fair competition, duly abstaining from any collusion with competitors and from other prohibited measures which impede the free market.

### **Prohibition of bribery and corruption**

The highest standards of integrity are expected of ZSW suppliers in all commercial operations and business relations. They must not engage in any form of corruption or embezzlement. There is a zero-tolerance policy with regard to blackmail and to the offering, acceptance and payment of bribes in order to influence representatives of business partners, political parties, local authorities, the judiciary or the public.

## **Trade secrets**

ZSW suppliers are required to keep trade secrets and have a duty of confidentiality in respect of commercial and technical information which is not in the public domain to which they become privy through the business relationship.

## **SUSTAINABILITY IN ENVIRONMENTAL PROTECTION**

### **Environmental stewardship**

ZSW suppliers are required to take a precautionary approach to environmental issues, introduce initiatives to promote greater environmental stewardship and put measures in place to encourage the development and spread of eco-friendly technologies.

### **Eco-friendly production**

ZSW suppliers must guarantee excellent environmental credentials in all phases of production. A proactive approach is required with a view to avoiding or minimising the risk of accidents which could have negative consequences for the environment. Particular importance is attached to the application and further development of energy-efficient and water-saving technologies – informed by the adoption of strategies for emission reduction, reuse and recycling.

### **Eco-friendly products**

All the products manufactured must meet the environmental protection standards along the supply chain in their market segment. This applies to the entire product life cycle and to all the materials used. Any chemicals and other substances which may pose a hazard if released into the environment must be identified. A management system must be set up for hazardous materials in order to ensure that suitable procedures are in place for their safe handling, transportation, storage, reprocessing or reuse and disposal.