
Code of Conduct

applicable to

Stadtwerke Karlsruhe GmbH



and the significant subsidiaries

Stadtwerke Karlsruhe Netzservice GmbH



Stadtwerke Karlsruhe Kommunale Dienste GmbH



SWK-Novatec GmbH

swk **novatec**

1. Scope and Purpose

Our Shared Responsibility

The Stadtwerke Karlsruhe GmbH group (hereinafter referred to as SWK) is committed to ethical, environmentally sound, and socially responsible corporate governance. We also expect our suppliers to respect the principles of social, environmental, and ethical conduct. Furthermore, we strive to continuously improve our business practices in line with sustainability and call on our employees and suppliers to contribute to this in the spirit of a holistic approach.

Our Code of Conduct is based on applicable national laws and regulations as well as internationally recognized standards and conventions, including the OECD Guidelines for Multinational Enterprises, the core labour standards of the International Labour Organization (ILO), the UN Global Compact, the Universal Declaration of Human Rights of the United Nations, and the UN Convention on the Rights of the Child.

The principles and requirements set out above and below also form an integral component of the Code of Conduct of our parent company Karlsruher Versorgungs-, Verkehrs- und Hafen GmbH (hereinafter referred to as KVVH, also see www.kvvh.de).

2. Requirements



Social Responsibility

◆ Exklusion of Forced Labour

SWK strictly rejects all forms of forced labour.

This includes any work or service that is performed under the threat of penalty or coercion and is not undertaken voluntarily.

Our suppliers must neither directly nor indirectly engage in, support, or benefit from forced labour.

This includes, among others, servitude, involuntary prison labour, slavery, human trafficking, debt bondage, or any form of employment carried out under pressure, threats, or coercion. Employees of our suppliers must not be subjected to unacceptable treatment such as psychological hardship, economic or sexual exploitation, or degrading practices.

It must be ensured that all workers have the unrestricted right to freely choose their employment and to terminate it at any time, without fear of sanctions or retaliation. Respect for personal autonomy and freedom of choice is an essential component of our shared responsibility.

◆ Prohibition of Child Labour

SWK expects all suppliers to actively prevent child labour and to refrain from deriving any benefit from it. Child labour is strictly prohibited and must not be used or supported in any form.

We expect our suppliers to comply with the core labour standards of the International Labour Organization (ILO), in particular the Minimum Age Convention for Admission to Employment (ILO Convention No. 138) and the Convention on the Prohibition and Elimination of the Worst Forms of Child Labour (ILO Convention No. 182).

The minimum age for admission to employment must not be below the age at which compulsory schooling ends under the applicable law of the place of employment.

However, the minimum working age may under no circumstances be below 15 years, unless one of the exceptions recognized by the International Labour Organization (see Articles 2(4) and 4–8 of ILO Convention No. 138) applies and the local law of the place of employment also permits such an exception.

People under the age of 18 must not perform any tasks prohibited under Article 3 of ILO Convention No. 182, including work that is hazardous or harmful to the health, safety, or morals of children. Where the applicable local law of the place of employment provides for stricter regulations on child labour, these stricter regulations must take precedence and be strictly observed.

◇ Fair Compensation

SWK is committed to ensuring fair and appropriate compensation for all workers. Suppliers are required to pay at least the legally mandated minimum wage applicable at the place of employment and to ensure that wages and benefits are fair and transparently structured.

If the applicable law does not stipulate a statutory minimum wage, compensation must be set at a level that meets the basic needs as defined in the International Labour Organization (ILO) Minimum Wage Fixing Convention (ILO Convention No. 131).

All legally required social benefits must be granted.

Furthermore, we expect suppliers to identify, prevent, and actively eliminate structural inequalities in salaries and social benefits for the same or comparable work, regardless of personal characteristics such as gender, origin, or identity.

◇ Fair Working Hours

We expect our suppliers to comply with all laws applicable at their place of business and the place of employment regarding working hours, including the maximum number of daily and weekly working hours. This also expressly includes compliance with applicable collective bargaining agreements.

Our suppliers are required to take measures to prevent excessive physical and mental fatigue. In particular, we expect appropriate work organization with regard to working hours and rest periods.

◇ Freedom of Association

We place great importance on our suppliers respecting their employees' rights to freedom of expression and freedom of association, in line with the legal requirements applicable at their place of business and the place of employment.

Employees shall not be disadvantaged, discriminated against, or subjected to retaliation for exercising their right to freedom of association, participating in employee representation, or advocating for their rights and better working conditions.

◇ Diversity, Equality and Non-Discrimination

SWK expects its employees and suppliers to actively promote diversity, equality, and inclusion.

Discrimination, in recruitment, promotion, training, compensation, or termination, is unacceptable in any form.

This includes, among others, unequal treatment based on national or ethnic origin, skin colour, social background, health status, disability, sexual orientation, pregnancy, age, gender, political opinion, religion, or belief, unless such characteristics are directly related to the requirements of the position.

Unequal treatment also occurs when unequal pay is provided for work of equal value. Likewise, no discrimination may take place during the hiring or promotion of employees or in the context of training and development opportunities. We expect our suppliers to establish clear procedures for addressing harassment—whether physical, psychological, or sexual, and to clearly communicate that such behavior will not be tolerated and must be reported.

A respectful and non-discriminatory interaction with all individuals is the foundation of fair and trustworthy cooperation.

The dignity and personal rights of every individual must be respected.

◇ Indigenous Populations and Affected Communities

SWK expects its suppliers to respect the international, national, local, and cultural rights of Indigenous Populations and tribal communities. This includes their social, cultural, environmental, and economic interests as well as their close connection to land, forests, waters, and natural resources.

Our suppliers are expected to respect the principles of Free, Prior and Informed Consent (FPIC).

Suppliers must respect the rights, interests, and development goals of affected communities and vulnerable population groups. Engagement within a community should take place in an inclusive, equitable, culturally appropriate, gender-sensitive, and lawful manner.

SWK and its suppliers are expected to maintain transparent, open, and honest dialogue and cooperate with stakeholders and authorities both within and beyond the areas in which they operate.

◇ Occupational Health and Safety

SWK, as well as its suppliers, is responsible for ensuring a safe and healthy working environment in line with current industry standards, one that is free from physical abuse or punishment, threats of physical harm, sexual or other forms of harassment, insults, or any other type of intimidation at all locations where work is performed.

Our suppliers should implement effective preventive measures to avoid workplace accidents and workrelated health hazards. To prevent occupational accidents and health risks, suppliers must ensure that employees receive adequate training and instruction.

Sufficient drinking water and sanitary facilities must be provided to employees or access to them must be ensured. Furthermore, suppliers must ensure that the working environment offers adequate lighting, ventilation, and an appropriate room temperature.

◇ Handling of Conflict Minerals

We expect our suppliers to implement processes related to the conflict minerals tin, tungsten, tantalum, and gold and, where necessary, additional raw materials such as cobalt, in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.



Environmental Responsibility

◇ Environmental Legislation

SWK conducts its business in compliance with nationally agreed environmental standards and adheres to all applicable national and EU environmental laws and regulations.

Required environmental permits and licences are obtained, maintained, and the conditions stipulated in these permits and licences are fully met.

Our suppliers are encouraged to establish and implement an environmental management system if they do not already have one, for example in accordance with the Eco-Management and Audit Scheme (EMAS Regulation, Regulation (EC) No. 1221/2009) or ISO 14001:2015.

We expect our suppliers to comply with all relevant environmental protection laws and regulations, including international conventions related to environmental standards.

This includes, in particular, the applicable provisions concerning persistent organic pollutants as well as hazardous waste and substances.

◇ Energy and Climate Protection

Our suppliers are expected to handle air emissions, noise emissions, greenhouse gases, and wastewater safely and in compliance with all applicable regulations.

Where treatment is required, suppliers must treat these emissions and wastewater in accordance with the relevant legal requirements.

Disposal or discharge of such emissions or wastewater must likewise be carried out safely and in compliance with applicable regulations.

SWK expects its suppliers who have an appropriate company size and operate in sectors with a significant impact on greenhouse gas emissions to address climate change with a systematic and responsible approach. This includes, in particular, the active measurement, management, and reduction of direct emissions (Scope 1) and indirect emissions (Scope 2), for example those resulting from production processes or the company's own energy consumption.

Suppliers should also develop and implement reasonable and appropriate measures for indirect emissions (Scope 3).

Suppliers are expected to avoid or, where avoidance is not possible, to continuously minimize negative environmental impacts resulting from air emissions, noise emissions, greenhouse gas emissions, and wastewater generated by their operations (including wastewater from sanitary facilities).

Progress in reducing emissions should be continuously monitored and documented, ideally in alignment with the 1.5-degree target of the Paris Climate Agreement.

◇ Harmful Soil Changes, Water Pollution, Air Pollution, Harmful Noise Emissions and Water Consumption

SWK expects its suppliers to ensure compliance with the prohibition of causing harmful soil degradation, water pollution, air pollution, harmful noise emissions, or excessive water consumption that could (1) significantly impair the natural foundations required for the preservation and production of food, (2) deny a person access to clean drinking water, (3) impede or destroy a person's access to sanitation facilities, or (4) harm a person's health.

◇ Environmental Protection, Resource Use and Waste Management

Protecting the environment and natural resources is a key element of our corporate responsibility.

SWK expects its suppliers to actively avoid environmental hazards and burdens and to implement appropriate and reasonable measures to reduce pollutant emissions.

Suppliers are expected to pursue a systematic approach to recording waste and to handle, reduce, recycle, and responsibly dispose of non-recoverable waste in a safe manner and in accordance with applicable regulations.

The export bans on hazardous waste under the Basel Convention of 22 March 1989, as amended, must be observed. Chemicals or other materials that pose a risk to the environment when released must be identified and handled in a way that ensures safety during their handling, transport, storage, use, recycling or reuse, and disposal.

Emissions and hazardous substances should be reduced or eliminated at the source wherever possible, for example through technical installations, adapted production processes, or safe operating procedures.

Negative environmental impacts, particularly potential deforestation and/or forest degradation, water pollution, air pollution, soil contamination, or threats to biodiversity should be avoided or minimized.

Suppliers are also expected to act responsibly with regard to the use of finite natural resources and energy consumption.

They should align their resources and energy use with the principles of sustainability and manage resources and energy efficiently. Suppliers are expected to minimize the consumption of resources and energy required to deliver their services. To this end, we expect suppliers to implement suitable measures.

Such measures or strategies may include continuous monitoring and review of energy consumption and addressing corporate processes such as manufacturing methods, the substitution of raw materials, the use of renewable energy, and the reuse or recycling of materials.

In addition, suppliers are expected to assess the risks associated with climate change and to implement adaptation measures where necessary.



Ethical Responsibility

◇ Fair Competition

We place great value on compliance with recognized standards for fair business practices, advertising, and competition.

We likewise expect our suppliers to fully adhere to applicable antitrust and competition laws. These laws prohibit, in particular, anti-competitive agreements and other practices that restrict competition or influence prices or commercial terms.

They also prohibit agreements between customers and suppliers that aim to limit the customer's entrepreneurial freedom to independently determine resale prices and conditions.

◇ Data Protection, Intellectual Property and Cyber Security

We expect our employees and suppliers to respect sensitive information, business or trade secrets, and the intellectual property rights of third parties, in particular those of their employees and business partners, and to treat exchanged documents, data, proposals, and prices as confidential.

We further expect our employees and suppliers to handle sensitive company-related and personal data, as well as non-public information, with due care and in compliance with national regulations governing the protection of sensitive information, including trade secrets, and to observe all applicable laws.

In addition, suppliers must comply with all relevant regulations governing the use of artificial intelligence.

We also expect our suppliers to ensure that their IT/OT systems, processes, and data flows are designed

to provide an adequate level of protection against cyberattacks, manipulation, and unauthorized access, and that they meet current industry standards.

◇ Integrity and Improper Advantage

All business activities must be based on the highest standards of integrity.

We expect our suppliers to pursue a zero-tolerance policy with regard to all forms of bribery, corruption, extortion, and embezzlement.

Procedures for monitoring and enforcing the relevant standards must be applied to ensure compliance with laws aimed at preventing and combating corruption.

◇ Export Controls and Economic Sanctions

SWK expects every supplier to comply with all applicable export control and sanctions regulations.

This means, in particular, that our suppliers must refrain from supplying goods or services to countries, people, or organizations where such deliveries are prohibited under the relevant applicable legal provisions.

◇ Avoidance of Conflicts of Interest

Our suppliers must avoid conflicts of interest that could potentially influence business decisions.

If a conflict of interest exists, whether involving an employee of the supplier or of SWK, or if there are concrete indications that such a conflict may exist, suppliers are required to notify us without delay.

Furthermore, we expect suppliers to immediately resolve identified actual or potential conflicts of interest or ensure that they cannot influence any business decision.

This may include, excluding any individual affected by such a conflict from participating in the relevant decision-making process.

◇ Prevention of Money Laundering

Suppliers must comply with all applicable laws aimed at preventing money laundering and the financing of terrorism.

3. Compliance

We expect our suppliers to fulfil the human-rights-related and environmental expectations outlined above and to implement them through appropriate measures, in particular preventive measures. Our suppliers should also adequately address these human-rights-related and environmental expectations with their own suppliers along the supply chain.

◇ **Reporting Mechanisms**

SWK is committed to providing appropriate grievance mechanisms that are accessible to all employees and interested parties, including affected communities, and that allow them to submit comments, recommendations, reports, or complaints relating to the workplace, the environment, or business practices. Grievance procedures must be accessible while ensuring the confidentiality of identities and effective protection against retaliation. Our suppliers are also expected to establish and maintain an effective grievance mechanism at the operational level for individuals and communities that may be affected by adverse impacts. Every employee of SWK is encouraged to inform their disciplinary supervisor or the relevant contact persons within the company if they become aware of potential legal or policy violations.

Reports of violations of the principles and requirements outlined above may be submitted to the Human Rights Officer of KVVH (lksg@kvvh.de).

◇ **Requirements under the German Supply Chain Due Diligence Act (LkSG)**

Where SWK is required to comply with regulatory obligations, particularly those arising under the German Supply Chain Due Diligence Act (LkSG) because it has entered into a contract with a company that itself is subject to such obligations, suppliers must provide SWK with all information, data, and documentation necessary to enable compliance with these requirements.

This obligation applies without prejudice to appropriate measures for the protection of sensitive data or information, trade and business secrets, and the observance of mandatory legal provisions. In any case, suppliers are required to disclose their data or information only to the extent necessary for SWK to fulfil the aforementioned regulatory requirements, and such data or information may only be used for this purpose.

◇ **Monitoring and Notification**

If SWK identifies a violation by a supplier of the requirements set out in this Code of Conduct, we will notify the supplier in writing without delay and grant an appropriate grace period to bring its conduct into compliance with the requirements described above.

If a supplier becomes aware of a violation of the human rights related or environmental requirements outlined above, or if there is a suspicion of such a violation based on concrete indications, the supplier must report this to us without delay, including any information or findings available to the supplier in this context.

In such cases, the supplier must also immediately take appropriate remedial and preventive measures and inform us accordingly.

If the violation cannot be remedied within a foreseeable timeframe, the supplier shall cooperate with us in developing and implementing a concept, including a timeline, to end or minimize such violations.

The same applies to SWK itself, which will, in the event of an internal suspicion or confirmed violation of the requirements of this Code of Conduct, immediately initiate remedial measures.