

Foreword by the Executive Board to the Supplier Code of Conduct

Dear suppliers of the ZwickRoell Group,

We have always been passionate about manufacturing the best materials testing machines.

In order to achieve this goal, we depend on you, our suppliers, and your products and services.

That is why a solid, lasting partnership with our suppliers is of the utmost importance to the ZwickRoell Group.

Acting responsibly and with integrity forms the foundation for our business and also for a successful and long-term partnership with you, the suppliers of the ZwickRoell Group.

For us, this means complying with all applicable legal requirements and, in particular, respecting internationally recognized human rights. This includes maintaining relationships with employees and business partners that are fair and collaborative, observing occupational health and safety requirements, prohibiting corruption, guaranteeing data protection, respecting the right to organize, ensuring product safety, and promoting environmental protection and sustainability.

In order to increase integrity and responsible conduct along the entire supply chain, we communicate our values and expect our suppliers to make these values an integral part of their supply relationships.

This Supplier Code of Conduct defines the conduct that we expect from you and that you can expect from us. It is intended to help you make the right decisions, even in critical situations.

Please note: the references to people in the Supplier Code of Conduct relate to all genders.

Chairman of the Board, ZwickRoell SE

Klaus Cierocki

Ethical and social responsibility

1. Conduct in compliance with the law

The ZwickRoell Group¹ (hereinafter also referred to as “we”) requires all employees, managers, partners, and suppliers² (hereinafter also referred to as “you”) to comply with all applicable legal obligations. This is because law-abiding conduct serves to protect each individual as well as the company as a whole.

2. Human rights, child labor, and forced labor

Respect for human rights and their protection within our supply chain is of central importance to the ZwickRoell Group. Our commitment to the protection of human rights is based on the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organization's (ILO) core labor standards (CLS), the OECD Guidelines for Multinational Enterprises, and the Ten Principles of the UN Global Compact.

Accordingly, we reject all forms of forced, compulsory, and child labor as well as (modern) slavery.

We expect our suppliers to be equally committed to respecting and protecting human rights and to outlawing child, forced, and compulsory labor as well as (modern) slavery.

3. Appropriate compensation

We and our suppliers undertake to pay employees appropriate compensation or wages. The compensation or wage must be sufficient, at minimum, to safeguard the livelihood of the employees and their families locally and must not fall below the statutory minimum wage.

4. Freedom of association, right to organize, and right to collective bargaining

ZwickRoell respects the freedom of association, the right to organize, and the right to collective bargaining. We also expect this of our suppliers. This means that employees must be allowed to form or join trade unions and the legal rights of trade unions must be observed.

¹ The ZwickRoell Group comprises ZwickRoell SE and all the group companies that it controls.

² Suppliers are all business partners who deliver products to the ZwickRoell Group or provide services for the ZwickRoell Group.

5. Prohibition of corruption, bribery, and money laundering

We impress our customers with the quality of our products and our competence, innovative capability, service, and reliability. We also expect this of our suppliers. All applicable requirements of trade, antitrust, and competition law must therefore always be observed.

We therefore require our suppliers to reject any unlawful form of coordination of prices or the assignment of production or sales quotas just as resolutely as other unlawful measures that hinder competition. Exchanging confidential information such as prices, margins, conditions, customers, product developments, or capacities with competitors is also not permitted.

Furthermore, we require our suppliers to strictly reject any form of bribery and corruption. This means that you must not accept any promises of unlawful advantages from third parties and must not promise any unlawful advantages in order to influence the decisions of third parties. Special requirements must also be observed when dealing with public officials, authorities, and public institutions. Actions and conduct that give the impression of corruption must be avoided.

We require our suppliers to comply with internationally applicable import and export regulations as well as all embargoes and to comply with obligations to combat money laundering and the financing of terrorism. Information and evidence necessary to demonstrate conformity must be provided on request.

6. Conflicts of interest

We respect the interests of our suppliers and expect our suppliers to respect our interests and act accordingly.

We rely on transparency to identify conflicts of interest and make decisions based on objective and transparent criteria. Business decisions must not be influenced by personal interests or relationships. Employees who find themselves confronted with a conflict of interest must therefore be excluded from the decision-making process, if necessary.

7. Security personnel and security service providers

If the supplier uses the help of security service providers or private or public security forces, it must instruct, train and monitor them appropriately. Unlawful acts such as torture, inhumane and degrading treatment, injury to life and limb, and violations of the freedom of association and the right to organize by security forces must be prevented.

8. We work together fairly and in partnership

When working with our suppliers, we rely on long-term partnerships and relationships based on trust. We respect our suppliers and work towards an objective and constructive solution in the event of any conflicts.

The ZwickRoell Group respects the personality of each individual and is committed to politeness, tolerance, and respect in our dealings with each other. We expect the same from our business partners.

The following applies: no one may be discriminated against in any way on the basis of their national or ethnic origin, social background, health status, gender, sexual orientation, age, political, ideological or religious beliefs, or membership of an employee association, unless such a distinction is justified by the requirements of the job in exceptional cases. Therefore, we oppose all forms of bullying and harassment.

9. Protection of property and trade secrets

We respect the property of others in the same way as our own, and we also oblige our suppliers to do the same.

If you gain access to or possession of property belonging to the ZwickRoell Group, you must treat it with care and respect and, in particular, protect it from damage and unauthorized access. This also applies to intangible and intellectual property of the ZwickRoell Group, which must be treated as confidential and may not be used or passed on without the express prior consent of the ZwickRoell Group. We conclude separate confidentiality agreements with suppliers to protect the ZwickRoell Group's trade secrets.

The rights of third parties must also be duly respected. Accordingly, we expect our suppliers to refrain from participating in unlawful evictions or unlawful seizure of land, water, and forests.

10. Product safety

The ZwickRoell Group's products are designed to deliver optimum measurement results and must not pose a health or safety risk to anyone. Therefore, ensuring product safety is very important to us. Compromises at the expense of product safety are not acceptable to us. We expect all suppliers to comply with product safety in accordance with the applicable legal and contractual requirements during development, production, and with regard to the intended use of the items for delivery.

11. Data protection and IT security

We respect data protection and also oblige our suppliers to protect the privacy of each individual and, in particular, their personal data, at minimum to the extent required by the applicable legal obligations, such as the EU GDPR. This means that data may only be collected and processed in accordance with applicable law. Furthermore, we expect our suppliers to implement state-of-the-art technical and organizational measures (in particular data and IT security systems) to ensure that data is collected, managed, and processed securely and protected against unauthorized access. This includes mechanisms to protect against the adverse effects of malware, phishing, DDoS attacks, and other attacks as well as against physical threats.

Responsibility for the environment and health

12. Environmental protection

The ZwackRoell Group views environmental protection as an integral part of its long-term economic success. To meet our obligation, we aim to minimize the environmental impact of our business activities. We therefore expect our suppliers to comply with all relevant environmental obligations and requirements and to do their utmost to avoid or minimize environmental impacts of any kind, in particular air, soil, and water pollution, all types of emissions, and noise.

13. Workplace and health protection

Safety in the workplace is a fundamental right with regard to the right to life and physical integrity and is a top priority for the ZwackRoell Group. Risks to health must be kept to an absolute minimum. To ensure this, a safe, hygienic working environment that meets the applicable legal requirements at minimum must be provided. The supplier must establish appropriate regulations and processes for occupational health and safety and communicate them to its employees. Appropriate personal protective equipment must be provided to employees and care must be taken to ensure that it is used.

14. Working hours

The applicable statutory working time regulations must be observed. This means that every employee is entitled to at least one day off after six consecutive working days. Furthermore, sufficient rest breaks must be integrated into the work schedule in order to prevent accidents at work that can result from mental or physical fatigue.

15. Conflict minerals

We intend to offer only products that are free of conflict minerals. We therefore expect our suppliers to ensure that their products are free of conflict minerals. This means that their products do not contain any minerals (in particular tin, tantalum, tungsten and gold) that are used directly or indirectly to benefit or finance armed groups and cause human rights violations. Furthermore, we expect you to comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

16. Sustainability

The ZwackRoell Group intends to make an active contribution to a future worth living for generations to come. That is why we are committed to combining economic success, environmental protection, and social responsibility.

Our aim is to take responsibility for products and processes holistically and to use resources responsibly through targeted planning and action. This means using resources sparingly and to the best possible effect. We therefore take care to avoid environmental pollution early on in the development and optimization stages of our products. For us, our technical and economic expertise is linked to our responsibility to work for the benefit of people, to be socially committed, and to make a sustainable, positive contribution to innovative and environmentally friendly development. We also expect this of our suppliers.

Our expectations of our suppliers

We strive for long-term supplier relationships within our supplier strategy and always look for amicable solutions if problems arise.

We expect our suppliers to require their suppliers to comply with similar/equivalent standards to those set out in this Supplier Code of Conduct.

We expect our suppliers to support us in carrying out regular and ad hoc risk analyses, including the processing of self-disclosures and the provision of evidence such as certificates on request. In addition, on-site/remote inspections or audits can also be requested.

We expect our suppliers to implement an appropriate risk and compliance management system in order to identify and avert risks and violations of this Supplier Code of Conduct. We also expect support in implementing possible preventive measures.

We expect our suppliers to follow up on information from whistleblowers in an appropriate manner and, if necessary, to notify us about this information.

Reporting violations (reporting office)

Our reporting channels can be used to submit information concerning the ZwickRoell Group: You can contact us at any time at compliance@zwickroell.com. We treat every report as confidential. If anonymity or reporting to an independent person is important to you, you can contact our ombudsperson without giving your name.

The ombudsperson can be contacted by telephone at +49 (89) 90 420 49 62 / +49 (170) 91 37 617 or via email at ZwickRoell-Whistleblowing@bay-gmbh.com.

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