

# Code of Conduct for Suppliers



## 1. Preamble

TRUMPF is a family company. As a company, we have a social responsibility. We are committed to a free basic order, a fair market economy and free competition. We respect the laws and culture of the countries in which we operate. We support innovative approaches and projects at all our locations that advance social development and serve the people. We live equality and reject discrimination of any kind. At the same time, we pay attention to transparency, reliability and openness in internal and external communication. That creates trust. And last but not least, the protection of the environment and health is close to our hearts. Therefore, we use the best technology in each case to avoid harmful effects of our economic activities. As a guarantor of quality and reliability, we rely on innovation and collaborative partnerships. We expect our suppliers to share these values and to support them through responsible conduct.

We see a common understanding of socially and ecologically responsible action as well as ethical business conduct as an essential basis for this.

For future cooperation, we therefore expect our suppliers to comply with the following regulations.

## 2. Requirements of Suppliers

### 2.1 The Uppermost Principle: We Behave in Accordance with the Law.

Our suppliers are committed to the international human rights code of the United Nations, the „UN Guiding Principles on Business and Human Rights“, the ten principles of the „UN Global Compact“ and the internationally recognised core labour standards of the International Labour Organisation (ILO). This also applies if the following points do not explicitly refer to the relevant regulations, in particular the core labour standards of the International Labour Organisation (ILO). Our suppliers also comply with all relevant laws, regulations and other legal provisions of the countries in which they operate.

### 2.2 Social Responsibility

#### Human Rights

Our suppliers uphold internationally recognised human rights and promote actively their observance.

#### Exclusion From Forced Labour

Our suppliers reject any form of forced labour, slave labour and comparable work and respect the principle of freely chosen employment. Furthermore, there shall be no unacceptable treatment of workers, such as through psychological hardship, sexual and personal harassment.

#### Prohibition of Child Labour

Our suppliers only employ workers who are not subject to compulsory education under the law of the place of employment and who are at least 15 years old, unless the law of the place of employment deviates from this in accordance with the core labour standards of the International Labour Organisation (ILO). Furthermore, they shall respect and observe the rights of children.

#### Fair Working Conditions

Our suppliers shall pay appropriate wages and social benefits that comply at least with any applicable collective agreement, national and local legal standards, regulations or agreements. The relevant regulations in force at the place of employment regarding working hours, overtime, breaks and regular paid holidays shall be complied with.

#### Freedom of Association

Our suppliers respect the freedom of association and the right to form interest groups. They grant their employees the right to defend their interests based on the applicable national legislation. Employees do not suffer any disadvantages when exercising these rights.

#### Equal Opportunities

Our suppliers do not tolerate discrimination against employees based on gender, skin colour, nationality, disability, political opinion, ethnic or social origin, religion, age, sexual orientation or any other grounds. The personal dignity, privacy and personal rights of each individual are respected.

### **Health Protection/Safety at Work**

Our suppliers are responsible for a safe and healthy working environment and, within this context, take all necessary measures to ensure health and safety in the workplace so that healthy employment conditions and occupational safety are warranted.

### **Protection of Natural Foundations**

Our suppliers comply with the prohibition of causing harmful soil change, water pollution, air pollution, harmful noise emission or excessive water consumption that significantly affects the natural basis for the preservation and production of food that denies a person access to safe drinking water, that impedes or destroys a person's access to sanitary facilities or that damages a person's health.

### **Land Grabbing**

Our suppliers shall also comply with the prohibition of unlawful eviction and the prohibition of unlawful taking of land, forests and waters, in the acquisition, construction or other use of land, forests and waters, the use of which secures the livelihood of a human being.

### **Deployment of Security Forces**

Our suppliers shall ensure, if they engage private or public security forces for the protection of their production facilities, operating sites and other premises, that the security forces are appropriately trained and controlled so that they observe the prohibition of torture and cruel, inhuman or degrading treatment, do not harm life and limb and do not infringe on the freedom of association and trade union.

### **Grievance Mechanisms**

Our suppliers are responsible for establishing an effective grievance mechanism at the facility level. They ensure the protection of whistleblowers from retaliation.

### **Dealing with Conflict Minerals**

Our suppliers establish processes for the conflict minerals tin, tungsten, tantalum and gold, as well as for other raw materials such as cobalt, in accordance with the Organisation for Economic Co-operation and Development (OECD) Guiding Principles on Due Diligence to Promote Responsible Supply Chains for Minerals from Conflict and High-Risk Areas.

## **2.3 Ecological Responsibility**

### **Compliance with Applicable Environmental Regulations**

Our suppliers take responsibility with regard to environmental protection and comply with all relevant laws, regulations and other legal provisions concerning the environment and sustainability.

### **Treatment and Discharge of Industrial Waste Water**

Our suppliers typecast, monitor, inspect and, if necessary, treat wastewater from operations, manufacturing processes and sanitary facilities before discharge or disposal. In addition, measures are introduced to reduce the generation of wastewater.

### **Handling Waste and Hazardous Substances**

Our suppliers avoid or reduce their waste volumes as well as emissions to air, water and soil. Disposal is carried out in compliance with the applicable legal requirements. Our suppliers also comply with the requirements of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

### **Mercury, Persistent Organic Pollutants**

Our suppliers comply with international standards on the handling of mercury and persistent pollutants (Minamata Convention on Mercury and Stockholm Convention on Persistent Organic Pollutants).

### **Reduce Consumption of Raw Materials and Natural Resources**

Our suppliers reduce or avoid the use and consumption of resources during production and the generation of waste of all kinds, including water and energy.

### **Dealing with Energy Consumption/Efficiency and Greenhouse Gas Emissions**

Our suppliers monitor and document their energy consumption. They strive to improve energy efficiency and minimise energy consumption. This and the use of renewable energies are intended to reduce greenhouse gas emissions.

### **Impact on Biodiversity, Climate Change and Water Scarcity**

Our suppliers reduce the impact of their operations on biodiversity, climate change and water scarcity.

## **2.4 Ethical Business Conduct**

### **Conflicts of Interest**

Our suppliers make decisions on the basis of factual considerations and do not allow themselves to be guided in an inadmissible manner by personal interests. If our supplier becomes aware of a potential conflict of interest, he shall inform TRUMPF immediately.

### **Fair Competition**

Our suppliers behave fairly in competition and comply with the applicable legal regulations that protect free competition. In addition, they do not enter into any agreements or concerted practices with other companies that have the purpose or effect of preventing, restricting or distorting competition and do not illegally exploit any dominant market position.

### **Corruption**

Our suppliers apply the highest standards of integrity. They comply with applicable anti-corruption laws.

### **Foreign Trade Regulations**

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

### **Data Protection**

Our suppliers comply with applicable laws and regulations on data protection.

### **Intellectual Property**

Our suppliers respect intellectual property rights.

### **Trade Secrets**

Our suppliers shall ensure that confidential information of TRUMPF is kept secret. This also applies after termination of the business relationship.

### **Money Laundering and Terrorism Financing**

Our suppliers comply with the relevant laws, legal ordinances and other legal provisions for the prevention of money laundering and the financing of terrorism.

## 3. Implementation of Requirements

### 3.1 Supplier Declaration

The Supplier undertakes to comply with the requirements set out in Clause 2 of this Code of Conduct in connection with its performance providing for TRUMPF.

### 3.2 Trainings

At the request of TRUMPF, the Supplier shall participate to an appropriate extent in training and further education on the contents of the Code of Conduct.

### 3.3 Subcontractors

The Supplier shall communicate the contents of the Code of Conduct in an appropriate manner to its suppliers whom it commissions in connection with its performance providing for TRUMPF (hereinafter referred to as „Subcontractor“) and shall also work in an appropriate manner to ensure that the Subcontractors also commit themselves to comparable values and principles and comply with them.

### 3.4 Rights of Control

TRUMPF is entitled to verify the Supplier's compliance with the Code of Conduct in connection with its performance providing for TRUMPF, for example by inspecting the relevant documents and/or by on-site visits. For this purpose, the Supplier shall, upon TRUMPF's request, immediately grant TRUMPF insight into the documents relevant for the inspection, if necessary also by transmitting these documents. Furthermore, the Supplier shall immediately provide TRUMPF with the information required for the inspection and shall grant TRUMPF access to its production facilities, operating sites and other premises during normal business hours, insofar as this is necessary for the inspection. TRUMPF shall give reasonable advance notice of the visit. If there is reasonable suspicion of a violation of the Code of Conduct in connection with the performance providing for TRUMPF, TRUMPF shall also be entitled to make unannounced visits. When exercising the rights of control, TRUMPF shall keep the interference with the production and operating processes as low as possible, show reasonable consideration for the Supplier's business secrets and observe the statutory data protection. TRUMPF may also have the rights of control exercised by a third party, whereby this third party must be obligated professionally or contractually to maintain confidentiality vis-à-vis outsiders.

### 3.5 Information Obligations

The Supplier shall inform TRUMPF immediately in writing if a violation of the Code of Conduct should have occurred in its business operations and the violation is or may be related to its performance providing for TRUMPF. In addition, the Supplier shall also inform TRUMPF immediately in writing if there is any suspicion that a Subcontractor is violating comparable values and principles. At TRUMPF's request, the Supplier shall immediately investigate the suspicion and clarify the facts. He shall keep TRUMPF informed in writing about the details of the facts and the result.

### 3.6 Remedial Measures

TRUMPF may require the Supplier to develop and implement, together with TRUMPF, a concept to remedy the violation of the Code of Conduct, to the extent that the violation is related to the performance providing for TRUMPF. In particular, TRUMPF may require the Supplier to initiate immediately concrete and appropriate remedial measures to eliminate the violation of the Code of Conduct. The concept must include a concrete time schedule. The time schedule must be appropriate to the type and severity of the violation of the Code of Conduct. In the event that TRUMPF itself prepares a concept to eliminate the violation of the Code of Conduct, the Supplier shall be obliged to support TRUMPF in the implementation of this concept to an appropriate extent.

### 3.7 Right of Cancellation/Withdrawal

If the Supplier, in breach of duty, refuses to prepare, implement or cooperate in a concept, or if the Supplier, in breach of duty, fails to initiate the remedial measures within a reasonable period of time, which shall not exceed one month from the request to do so, or if the Supplier, in breach of duty, fails to fulfil its support obligations within a reasonable period of time, which shall also not exceed one month from the request to do so, or if the remedial measures do not have any effect within the period of time agreed in the concept or in the absence of an agreement within a reasonable period of time, TRUMPF shall be entitled to terminate the contract or to withdraw from the contract after the unsuccessful expiry of a reasonable grace period or after an unsuccessful warning with immediate effect. If the violation of the Code of Conduct is so serious that TRUMPF cannot reasonably be expected to adhere to the contract, TRUMPF shall even be entitled to terminate immediately or withdraw immediately from the contract. The Supplier is obliged to reimburse TRUMPF for all disadvantages suffered by TRUMPF as a result of the violation of the Code of Conduct. This shall not apply if the Supplier is not responsible for the violation of the Code of Conduct. Further claims and rights of the Supplier shall remain unaffected.

### 3.8 Adaptation of the Code of Conduct

TRUMPF is entitled to adapt the Code of Conduct at its dutiful discretion and within the scope of what is reasonable for the Supplier, in particular to place further legal assets under the protection of the Code of Conduct if their need for protection becomes apparent after conclusion of the contract, for example due to the opening of a new business division or the addition of new products, or insofar as adaptations become necessary as a result of changes in the law.

If you have concerns about unlawful conduct or misconduct, please contact [compliance@trumpf.com](mailto:compliance@trumpf.com) or the anonymous whistleblower system, which can be found at the following link: <https://trumpf.integrityplatform.org/>.