

## I. Introduction

As a family-owned business, Maschinenfabrik Berthold HERMLE AG ("HERMLE AG") is expressly committed to doing business in a manner that is sustainable, as well as ecologically, ethically and socially responsible. We expect this attitude from our employees as well as from all our suppliers and their suppliers engaged by our direct business partners to fulfil contracts, throughout the entire supply chain.

HERMLE AG products are continuously optimised in terms of sustainability, setting industry standards in the field of high-quality milling machines, machining centres and complete automation solutions due to our rigorous quality standards.

We commit to complying with the principle of legality in our actions, measures, contracts and all other processes. This includes paying full respect to human rights and complying with all the relevant laws and regulations in countries where our products are to be sold and where we conduct business.

Any violation of the following principles by our suppliers (including their suppliers) may ultimately result in termination of the respective business relationship. For our employees, violation of the principles can lead to disciplinary measures and in some cases dismissal.

## II. Supplier requirements

### Adherence to the law

Our suppliers and business partners commit to complying with all relevant laws, legal provisions and regulations applicable to their business area.

This applies, in particular, to:

- The UN Guiding Principles on Business and Human Rights
- The Principles of the United Nations Global Compact
- The Core Labour Standards of the ILO (International Labour Organization)

### Social responsibility

#### Exclusion of forced labour

We expect our suppliers and business partners to strictly forbid any forced labour, slave work or other comparable work under compulsion. All work must be done voluntarily and without threat of punishment. Employees must always have the opportunity to terminate their employment at any time in accordance with existing laws. Furthermore, any unacceptable treatment of employees (e.g. psychological cruelty, sexual / personal harassment and humiliation) is strictly prohibited.

#### Use of security forces

If our suppliers employ security forces, the suppliers must ensure that no person is treated inhumanely or humiliatingly, injured or denied their freedom of association.

#### Ban on child labour

Child labour must not be used by our suppliers in any phase of production. Our suppliers are committed to observing the recommendation given by the fundamental ILO convention on the general minimum age for admission to employment or work. Accordingly, children must not be younger than the minimum age for admission to employment or work, which must not be less than the age of completion of compulsory schooling and, in any case, must not be less than 15 years. If any child is found to be working, the supplier must document the measures to be taken to remedy the situation. The rights of young employees must be protected. Employees under the age of 18 must not do work that may harm the health, safety or morality of children. Special protective regulations are to be observed.

### Fair pay and working hours

Working hours must comply with the applicable laws or the applicable industry standards. Remuneration for normal working hours and overtime must comply with the national statutory minimum wage or the minimum industry reference standards. Employees must be provided with all benefits required by law. Furthermore, our suppliers must ensure compliance with all national laws and regulations at the respective place of employment, particularly those concerning working hours, overtime, breaks and regular paid holidays.

### Freedom of association

Our suppliers must ensure that the right of employees to form and/or join any organisation of their choice or to form interest groups is respected in full. The representatives of employees must be protected against discrimination. Our suppliers must also grant their employees the right to defend their interests in accordance with applicable national legislation.

### Diversity, inclusion and ban on discrimination

Discrimination and/or the unjustified unequal treatment of employees in any form is strictly prohibited. This applies, e.g., to discrimination based on gender, race, caste, national, ethnic or social origin, skin colour, disability, health status, political conviction, origin, beliefs, religion, age, pregnancy or sexual orientation. The personal dignity, privacy and personal rights of each individual must be respected in full.

### Health protection, safety at work and safety of the products

Our suppliers are responsible for ensuring a safe and healthy working environment in compliance with the relevant national regulations and standards. By setting up and applying appropriate occupational health and safety systems, the necessary precautionary measures are taken to prevent accidents and damage to health that may arise in connection with the respective activity. Suitable measures must be taken to eliminate the risk of excessive physical or mental fatigue. Moreover, employees receive regular training and instruction on how to implement the applicable health and safety standards and measures. Employees are allowed unrestricted access to an adequate amount of drinking water as well as access to clean sanitary facilities. All deliveries must fulfil the relevant quality and safety standards, which is ensured by appropriate inspections.

### Preservation of natural habitats

Our suppliers must not exploit any land, forests or waters that are essential for people's livelihoods by infringing on the legitimate rights of third parties. Any detrimental changes to soil, contamination of water and air, noise emissions or excessive water consumption must be avoided if, in accordance with the relevant legal regulations, this harms people's health, significantly impacts the natural basis for food production or prevents access to clean drinking water or adequate sanitary facilities.

### Complaints procedures

Our suppliers are responsible for ensuring that effective complaints procedures are in place at company level. The complaints procedures must be fully accessible to employees while keeping their identity confidential and ensuring effective protection against discrimination.

### Dealing with conflict minerals

In terms of conflict minerals, such as tin, tungsten, tantalum and gold, as well as for comparable raw materials such as cobalt, our suppliers must establish processes aligned with the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

### Environmental responsibility

Our suppliers are committed to protecting the environment. Moreover, they adhere to all relevant laws and regulations concerning environmental protection and sustainability.

## Dealing with waste water and air emissions

Our suppliers must classify, monitor, inspect and, if necessary, treat waste water and emissions from operational procedures, manufacturing processes and sanitary facilities in accordance with national legal requirements and standards prior to release or disposal. Furthermore, our suppliers are required to implement measures to reduce the generation of waste water and strive to achieve cost-effective solutions to minimise emissions.

## Dealing with waste and harmful substances

Our suppliers must adopt a systematic approach to determine, handle, reduce and responsibly dispose of or recycle all solid waste. They are obliged to observe the export prohibition for hazardous waste laid down in the current version of the Basel Convention. Chemicals or other substances that, pursuant to the relevant legal standards, would pose a risk to the environment if released have to be identified and handled in a manner that guarantees safety during handling, transport, storage, use, recycling or reuse and disposal of these substances.

## Mercury and persistent organic pollutants

Our suppliers agree to comply with the applicable international standards regarding the handling of mercury (Minimata Convention) and persistent organic pollutants (Stockholm Convention).

## Reducing the consumption of raw materials and natural resources

Our suppliers strive to reduce or avoid the use and consumption of resources, particularly water and energy, and aim to eliminate or minimise waste generation during production.

## Dealing with energy consumption/efficiency

Our suppliers monitor and document their energy consumption, thereby ensuring transparency regarding their CO<sub>2</sub> emissions. Furthermore, they work to come up with economic solutions to enhance their energy efficiency and to minimise their energy consumption.

## Ethical business conduct

### Fair competition

Our suppliers adhere to the standards for fair business activities, fair advertising and fair competition. Additionally, they comply with antitrust laws that prohibit agreements and activities, especially those influencing prices or conditions, when dealing with competitors. Furthermore, they refrain from entering into agreements or practices with other companies aimed at preventing, restricting or distorting competition, and they do not illegally exploit any dominant market position.

## Data protection and cyber security

Our suppliers adhere to all applicable regulations, official requirements and laws regarding data protection and information security. The suppliers must securely protect the data and information provided by us against unauthorised third-party access.

## Confidentiality

Our suppliers must ensure that confidential information of HERMLE AG remains confidential even if the business relationship is terminated.

## Intellectual property

Our suppliers must respect intellectual property rights; any transfer of technology and know-how must protect intellectual property rights and customer information at all times.

## Integrity/bribery, enrichment

Our suppliers adhere to the highest integrity standards during all business activities. They uphold a zero-tolerance policy regarding bribery, corruption, extortion and embezzlement.

## Money laundering

Our business partners fully comply with relevant statutory provisions on preventing money laundering and on the corresponding reporting obligations.

## Foreign trade regulations

Our suppliers comply with all sanctions regulations as well as foreign trade and customs regulations.

## Confirmation of the supplier

The following supplier

\_\_\_\_\_  
*(Please enter full name and address of the company)*  
hereby confirms to Maschinenfabrik Berthold HERMLE AG in a legally binding manner that they have acknowledged the above Code of Conduct and that they recognise and commit to implementing the requirements and obligations contained therein, to the extent relevant to their field of activity.

\_\_\_\_\_, on \_\_\_\_\_  
*(Place) (Date)*

\_\_\_\_\_  
*(Signature/s of the supplier's  
authorised signatory/signatories)*

\_\_\_\_\_  
*(Name/s of the signatory/signatories in block letters)*