# Supply chain policy for exercising due diligence in the area of human rights

**As the Swiss transmission system operator, we ensure the secure, high-performance and efficient operation of the grid. In fulfilling our mandate, we assume our responsibility towards society and the environment and expect the same from our suppliers.**

## Objective and purpose of the supply chain policy for exercising due diligence

This supply chain policy sets out the principles for respecting human rights along Swissgrid's value chain. The aim of the supply chain policy is to exercise due diligence in the area of human rights by identifying, assessing, avoiding and minimising potential and actual risks.

The supply chain policy meets the requirements of the Swiss «Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO)». In accordance with Art. 11 para. 3 DDTrO, the supply chain policy is based on ILO Conventions 138 and 82, the ILO-IOE Child Labour Guidance Tool for Business of 15 December 2015, the OECD Due Diligence Guidance for Responsible Business Conduct of 30 May 2018 and the UN Guiding Principles on Business and Human Rights.

## Area of validity

The supply chain policy applies to Swissgrid and Swissgrid's suppliers.

## Principles

1. Swissgrid takes a serious approach to due diligence in the area of human rights and expects its suppliers to do the same. This includes ensuring that suppliers comply with the guidelines set out in this supply chain policy and in the Swissgrid Sustainability Charter and conduct their business activities in accordance with laws, regulations and high ethical standards.

2. Swissgrid works with its suppliers to identify potential and actual risks in relation to human rights and to take joint action to counteract them.

3. Swissgrid reserves the right to revise and adapt this supply chain policy as necessary in order to continuously improve its effectiveness and ensure compliance with legal requirements and international standards. Swissgrid consults and considers internal and external stakeholders, including suppliers, for this purpose.

## Procedures for identifying, assessing and minimising human rights risks

Swissgrid exercises due diligence in the area of human rights by following a risk-based management system that aims to identify, assess, avoid and minimise human rights risks in its own business area and that of its suppliers.

### Risk analysis

Swissgrid conducts regular risk analyses to identify, assess, prioritise and review potential and actual risks along its supply chain. Three different types of risk analysis are performed:

- A comprehensive human rights risk analysis to systematically identify, categorise and prioritise material potential and actual risks, including those related to child labour, along the supply chain.
- Event-based risk analyses with regard to human rights and child labour in the event of a significant change or intensification of the risk situation within the supply chain. An event-based risk analysis may be necessary, for example, due to exogenous events or indications of human rights violations in the supply chain. This type of analysis is carried out on a situational basis.
- Risk monitoring to take account of changes in the supplier and/or product portfolio and recognise potential risks at an early stage. Monitoring takes place at least once a year.

For the purposes of comprehensive and event-based risk analysis, potential risks are assessed and prioritised based on the severity of the potential extent of damage and its probability of occurrence. Risk analysis and monitoring measures generally

take into account several sources of information, including the following tools:

- Internal and external expertise
- Information from suppliers
- Independent assessment of suppliers' commitment to sustainability in relation to their supply chain
- Databases with relevant indicators for assessing the human rights situation with regard to relevant factors (e.g. raw materials, countries, sectors) prepared by national, international and/or civil society organisations
- Information and reports from credible sources, e.g. government data, authorities, international organisations, civil society and/or the media
- Results of audits carried out by Swissgrid or third parties on behalf of Swissgrid to analyse potential risks in more depth. Audits may include on-site visits, interviews with affected individuals/groups or experts and documented reviews
- Internal or external notifications or reports as part of the reporting procedure

**Risk-based measures**

Swissgrid implements risk-based measures to prevent, avoid or minimise negative impacts on human rights along its supply chain. These measures are designed based on the risk analysis, taking into account the effectiveness, efficiency, potential influence and level of involvement. We apply both preventive and remedial measures. The potential tools we use to eliminate or minimise potential risks include certifications, training, active supplier management and cooperation, partnerships with relevant stakeholders and experts or other suitable measures to prevent or minimise negative impacts. If human rights violations are identified along the supply chain, the steps taken may include the suspension or premature termination of the business relationship.

**Reporting procedure**

Suppliers, business partners, employees and other external persons have the opportunity to report concerns or suspicions relating to human rights, including child labour, within the supply chain via the publicly accessible Swissgrid whistleblower system.

**Communication and reporting**

Swissgrid provides information on the key aspects of its due diligence in the area of human rights, including child labour, as part of its annual non-financial reporting in accordance with the relevant articles of the Swiss Code of Obligations. This includes a transparent presentation of the management approach applied, including the risks identified, measures taken and key figures collected to evaluate the effectiveness of the measures.

Approval note: This Supply chain policy (German version) was approved by the Swissgrid Board of Directors on 14 April 2025.

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