

## Axpo Group Supply Chain Policy on Child Labour



*Issued by the Executive Board of Axpo Holding AG as of 1 October 2023*

### **1. Aim and purpose**

Axpo Group (“Axpo”) is committed to running its business in accordance with laws, regulations, and high ethical standards.

The Axpo Group Supply Chain Policy on Child Labour (“Policy”) specifies Axpo’s position and approach towards the avoidance of child labour within its supply chain. The Policy serves as a key element of Axpo’s responsible supply chain framework, established to identify and manage potential child labour risks within Axpo’s supply chain. The Policy is based on the content of the Swiss “Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO)”, which is guided by relevant international standards and norms.<sup>1</sup>

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<sup>1</sup> ILO Conventions on Child Labor (No. 138 & 182) and the ILO-IOE Child Labour Guidance Tool for Business of 15 December 2015, OECD Due Diligence for Responsible Business and UN Guiding Principles on Business and Human Rights.

## 2. Scope

The Policy applies to Axpo. In the context of this Policy, Axpo includes Axpo Holding AG and its fully consolidated subsidiaries.

## 3. Principles

- Axpo does not tolerate child labour and is committed to enhance the mitigation of child labour risks within its supply chain.
- Axpo raises awareness internally around child labour to support the identification and management of potential child labour risks within its supply chain.
- Axpo prioritises suppliers and business partners who strive to ensure the absence of child labour in their own operations and supply chain.<sup>2</sup>
- Axpo works collaboratively with suppliers and business partners to increase awareness externally around child labour risks and to support adequate risk management.
- Axpo expects its suppliers and business partners to adhere to the guiding principles laid down in this Policy and in Axpo's Code for Business Partners ("Code"). The Code as well as this Policy are an integral part of Axpo's general terms and conditions of business.
- Axpo periodically benchmarks its due diligence against peers and industry standards to drive continuous improvement.
- Axpo maintains a [SpeakUp](#) system which allows child labour-related concerns or suspicions within its supply chain to be reported by suppliers, business partners, employees and other stakeholders.<sup>3</sup>

## 4. Risk Management

### 4.1 Risk Analysis

Axpo's responsible supply chain framework follows a risk-based approach. Potential child labour risk areas related to sector, geographic or company-specific factors are identified and assessed. Axpo uses external sustainability indicators from databases, governments, international organisations, civil society organisations, etc. for its risk analysis.

New and existing suppliers and business partners are systematically assessed based on their risk profile, standards and certificates held, audit reports and other available data, in combination with internal data and expertise. This assessment is repeated periodically.

Where the existence of child labour risks cannot be excluded, Axpo analyses the risks in detail and evaluates the likelihood and severity of potential impacts.

The risk-based assessment, and possible follow-up actions, rely on pre-defined indicators, incl. scope, scale, remediation as well as business relevance and impact.

Axpo engages with its suppliers and business partners to further assess the risks, as needed. Where appropriate, Axpo may conduct audits of its suppliers and business

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<sup>2</sup> E.g., by obtaining or aiming to obtain relevant certifications or by implementing qualified compliance or risk mitigation systems.

<sup>3</sup> Reports can be submitted by senders in their chosen language, anonymously if preferred. Axpo values trust and integrity and any reports will be treated with the highest level of confidentiality possible and permissible.

partners to further investigate potential risks. These audits may include on-site visits, documented reviews, and interviews.

#### **4.2 Risk Treatment**

Axpo liaises and cooperates with its suppliers and business partners to take appropriate mitigation measures regarding child labour risks and prioritize remedial actions.

Where Axpo has introduced specific mitigation measures to reduce identified potential child labour risks within its supply chain, Axpo periodically monitors the effectiveness and progress of these measures and reassesses them on a case-by-case approach, as needed. In addition, Axpo reserves the right to take appropriate action, including legal remedies and termination of the contractual relationship.

Axpo is committed to continuously deepen its knowledge and insights into the nature of existing and emerging child labour risks and mitigation means, through participation in relevant industry working groups and by consulting advisors, NGOs, government, databases, and other stakeholder reports as appropriate.

### **5. Communication & Reporting**

Axpo communicates publicly on the key aspects of its responsible supply chain framework in its annual sustainability report. This includes insights into the risk management process related to child labour risks along Axpo's supply chain.

Axpo reserves the right to revise or amend this Policy as necessary to ensure its ongoing effectiveness and alignment with the legal and regulatory requirements as well as Axpo's business principles.

In the event of interpretation questions and linguistic discrepancies between different language versions, the English version of the Group Directive shall prevail.