

Code of conduct for business partners of RUAG

Introduction

As a group of companies operating at international level, RUAG has undertaken to uphold the basic principle that it will conduct its business in accordance with ethical principles, in compliance with the applicable law and in a socially responsible manner.

RUAG also expects its business partners, i.e. its customers, suppliers, service providers and their procurement chains, to behave correctly in every way. In order to substantiate this, RUAG sets out certain minimum standards and makes these known to its business partners.

This Code of Conduct forms a constituent part of all contracts with third parties and is binding on all business partners. RUAG publishes the Code of Conduct for its business partners on the internet, and draws its business partners' attention to it.

Human rights

Business partners of RUAG must observe the Universal Declaration of Human Rights of the United Nations.

Employees

Business partners of RUAG must observe the labour laws of the countries in which they operate. RUAG expects them to create and maintain an atmosphere in which employees are treated with dignity and respect.

Business partners of RUAG shall not tolerate the illegal employment of children, forced labour, bonded labour or any other form of compulsory labour. Their recruitment and employment practices shall be free of all discrimination.

Health and safety

RUAG expects its business partners to ensure safe working conditions and a healthy working environment for their whole workforce. Employees must be protected from excessive exposure to chemical, biological and physical dangers.

Business partners of RUAG must have in place appropriate checks, safe working procedures, timely warnings and other protective measures to ensure that the health and safety risks in the workplace are minimised.

In all cases the business partners of RUAG must comply with the locally applicable health and safety measures for their employees.

Environment, resources

Business partners of RUAG must observe the locally applicable environmental regulations.

In their sphere of influence they must take all reasonable measures to protect the environment, i.e. through the reduction of harmful emissions and by the economical use of energy and natural resources.

The business partners of RUAG shall not make any use of conflict minerals.

Laws, regulations

Just as RUAG undertakes to comply with all applicable national legislation and international agreements, its business partners must do the same. RUAG rejects all illegal conduct within its own companies and those of its business partners.

Competition

Competition is part of business life – RUAG accepts this.

RUAG expects its business partners to be part of this competition, while upholding standards for fair business practices, advertising and competition.

Fair competition also includes respecting the intellectual property of third parties and protecting information that is given in confidence, and only using such information within the framework of relevant agreements.

Ban on corruption and fraud

RUAG supports the worldwide battle against corruption and expects its business partners neither to tolerate nor actively participate in corrupt activities, regardless of whether this is with regard to public officials or private individuals or organisations.

RUAG understands corruption to mean direct or indirect offering or acceptance of gifts, loans, remuneration, rewards or other benefits with the aim of furthering or rewarding one's own business activities.

Should corrupt activities be proven within the sphere of responsibility of its business partners, RUAG reserves the right to terminate business relations with that partner immediately and, where appropriate, to claim compensation.

Acceptance or giving of gifts

The acceptance or giving of gifts whose value does not make them likely to be intended to influence business decisions, or to give the appearance of such influence, shall not under any circumstances represent corruption. They should, however, be offered or accepted with great caution.

Questions, comments

In the case of uncertainty in connection with the understanding and application of this Code of Conduct for business partners of RUAG, or should any infringements be discovered, the following may be contacted:

- compliance@ruag.com (=RUAG internal)
- <https://ruag.integrityplatform.org> (external, for whistleblowers)

Bern, 25.06.2014

RUAG Holding AG



Hans-Peter Schwald

Chairman of the Board of Directors



Urs Breitmeier

CEO