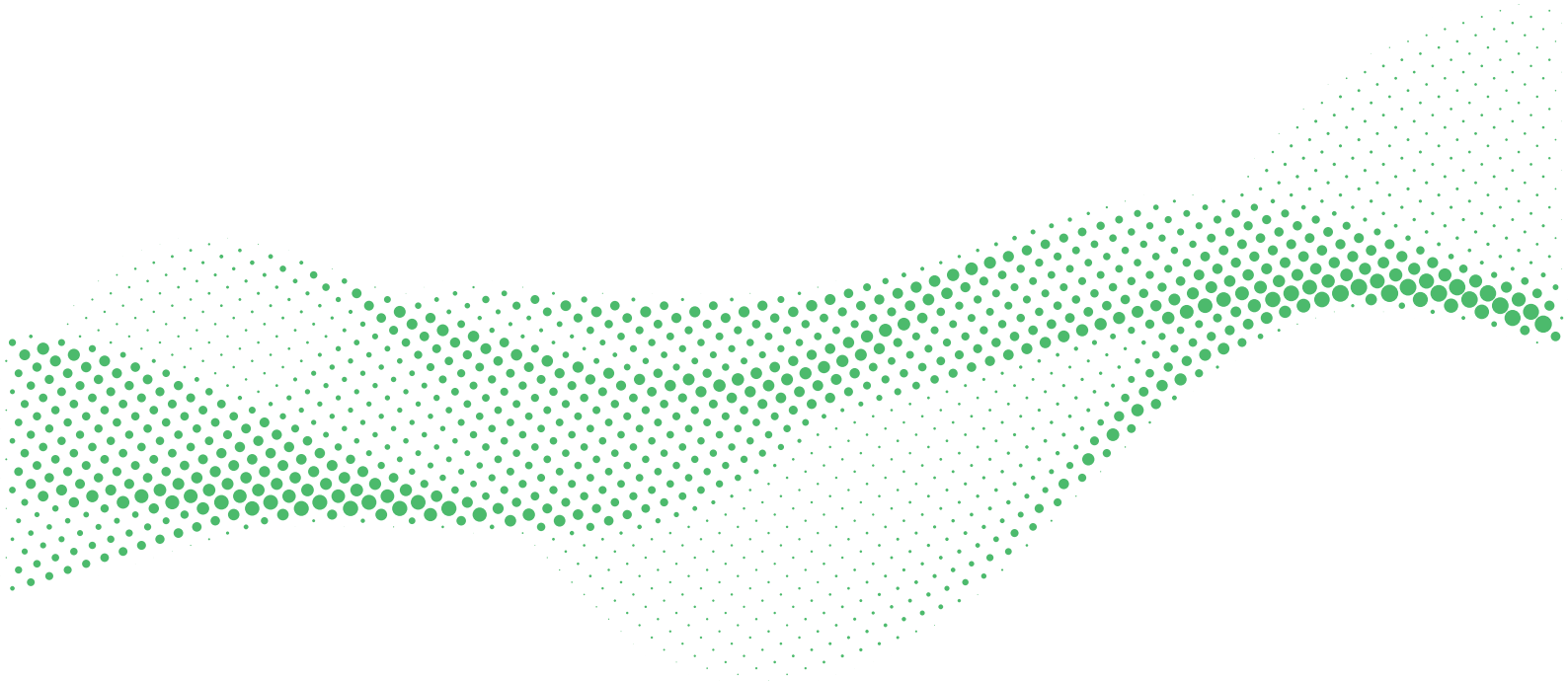


# **Salt Mobile SA**

Child Labour  
Due Diligence Report



# **Salt.**

# 1. Preamble

This is our first report on child labour due diligence; it covers the period from 01.01.2023 to 31.12.2023. In the future, it will be published annually.

# 2. Scope

This report reflects on our due diligence and reporting obligations under Articles 964j–964l of the Swiss Code of Obligations<sup>1</sup> (CO) and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO)<sup>2</sup>.

It provides:

- A presentation of our company and its supply chain,
- A reminder of our commitments towards human rights in general and towards child labour in particular,
- An explanation of our approach to child labour due diligence,
- For both our own operations and our supply chain: the methodology, the outcome of our due diligence, the measures taken to mitigate and prevent any adverse impact on child labour, the priorities for the next months and the information on the grieving platform that we provide to all stakeholders.

---

1 - [https://www.fedlex.admin.ch/eli/cc/27/317\\_321\\_377/en](https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en)

2 - <https://www.fedlex.admin.ch/eli/cc/2021/847/en>

## 2.1 Context and Legal Requirements

### 2.1.1 History of Articles 964j–964l of the Swiss Code of Obligations and of the DDTro

On June 19, 2020, the Parliament adopted an indirect counter-proposal to the popular initiative "Responsible business- to protect people and the environment" as part of the revision of company law.

The counter-proposal regulates two aspects:

- Transparency on non-financial issues and,
- Duties of due diligence and transparency in relation to minerals and metals from conflict zones or high-risk areas, and in relation to child labour.

The provisions of the counter-proposal are set out in two new chapters of Title 32 of the Swiss Code of Obligations, requiring the companies concerned by these provisions to comply with transparency obligations in non-financial matters (Chapter VI) and due diligence and transparency obligations in the areas of minerals and metals from conflict zones or high-risk areas, and child labour (Chapter VIII).

By delegation of authority, the Federal Council has issued implementing provisions for Chapter VIII in the form of the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour.

### 2.1.2 Exclusions

This report is restricted to due diligence and reporting obligations with regards to child labour.

We are exempted from due diligence and reporting obligations with regards to minerals and metals from conflict-affected areas as our importation of minerals and metals do not reach the thresholds set in Annex 1 to the DDTro.

## 2.2 Definition of Child Labour

In this document, child labour is defined as (art. 2 para. 1 let. f DDTro):

1. any form of work performed within or outside an employment relationship by persons who have not reached the age of 18 and which is among the worst forms of child labour as defined in Article 3 of ILO Convention No. 182 of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (ILO Convention No. 182),

2. in the case of work performed on the territory of a State which has ratified ILO Convention No. 138 of 26 June 1973 concerning Minimum Age for Admission to Employment (ILO Convention No. 138), in addition: any form of child labour prohibited under the legislation of that State, provided that the legislation is in conformity with ILO Convention No. 138,

3. in the case of work performed on the territory of a State which has not ratified ILO Convention No. 138, in addition:

- any form of work performed within or outside an employment relationship by persons who are subject to compulsory education or who have not yet reached the age of 15, and,
- any form of work performed within or outside an employment relationship by persons who have not reached the age of 18, provided that such work, by its nature or the circumstances in which it is performed, is likely to be dangerous to the life, health or morals of the young person concerned.

## 3. Company Presentation

### 3.1 Who we are and what we do

Salt Mobile SA (Salt) is one of the three major fully convergent national telecommunications players in Switzerland. Headquartered in Renens (VD), Switzerland, Salt has two additional main offices in Biel (BE), Switzerland and Zürich (ZH), Switzerland. We also operate certain services to our end-customers from Lisbon, Portugal (Salt Services SA).

Salt offers mobile voice and SMS, data and customer care products and services to predominantly postpaid residential customers, but also to small office/home office ("SoHo") as well as medium-sized enterprises ("SME") business customers. It also markets mobile telecommunication services through wholesaling. Salt provides mobile services through its own mobile telecommunications access network across Switzerland. Salt provides ultra-high-speed Internet, TV on demand and fixed telephony services through its Fiber-To-The-Home (FTTH) access network agreements and the Salt Fiber Box.

The company employs more than 1,000 employees and serves 1,6 mio postpaid mobile and more than 220'000 broadband customers across Switzerland. Salt currently offers 99.9% population mobile coverage.

Our telecommunication infrastructure is considered as a critical infrastructure by the Swiss Government.

### 3.2 Our Values

Salt aims to deliver transparent service with a strong brand identity, the highest standard of customer care, underpinned by excellent network coverage and supported by first-class distribution.

At Salt, we "walk the talk." Reason why we take our Values very seriously and try to live and breathe them in everything we do.

Our Values are:

### **Personal**

We care.  
Humans, not numbers.

### **Original**

We embrace innovations.  
And adopt them with purpose.

### **Simple**

We are straightforward.  
No fuss.

### **Efficient**

We stick to what matters.  
Nothing more, nothing less.

### **Sincere**

We never hide the truth.  
Honestly.

## **3.3 Governance**

The roles and responsibilities of our child labour due diligence process are embedded more globally into our Environmental, Social and Governance (ESG) governance structure.

Overseeing the operational ESG team, one member of the Salt Management Board serves as the ESG sponsor, ensuring the development and implementation of our company's ESG strategy. Further, two members of the Salt Board of Directors oversee the process, offering a broader perspective and integrating efforts into the overall corporate governance structure.

The ESG organisation is described in more details in our Social Responsibility and Sustainability Policy.

The final responsibility for this report lays with the Board of Directors (art. 964I CO).

## **3.4 Our supply chain**

For the purpose of this report, our supply chain is defined as the process that includes our own business activities and that of all upstream economic operators that offer products or services to us.

We rely on several thousand companies in Tier 1<sup>3</sup> alone; these companies are predominantly based in Europe and provide us with a vast array of diverse goods – whether tangible or intangible – and services. These offerings are either directly incorporated into our services to our end customers (like end-user devices) or are essential for the continued operation of our company (like real estate or office supplies).

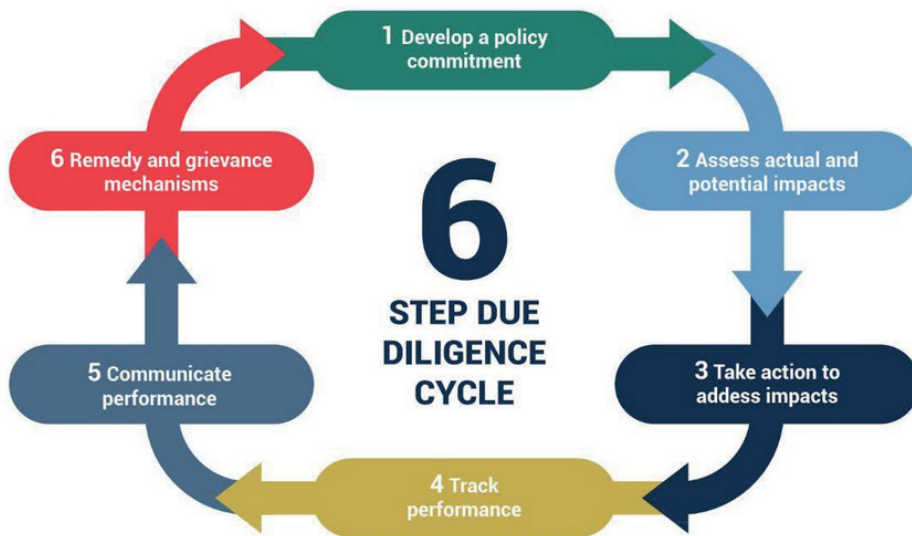
A handful of suppliers are deemed strategic and critical, either because they have been selected as preferred partners and significantly impact our technological competitiveness and operational efficiency, or because they offer indispensable products that our end customers expect every telecommunications operator to provide.

---

<sup>3</sup> - Defined as partners that we directly conduct business with

## 4. Our approach to due-diligence

Our due diligence process is based on the 6-step iterative process recommended by the United Nations Global compact, the world’s largest corporate sustainability initiative <sup>4</sup> ; the described due diligence steps are aligned with the UN Guiding Principles on Business and Human Rights (UNGPs)<sup>5</sup>



## 5. Our Policy Commitment

### 5.1 Our commitments in general

Our Social Responsibility and Sustainability Policy outlines our overarching commitment to contributing to a more sustainable and socially conscious world.

With regards to human rights in particular, we believe that businesses should serve the community and contribute to peace and prosperity through sustainable practices.

We also acknowledge that as a business enterprise, we are responsible for respecting human rights and the environment wherever we operate.

We therefore commit to conducting our business in strict compliance with applicable local laws and internationally recognized standards pertaining to human rights and proper governance, particularly the Universal Declaration of Human Rights, the OECD Anti-Bribery Convention, and the International Labour Organization Conventions (notably regarding the prohibition of child labour and forced or compulsory labour).

---

4 - <https://unglobalcompact.org/what-is-gc>

5 - <https://bhr-navigator.unglobalcompact.org/issues/child-labour/due-diligence-considerations/>

## 5.2 Integration of our commitments into our own operations and into our supply chain

The commitments regarding human rights and child labour outlined in our Social Responsibility and Sustainability Policy are further integrated:

- into the processes related to our own operations through our Code of Ethics, and
- into the processes related to our supply chain through our Responsible Procurement Policy and our Supplier Code of Conduct.

### 5.2.1 Our Code of Ethics

This document describes our Values and governs our relationships with all our stakeholders. It applies to all Salt staff members, regardless of his or her hierarchical level.

With our Code of Ethics, we acknowledge and recognize that the way our staff behave has an impact not only on the company image, our stakeholders' trust in the company but also on our stakeholders' activities. It is our duty to mitigate our negative impacts and reinforce the positive ones. We recognize the expectations of the society towards conducting our business with high ethical standards.

### 5.2.2 Our Responsible Procurement policy

In this policy, we commit to conducting our procurement activities in strict compliance with applicable laws and under the umbrella of the Universal Declaration of Human Rights, the OECD Anti-Bribery Convention, the International Labour Organisation Conventions and, in particular, the Conventions n° 138 and 182 regarding the prohibition of child labour and forced or compulsory labour as well as other internationally recognised human rights standards such as the UN Guiding Principles on Business and Human Rights.

We also commit to cease, prevent, mitigate adverse impacts on human right issues or exercise our influence against those adverse impacts.

### 5.2.3 Our Supplier Code of Conduct

The Supplier Code of Conduct outlines the standards and expectations we have for our suppliers to ensure that they share our commitment to ethical business. Suppliers shall not employ child labour, as defined by the International Labour Organization (ILO) conventions n° 138 and 182 or local laws, whichever is stricter.

The Supplier Code of Conduct is an integral part of the contractual agreement with have with our suppliers.

We reserve the right to monitor and assess their compliance with our Supplier Code of Conduct. Suppliers are expected to cooperate fully with any audits or assessments conducted by us or our authorized representatives.

In case of a non-compliance with our Supplier Code of Conduct, we will cooperate with the concerned partner in order to seek remedy to the non-compliance. Repeated breaches or unwillingness to collaborate may result in corrective action, including termination of the contractual relationship by us.

The Supplier Code of Conduct mentions explicitly that anyone that needs to communicate any breach to the Supplier Code of Conduct may do this in a safe, confidential and anonymous manner using our grievance platform.

## **6. Due-diligence in our Own Operations**

### **6.1 Methodology**

The methodology we apply is a risk-based approach to identify, prevent, mitigate, account for and support remediation of any adverse impact on working conditions of young workers in our own operations.

In order to assess the risk of child labour in our own operations, we have first conducted an analysis on the age of our workforce in order to identify whether we do employ minors. When it has been confirmed that a minor is working for us, we have analysed under which labour contract this minor has been hired.

### **6.2 Outcome**

In Switzerland

In 2023, we did not employ anyone below 15 years of age (except occasionally for professional orientation internships, see below).

We did employ minors that were between 15 and 18 years; all were hired under an apprenticeship contract. These apprenticeship contracts were signed by the parents and approved by the competent cantonal authority, greatly reducing the risk of hiring a person younger than 15 years old.

Occasionally, minors under the age of 15 were present on our premises for professional orientation internships. The Swiss labour law authorizes such internships for minors above 13 years of age. Internship conventions were signed by the parents and acknowledged by the school, greatly reducing the risk of engaging a person younger than 13 years old.

In 2023, we did not identify any actual adverse impact with regards to child labour in our own operations as according to Art. 2 para. 2 DDTro, child labour does not include activities in the context of vocational training; however, we recognize that there is a risk of potential adverse impact in our own operations with regards to compliance to labour law applicable to apprentices and minors in professional orientation internships, in particular with regards to working hours.

In Portugal

We do not employ anyone below 18 years of age.



### **6.3 Measures to cease, prevent, and mitigate adverse impacts**

The preventive actions will be undertaken within the framework of our routine Health and Safety internal audits; we shall ensure that all stakeholders involved with minor workers within our operations are aware of the legal obligations pertaining to this specific category of workers and that these legal obligations are complied with. If one or several instances of non-compliance to Swiss law related to young workers are confirmed, we will take immediate action to cease the non-compliance.

### **6.4 Priorities 2024**

We will continue to ensure that all apprentice coaches are made aware, respectively reminded of the Swiss legal provisions applicable to minor workers and strive to reach 100% of them having attended an ad hoc training by 31 December 2024.

Our other priorities include the creation of a specific section on our Intranet with all necessary legal information in relation to young workers and the formalisation of the grievance mechanism.

### **6.5 Grievance Mechanisms**

External grievance platform: An Employee Assistance Program offers access to a network of health experts, ensuring comprehensive well-being support and acting as external person of trust. This service is available to all employees, including apprentices.

Our general grievance platform is also available to anyone concerned with a young workers' rights or well-being (see Chapter 9).

## **7. Due-diligence in our Supply Chain**

### **7.1 Due Diligence Methodology**

The methodology we apply is a risk-based approach to identify, prevent, mitigate, account for and support remediation of any adverse impact on child labour in our supply chain. We use an array of different instruments in order to conduct and complete our risk assessment, including information from NGOs, government or society (UNICEF, ILO<sup>6</sup>), independent media, answers from our suppliers, recognised norms and certification standards, third-party on-site controls.

Due to the fact that we build and maintain an infrastructure that is deemed critical for the economy, the safety and the security of Switzerland<sup>7</sup>, we may be required to choose or keep a supplier with a higher risk profile in terms of child labour as compared to another potential supplier, especially because the panel of potential suppliers in our field of business might prove restricted. This is also true if our end customers expect us to offer products from specific suppliers.

---

6 - <https://www.unicef.nl/files/Child%20Labour%20in%20Global%20Supply%20Chains.pdf>  
[https://www.ilo.org/ipec/Informationresources/WCMS\\_797515/lang--en/index.htm?ssSourceSiteId=global](https://www.ilo.org/ipec/Informationresources/WCMS_797515/lang--en/index.htm?ssSourceSiteId=global)  
7 - <https://www.babs.admin.ch/en/critical-infrastructures>

### 7.1.1 Future suppliers (Tier 1) – Procurement process

In 2023, we updated our procurement process to integrate our ESG commitments and in particular our commitment towards the ultimate eradication of child labour in this process.

We created a set of standard questions to be raised to our prospective suppliers during our Request For Proposals (RFP) and integrated ESG criteria- including child labour- in these questions, alongside the traditional criteria of cost/time/quality. These standard queries related to child labour pertain to policies and processes in the potential supplier’s own operations as well as internal trainings.

Based on the answers provided during the RFP, on the proposed product or service and on the place of production, respectively place from where the service is delivered, we conduct an initial risk assessment using the latest version of the UNICEF Children's Rights in the Workplace Index<sup>8</sup>. The scoring will guide us to identify the Response level (Enhanced or Basic).

### 7.1.2 Current suppliers (Tier 1)

A specific team composed of members of the procurement department, finance department and legal department has begun to identify a list of goods and services provided to us by our Tier 1 suppliers for which there is a particular risk that child labour may be involved.

This list is based on the documentation made available by international organisations, government and NGOs<sup>9</sup> and shall help us in identifying whether any goods, service or equipment deemed critical and/or strategic for the building and maintenance of our core business is under particular risk of child labour. When relevant, we have labelled the amount of goods as either domestic quantities or professional quantities.

As a priority, in 2023, we have focused on electronic equipment, as this equipment is deemed strategic and critical goods for our core business and is also bought in professional quantities. We have then shortlisted our major suppliers of electronic equipment. These shortlisted companies account for more than 90% of our total spending in this domain.

We have then identified the “made in” country of the goods provided by each of these shortlisted companies and have mapped these countries with the latest version of the UNICEF Children's Rights in the Workplace Index in order to identify the Response level (Enhanced or Basic).

### 7.1.3 Indirect suppliers (beyond Tier 1)

We do not import or buy any raw materials. Instead, we acquire manufactured devices and equipment.

As referenced in the documentation cited in footnote<sup>10</sup>, we acknowledge that there could potentially be problematic issues concerning conflict minerals or metals present in electronic equipment beyond our Tier 1 suppliers, which were the focus of our analysis in 2023. Consequently, we have analysed the publicly available information provided by our Tier 1 suppliers, with regards to their adherence to a responsible mineral sourcing program or alliance.

---

8 - <https://www.unicef.ch/en/what-we-do/national/partners-and-initiatives/childrens-rights-and-business>

9 - Such as : <https://bhr-navigator.unglobalcompact.org/issues/child-labour/industry-specific-risk-factors/>  
<https://www.oecd.org/els/family/How-can-we-help-stop-child-labour-Policy-brief-2019.pdf>

<https://www.unicef.nl/files/Child%20Labour%20in%20Global%20Supply%20Chains.pdf>

## 7.2 Outcome

### 7.2.1 In general

According to the literature<sup>10</sup>, the electronics manufacturing industry poses child labour risks, as well as risks for young workers that include the following:

**Work experience:** In several Asian and South-East Asian countries, there are government programmes with major businesses for students and young workers to get work experience. However, there are reports of these programmes being abused, with student and young workers having their IDs faked so they can work longer and more hazardous hours.

**Materials:** Electronics companies may be linked to child labour via their mineral supply chains given that some of the minerals and metals used to manufacture electronic components can be associated with significant child labour risks (i.e. during the mining process), such as gold.

### 7.2.2 Our findings

All of our shortlisted suppliers of electronic equipment score an Enhanced Due Diligence Response according to the latest UNICEF Children's Rights in the Workplace Index, considering the "made in" country of their products.

However, we have also observed that more than 80% of the devices used by our end-customers are manufactured by renowned international brands that have been and continue to be under scrutiny from non-governmental organizations and local communities due to alleged instances of child labour at their production facilities. These brands have demonstrated their commitments, efforts and their continuous improvement towards eradicating child labour at the production sites.

With regards to radio equipment and other electronic hardware used in our network infrastructure, these are high-end electronic devices with a lower risk of child labour exploitation, as they are not produced on a mass-scale and are not designed for widespread consumer marketing, thereby reducing the pressure on the manufacturers to deliver large quantities in a short period.

As our shortlisted Tier 1 suppliers of electronic equipment are predominantly based in Europe, we consider the likelihood of child labour occurrences within our Tier 1 suppliers' operations to be low. However, we acknowledge that beyond their own operations, there could be a higher probability of child labour occurrence at the production sites and further down the supply chain.

---

<sup>10</sup> - <https://bhr-navigator.unglobalcompact.org/issues/child-labour/industry-specific-risk-factors/>  
[https://solidar.ch/wp-content/uploads/2023/11/China-Labor-Watch\\_Labor-Conditions-in-Chinas-Consumer-Electronics-Sector\\_2023.pdf](https://solidar.ch/wp-content/uploads/2023/11/China-Labor-Watch_Labor-Conditions-in-Chinas-Consumer-Electronics-Sector_2023.pdf)

### 7.2.3 Responsible minerals sourcing by our suppliers

Our findings indicate that more than 80% of the providers of the devices used by our end-customers are part of one or more alliance or program for responsible mineral sourcing, such as European Partnership for Responsible Minerals (EPRM), Public-Private Alliance for Responsible Minerals Trade (PPA), Responsible Minerals Initiative (RMI); 2 providers' (6% of all devices used by our end-customers) public claims that they are part of such alliance are under investigation. The remaining of the total number of devices used by our end-customers consist of 23 brands that has been deemed as anecdotic.

All our strategic suppliers of electronic equipment used in our network have adhered to a responsible mineral sourcing program or alliance.

## 7.3 Measures to cease, prevent, and mitigate adverse impacts

As discussed in Chapter 7.2, potential adverse impacts concerning child labour in the electronics manufacturing industry include the unlawful employment of student workers who are compelled to work overtime and the exploitation of child labour during the mining of minerals and metals used in the production of electronic equipment.

To mitigate the risk of child labour occurrences within our supply chain of electronic equipment, we have implemented the following measures:

### 7.3.1 Tier 1 suppliers:

If the UNICEF Children's Rights in the Workplace Index indicates an Enhanced Due Diligence Response towards the supplier (potential supplier during an RFP process or a current supplier), we will raise additional enquiries. These will include requests to the supplier to actually provide internal policies prohibiting child labour and evidences that they have conducted a due diligence to ensure the absence of child labour in their own operations. Based on these additional questions and responses, we determine the risk profile of the potential supplier and the precise nature of the potential adverse impact related to child labour. If relevant, we may impose, on top of our Supplier Code of Conduct, specific contractual obligations on the supplier to prevent and mitigate these potential adverse impacts depending of their exact nature and we will actively engage to support compliance.

If the Index indicates a Basic Due Diligence Response, the inclusion of our Supplier Code of Conduct in the supplier contract will be deemed sufficient.

### 7.3.2 Beyond Tier 1 suppliers:

Our Supplier Code of Conduct mandates that our suppliers pass on their obligations to their own suppliers and so forth throughout the supply chain and ultimately to the provider of raw materials, where the highest risks are found.

We will continue to actively monitor our Tier 1 suppliers of electronic equipment for adherence to internationally recognized responsible mineral programs and alliances.

Additionally, we may consider leveraging group or industry influence to prevent, limit, and ultimately eliminate the occurrence of child labour.

This could be achieved by joining industry alliances to increase the number of on-site audits at production sites and beyond.

## 7.4 Supply chain traceability system

The names and addresses of our Tier 1 suppliers are recorded in our procurement systems. We will further work on systematically and accurately documenting the types of goods and services our suppliers provide, including the “made in” country or the primary location where the service is provided.

Additionally, we will enhance our processes to include the evaluation of ESG and child labour criteria and obligations that we have established for our suppliers as part of our global suppliers’ evaluations. Documents related to our due diligence efforts, such as monitoring activities, supplier evaluations, and other relevant records, will be retained in our documentation system in accordance with our archiving policies.

A copy of this due diligence report will be printed, signed, and retained in compliance with Article 958f of the Swiss Code of Obligations (CO).

## 7.5 Priorities for 2024

By 31 December 2024, we strive that 100% of all internal stakeholders involved in the procurement process will be made aware of issues pertaining to child labour and trained on the newly established procurement process and risk assessment procedures.

By 31 December 2024, we will contact and engage with 100% of our strategic suppliers of electronic equipment to ensure they acknowledge our Supplier Code of Conduct. Additionally, where their internal policies regarding the prevention of child labour are not publicly available, we will request these documents from them.

We will continue to enhance the traceability of our Tier 1 suppliers’ goods and services and their countries of origin, respectively production sites.

We will also further enhance the grievance mechanism offered to stakeholders in order to ensure compliancy with the UN guidelines<sup>11</sup>.

---

11 - [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf)

## 8. Transparency and reporting

Our Social Responsibility and Sustainability Policy, our Procurement Policy and the Supplier Code of Conduct as well as our Code of Ethics are all publicly accessible on our website.

This due diligence report is also available on our website and will remain publicly accessible for a 10-year period.

## 9. Grievance Mechanisms

When confronted with a suspected violation of our Code of Ethics or any policy or document mentioned under Chapter 8 above, anyone can safely and anonymously file a complaint using our grievance platforms.

These platforms are available as well to anyone wishing to raise reasonable concerns about the existence of a potential or actual adverse impact related to child labour in our own operations or in our supply chain.

Complaints can be submitted via email to: [whistleblowing@salt.ch](mailto:whistleblowing@salt.ch) or in writing to: Ethics Advisor, Salt Mobile SA, Rue du Caudray 4, 1020 Renens, Switzerland.

Our Ethics Advisor will receive the complaint and address it swiftly and diligently. Remedial actions will be undertaken to cease or prevent the adverse situation.

Complaints, remedial actions and their adequacy will be documented and reported in the subsequent reports.

## 10. Approvals

Approved by the Board of Directors of Salt Mobile SA in its meeting on June 19, 2024.