

SELECTRON CHARTER FOR SUSTAINABLE DEVELOPMENT

INTRODUCTION

Sustainable development is key for Selectron and is a strong component of Selectron's strategy. It means strongly and actively responding to Selectron's stakeholder's social needs and expectations and anticipating new environmental, social and economic developments.

Selectron invites companies to embrace, support and enact a set of core values in the areas of human rights, employment standards, environment and ethics. We are committed to the highest standards of business conducts and ethics, which provide the references for proper conduct in day-to-day business for every employee of Selectron.

Selectron has implemented a sustainable development initiative having Sourcing and Supply Chain as one of its key components. Selectron requests its Suppliers and Sub-contractors to take part in this initiative by committing themselves in a continuous improvement approach towards these principles.

PRINCIPLES

For all the principles listed in the following sections, Selectron, Selectron's Suppliers and Sub-contractors have to be compliant with the United Nations' Universal Declaration of Human Rights, the International Labour Organization's Fundamental Conventions, the Guiding Principles of the Organisation for Economic Cooperation and Development (OECD), the rules of conduct of the International Chamber of Commerce (ICC) and any other relevant international convention and national and local regulations, which are applicable to their activities in the country(ies) in which they operate.

The ISO 26000 "Guidance on social responsibility" provides support to sustainable development.

LABOUR STANDARDS

Selectron, Selectron's Suppliers and Sub-contractors shall in particular comply with the following:

- Elimination of all forms of illegal, forced or compulsory labour;
- Elimination of child labour: Selectron, Selectron's Suppliers and Sub-contractors shall not employ persons not having reached the minimum age required for work and shall never support the use of child labour, except as part of an official government's educational approved youth training scheme;
- Elimination of discrimination of any kind in respect of employment and occupation;
- Compliance with applicable laws and regulations related to maximum working hours and minimum days of rest;
- Compliance with applicable laws and regulations related to maximum working hours and minimum days of rest;
- Compliance with applicable laws and regulations related to the minimum level of wage;
- Respect of freedom of association for their employees, in compliance with applicable laws.

ETHICS

Selectron, Selectron's Suppliers and Sub-contractors shall conduct their activities in accordance with the above written principles.

In addition, Selectron, Selectron's Suppliers and Sub-contractors shall strictly comply with all applicable legal requirements related to their activities and business environment.

In particular, in relation to the following fields, Selectron has the following expectations:

- **Competition:** compliance with all applicable laws and regulations related to fair competition.
- **Corruption:** compliance with all applicable laws and regulations on corruption, bribery and extortion. Notably, Selectron, Selectron's Suppliers and Sub-contractors must not offer on their own behalf or on behalf of Selectron, directly or indirectly, any pecuniary or other advantage to a public official, political party, employee or agent of a customer in the public or private, with a view to obtaining or retaining business or securing any facility or favour that infringes regulations.
- **Money laundering:** compliance with all laws related to money laundering. Selectron, Selectron's Suppliers and Sub-contractors shall not be involved in, or support money laundering practices.
- **Conflicts of interest:** avoidance, identification and disclosure of situations where there is an actual or potential conflict of interest.
- **Gifts and hospitality:** refraining from offering gifts and hospitality that are not reasonable, modest and symbolic value, nor occasional, transparent and cannot be reciprocated.
- **Material compliance and conflict minerals:** to comply with regulatory and customer requirements regarding the prohibition and restriction of substances, including hazardous substances and conflict minerals.
- **Asbestos:** Selectron, Selectron's Suppliers and Sub-contractors shall never use asbestos – which is strictly prohibited by Selectron – in any equipment and packaging supplied by its Suppliers and Sub-contractors.

ENVIRONMENT

Selectron, Selectron's Suppliers and Sub-contractors shall implement and/or pursue initiatives that contribute to the preservation of nature resources to the maximum possible extent.

Selectron, Selectron's Suppliers and Sub-contractors shall limit the waste of material generated from their operations and ensure disposal if such waste in a manner that is respectful to the environment.

Selectron, Selectron's Suppliers and Sub-contractors shall avoid the use of toxic substances wherever possible. In the event no alternative is available, Selectron, Selectron's Suppliers and Sub-contractors shall minimise the use of toxic substances and ensure their safe handling and disposal. In relation to any other hazardous substances, element or wastes that are restricted, Selectron, Selectron's Suppliers and Sub-contractors shall strictly comply with any applicable law.

Selectron, Selectron's Suppliers and Sub-contractors shall promote the development of environment friendly technologies (i.e: controlling pollutant and CO2 emissions) as well as energy saving and recycling solutions, and implements logistics strategies that minimise environment impact (notably with respect to storage, transshipment and transportation).

OCCUPATIONAL HEALTH AND SAFETY

Selectron, Selectron's Suppliers and Sub-contractors shall ensure that their activities are safe for the health of their employees, their own contractors, the local community and in general the users of their products.

Selectron, Selectron's Suppliers and Sub-contractors shall adopt a proactive attitude to health and safety issues. Risks linked to their activity shall be identified and evaluated. Selectron, Selectron's Suppliers and Sub-contractors shall take appropriate measures to limit and, where practicable, avoid such risk.

Selectron is working actively to continuously improve the safety of all people working on its sites of its customers. Because people's physical integrity may be at stake, Selectron requires its Suppliers and contractors to take part in achieving high standards of occupational safety when performing work at Sub sites. In this respect, Selectron, Selectron's Suppliers and Sub-contractors are responsible for immediately notifying the existence of any abnormal situation observed to the relevant Selectron contact person.

PRODUCTS AND SERVICES

Selectron, Selectron's Suppliers and Sub-contractors shall integrate the environment, health and safety criteria into their products and services development in order to reduce negative environment, health and safety Impacts from their products during their total life cycle, while maintaining and/or improving the quality of usage of their products.

IMPLEMENTATION AND CONTINUOUS IMPROVEMENT

This Charter for Sustainable Development constitutes an integral part of all contractual documents between Selectron and its Suppliers and Sub-contractors.

Selectron expects its Suppliers and Sub-contractors to cascade the principles contained in this Charter for Sustainable Development to their own suppliers and sub-contractors and to implement a similar continuous compliance and improvement approach.

By adhering to this Charter for Sustainable Development, each Supplier and Sub-contractor of Selectron accepts to be assessed or audited by Selectron. Suppliers and Sub-contractor shall freely determine their appropriate improvement action plans to increase their performance in the field of sustainable development.

Since Selectron is building its relationships with Suppliers and Sub-contractors towards a continuous improvement approach, Selectron may support its Suppliers and Sub-contractors in the definition and implementation of action plans aimed at improving their performance in the fields contemplated by this Charter for Sustainable Development.

UNDERTAKING

The implementation and continuous improvement of the principles contemplated in this Charter for Sustainable Developments is a primary concern in Selectron's sustainable development policy.

By remitting an offer to Selectron and/or entering into a contractual relationship with Selectron, Suppliers and Sub-contractors undertake to (1) comply with the principles of this Charter of Sustainable Development and (2) collaborate with Selectron to implement, when required, an action plan to improve their performance in the fields contemplated by these principles.

**Selectron Systems AG
Bernstrasse 70
CH-3250 Lyss**

Supplier or Sub-contractor:
Place, Date, Stamp, Name, Signature