

**Bystronic**

**Your best choice.**

# **Global Supplier** **Code of Conduct**

### **Location**

Bystronics Group has its headquarters in Switzerland, so it is subject to Swiss law. In situations where other countries' laws are different or more restrictive, we abide by the local country laws and principles.

### **Imprint**

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### **Preamble**

This Supplier Code of Conduct (SCoC) outlines the expectations and requirements for our suppliers and their partners as well as third parties (in the following “suppliers”) conducting business with Bystronic as a minimum standard. Suppliers are expected to comply with international human rights standards, labor regulations, environmental responsibilities, and fair business practices. Bystronic welcomes it if suppliers and business partners go beyond those minimum standards. This code prevails over and modifies the terms of any agreements with our company. We may update this code periodically, and the current version can be found on our company’s supplier portal.

**→ Company’s supplier portal**

# 1 Introduction

## 1.1 Our Commitments

At Bystronic, we are driven by a profound commitment to ethical and responsible business practices. This commitment is deeply ingrained in our organizational culture and reflects the very core of who we are. Our Code of Conduct and Corporate Responsibility Reports are the cornerstones of these commitments. They outline our dedication to legal compliance, social responsibility, integrity and environmental stewardship. We believe in the importance of respecting human rights, protecting the environment, and promoting ethical conduct throughout our supply chain. Therefore, we align ourselves with international standards such as the OECD Guidelines for Responsible Business Conduct and the UN Guiding Principles on Business & Human Rights and expect you to do the same.

Therefore, we aim to extend these principles with this Supplier Code of Conduct (SCoC), to our valued partners, recognizing that our collective commitment to ethical behavior and sustainability is essential for success. Together, we can ensure that every action aligns with our shared vision of a responsible and sustainable future.

## 1.2 Expectations of Our Suppliers

We expect you to share and adhere to these commitments.

It is essential that you ensure that your own suppliers and business partners also comply with equivalent standards.

This Supplier Code of Conduct applies to all your activities within our business relationship and sets forth the minimum standards of business conduct and practice we expect from you.

## 1.3 Compliance and International Standards

Compliance with applicable national and international laws, regulations, and codes of the countries in which you operate is mandatory. In particular you shall comply with the UN Guiding Principles on Business and Human Rights, the ILO Conventions on Core Labor Standards [Elimination of all forms of forced or compulsory labor (ILO Conventions 29 and 105), Effective abolition of child labor (ILO Conventions 138 and 182), Freedom of association and the right of collective bargaining (ILO Conventions 87 and 98), Elimination of discrimination (ILO Conventions 100 and 111) and Occupation a safe and healthy working environment (ILO Conventions 155 and 187)] and all applicable anti-bribery laws. You should always follow the stricter interpretation in the comparison between this Code and applicable laws and regulations.

#### 1.4 Requests for Information

We reserve the right to inspect or audit your operations to verify compliance with this Supplier Code of Conduct. Upon request, please maintain records and provide documentation (e.g. ESG-Reports & Policies, Certifications & Auditing results), including transparency regarding the material content and origin of all materials supplied to us. We expect you to establish measures to trace materials, minerals, and metals to their origin and processing sites. It is crucial to exercise due diligence in ensuring that your sourcing activities do not support armed conflicts or human rights violations directly or indirectly. Upon request, provide relevant risk assessments and disclose your due diligence measures for high-risk minerals, metals, or other materials. In case of non-compliance identification, corrective actions within agreed timeframes will be requested.



#### 1.5 Continuous Improvement

Emphasizing continuous improvement in business practices, including compliance with this Supplier Code of Conduct, is highly valued. Regularly reviewing and assessing operations to identify areas for improvement and implementing corrective and preventive measures to ensure ongoing compliance is expected. Upon request you shall make visible the internal program you have in place demonstrating continuous improvement or fulfilment against the Supplier Code of Conduct or its equivalence.



## 2 Specific ESG-Expectations

### 2.1 Environment

#### 2.1.1 Environmental Responsibility (Sustainable Procurement)

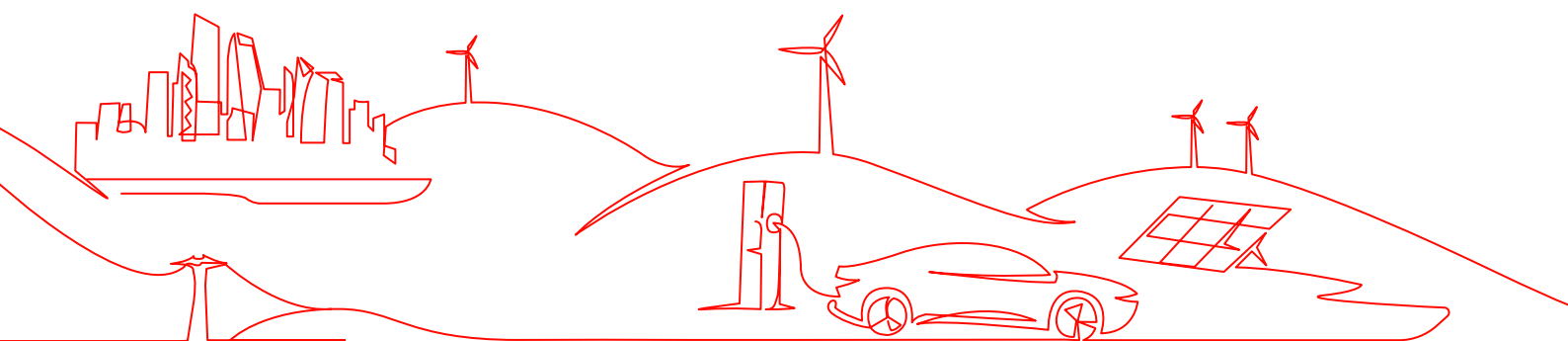
Environmental stewardship is of paramount importance to us. We value actions that contribute to reducing biodiversity loss and adhere to applicable laws, including the upcoming EU deforestation law, to combat deforestation and forest degradation. Furthermore, all waste and wastewater handling, transportation, storage, reuse, recycling, or disposal activities must be carried out in strict accordance with applicable regulations and standards. Operating your business in an environmentally responsible manner is a fundamental expectation. This includes optimizing the use of natural resources, minimizing waste and emissions, and championing resource efficiency. We strongly encourage you to consider adopting environmental management policies and systems aligned with ISO standards or their equivalents. Additionally, it is crucial to continuously monitor environmental performance and set ambitious reduction targets.

#### 2.1.2 Climate Action and Energy Usage

We strongly encourage you to actively contribute to reducing greenhouse gas emissions and supporting the transition to a low-carbon economy. This includes quantifying your greenhouse gas emissions and establishing targets to limit global warming. Striving for carbon neutrality, net-zero emissions and energy efficiency within your own operations is highly valued. Goals and targets should be in line with the SBTi (Science Based Target Initiative). Additionally, collaboration with your supply chain partners to adopt sustainable practices, embrace renewable energy sources, and implement responsible procurement processes that consider environmental, social, and ethical criteria is crucial.

#### 2.1.3 Dangerous Substances to Humans and the Environment

We ban dangerous substances that are dangerous to humans and the environment in our supply chain as per the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, if it is possible.



### **2.1.4 Compliance and Control**

We expect you to obtain and maintain all required environmental permits, licenses, and registrations. Furthermore, you should comply with operational and reporting requirements related to environmental regulations. You must ensure proper control and treatment of wastewater, solid waste, air emissions, and hazardous substances. Adhere to specific regulations and labeling laws governing the recycling and disposal of hazardous materials.



## **2.2 Human and Labor Rights**

### **2.2.1 Adherence to the ILO Core Labor Standards**

Regarding labor rights, you shall respect the Core Labor Standards of the ILO [Elimination of all forms of forced or compulsory labor (ILO Conventions 29 and 105), Effective abolition of child labor (ILO Conventions 138 and 182), Freedom of association and the right of collective bargaining (ILO Conventions 87 and 98), Elimination of discrimination (ILO Conventions 100 and 111) and Occupation a safe and healthy working environment (ILO Conventions 155 and 187)] in all your business activities and take the necessary steps and due diligence measures to ensure these standards in your own supply chain. In particular the following requirements must be adhered to:

#### **2.2.1.1 Prohibition of Child Labor**

In accordance with International Labor Standards you have to ensure that no person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher. If you or your suppliers employ young workers (between the ages of 15 and 18) you shall demonstrate that the employment contributes to their personal education and does not expose them to undue physical risks that can harm mental, physical or emotional development. Young workers are especially not allowed to work night shifts or engage in work with hazardous conditions.



#### **2.2.1.2 Protection against Slavery and Forced Labor**

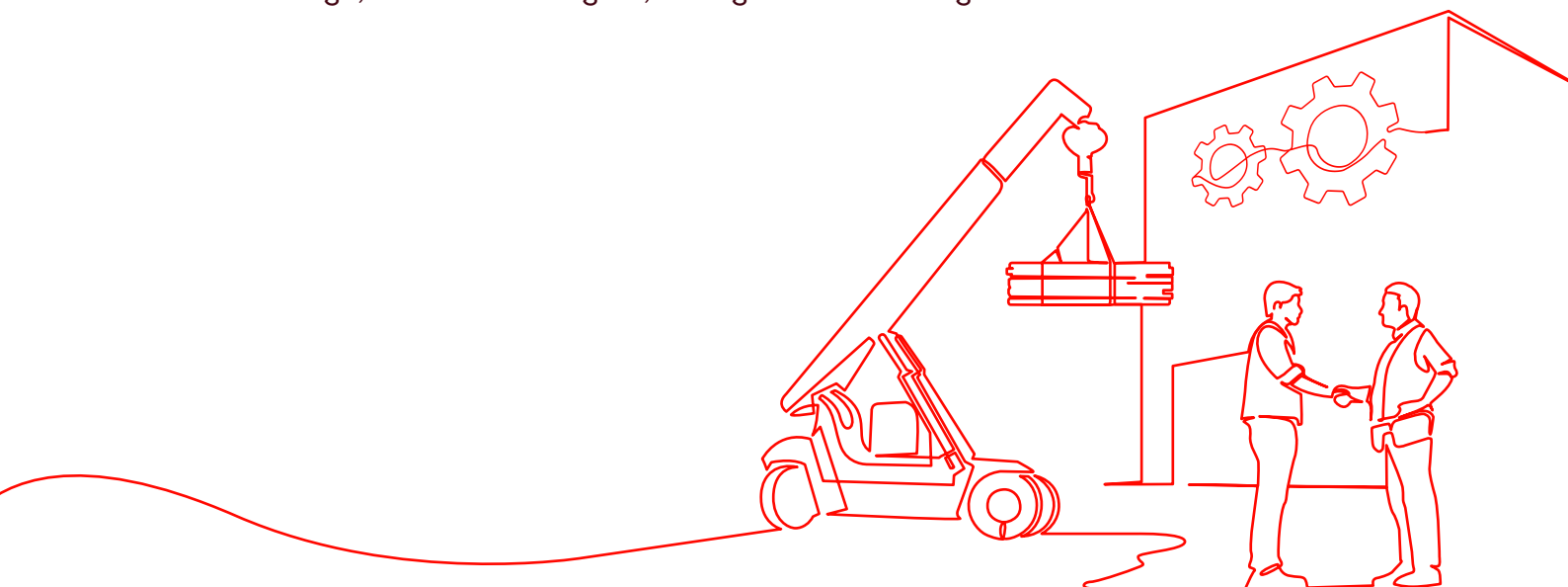
You shall prohibit the use of slavery, servitude, forced or compulsory labor in any part of your operations and supply chain. This includes, but is not limited to, human trafficking, debt bondage, and other forms of modern slavery. You shall ensure that workers are not required to lodge deposits (e.g. passports, bank books or other personal documents) as a condition for an employment and take care that workers are able to freely choose their employment and terminate their employment after reasonable notice. Furthermore, you shall not conduct business using production targets or performance indicators that lead to forced labor or work above reasonable limits (working hours / rest days) and you shall not make use of violence, threats of violence, punishment, confinement or any other method of intimidation to discipline or control workers.

#### **2.2.1.3 The Right to Form Trade Unions and Workers' Representations**

You shall recognize and respect the right of all workers in your own operations and your supply chain to establish, join, or support trade unions of their choosing without fear of reprisal, interference, intimidation, or harassment. This requires to uphold the principles of freedom of association and the effective recognition of the right to collective bargaining. This includes respecting the right of workers to negotiate their working conditions collectively and ensuring that worker representatives are not discriminated against and have access to all necessary workplaces to carry out their representation roles.

#### **2.2.1.4 Prohibition of Withholding an Adequate Living Wage and Unfair Working Conditions**

You shall provide fair working conditions, including equal remuneration and working hours should not exceed permissible working hours, overtime should be voluntary, and employees should be compensated in accordance with applicable regulations/standards. Furthermore, employees must be compensated regularly, timely and fully in compliance with applicable laws. Compensation and other benefits should be fair, equally available and ensure decent standard of living for employees and their families. For remuneration based on production, quotas, or piecework, the pay rate shall allow the worker to earn at least the minimum or collective agreement wage, whichever is higher, during normal working hours.



#### **2.2.1.5 Freedom from Discrimination and Promotion of Diversity, Equality, and Inclusion**

You shall operate with dignity, respect and integrity regarding the treatment of your workers and the workers in your supply chain and ensure:

- that forms of psychological, physical, sexual or verbal abuse, intimidation or harassment are not tolerated;
- that the privacy rights of your employees are fully respected, whenever you gather private information or implement employee-monitoring practices.

Furthermore, you are strongly encouraged to take meaningful steps and implement adequate measures to promote diversity, equality and inclusion in your workforce.

#### **2.2.1.6 Occupational Health and Safety and Related Health Hazards**

You shall provide a safe and healthy working environment for all employees, mitigating risks and ensuring compliance with all applicable health and safety laws and international standards. This includes maintaining proper sanitary, heating, ventilation, and lighting conditions in all working and living spaces.

Furthermore, you are responsible for regularly identifying, evaluating, and mitigating potential health hazards associated with your operations. This encompasses exposure to toxic chemicals, excessive noise, mechanical dangers, and unsanitary conditions. Preventative measures should be implemented and regularly reviewed for effectiveness.

Clear and effective procedures must be established and regularly practiced for responding to emergencies and accidents. This includes providing accessible first aid, emergency exits, fire prevention, and evacuation plans. You shall maintain a trained emergency response team and necessary equipment to manage potential crises. Furthermore, you are required to implement regular health monitoring for employees exposed to hazardous conditions and personal protective equipment (PPE) must be provided at no cost to the employees, and workers must be trained in its proper use.



### **2.2.2 Respecting Universal Human Rights**

Regarding Human Rights, you shall respect the Universal Declaration on Human Rights and the UN Guiding Principles on Business and Human Rights in all your business activities and take the necessary steps and due diligence measures to ensure these standards in your own supply chain. You shall provide regular and mandatory training for all employees, especially security personnel, on the importance of upholding human rights in your operations. In particular the following requirements must be adhered to:

#### **2.2.2.1 Protection against Torture and Inhumane Treatment**

You shall strictly prohibit any form of torture, cruel, inhuman, or degrading treatment or punishment in your operations. This includes physical, psychological, and emotional abuse. The dignity and human rights of all individuals (employees and affected third parties) must be respected and protected under all circumstances. Furthermore, you are responsible for ensuring that your security personnel, whether in-house or contracted, adhere to the highest standards of professional conduct. This includes comprehensive training in human rights principles, especially the prohibition of torture and inhumane treatment. Security personnel must be clearly instructed that any form of such conduct is unacceptable and will result in severe consequences.

#### **2.2.2.2 Protection against Unlawful Taking of Land**

You shall demonstrate evidence of respecting (community) land rights and free, prior, and informed consent of the local community regarding the land use of your operations. Furthermore, you shall be able to demonstrate with official documents that you are entitled to use the land. Unlawful expropriation of land or forced evictions of individuals or communities is prohibited.

#### **2.2.2.3 Prohibition of Causing any Harmful Soil Change or Water Pollution**

Suppliers should take measures to avoid harmful impacts/contamination on soil or water which can impact the basis for food or access to clean drinking water or sanitation or in total affect human health.





### **2.2.3 No Contribution to the Sourcing and Trade of Conflict-Minerals and Metals**

You must ensure that minerals and metals sourced or traded do not originate from conflict-affected and high-risk areas where their extraction, trade, handling, and export could finance armed groups or fuel human rights abuses. This includes, but is not limited to, tin, tantalum, tungsten, and gold.

You are required to conduct thorough due diligence on your supply chains to trace and document the origin of minerals and metals and ensure they are conflict-free. This includes maintaining transparent, detailed, and accessible records of sourcing and supply chain practices. To reach this aim you must adopt and implement responsible sourcing practices that align with internationally recognized frameworks, such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. This involves collaborating with stakeholders to support legitimate, conflict-free trade in minerals.



## **2.3 Ethical Conduct**

### **2.3.1 Business Ethics and Fair Competition**

We request you and your suppliers to conduct your business with the highest standards of ethical conduct, upholding fair business practices, advertising, and competition, all while demonstrating respect for national and international antitrust laws. In particular, we expect you not to participate in unauthorized price and bid rigging. Furthermore, you shall ensure that all statements, communications, and representations made to our company and customers are accurate, complete, and truthful. You should avoid any potential conflicts of interest and inform us in advance if there are any.

### **2.3.2 Intellectual Property and Confidentiality**

You must respect intellectual property rights and protect confidential and proprietary information belonging to our company and third parties and safeguard intellectual property rights during technology transfers and know-how sharing. We expect you to comply with national and international privacy and information security laws and regulations when handling personal information and that you do not misuse, steal or disclose (unauthorized) Intellectual Property.

### **2.3.3 Anti-Corruption**

You shall not offer, pay, request, or accept bribes or engage in other illegal inducements in business or government relationships. Furthermore, you shall exercise and document reasonable and effective due diligence to ensure your own business associates do not engage in any illegal inducements. Compliance with all applicable national and international anti-bribery and money laundering laws is a must.

### **2.3.4 Books and Records**

You must maintain accurate and reliable financial and business records, ensuring that all submissions to our company are complete and accurate.



## 3 Procedural Aspects

### 3.1 Communication and Collaboration

It is crucial that all employees, business partners, agents, and subcontractors are not only aware of but also fully understand this Supplier Code of Conduct. We place significant emphasis on this aspect, along with the establishment of robust communication channels for disseminating the code and providing guidance on compliance.

You shall implement robust mechanisms to ensure compliance with this Supplier Code of Conduct in your own operations and at every level of your supply chain and you are required to conduct thorough due diligence on your supply chains to identify, prevent, and mitigate any risks. This includes regular audits, both announced and unannounced, by independent third parties and you must maintain transparent records of these audits and their outcomes. Furthermore, you are expected to engage with your own suppliers to ensure they also understand and adhere to the requirements outlined in this Supplier Code of Conduct. This includes providing training and support to enhance their capacity and mitigate risks in their supply chains.



Maintaining an open and transparent dialogue, and fostering collaboration with our company, are fundamental to our partnership. We expect your active engagement in sharing relevant information and cooperating to address compliance issues, including violations of the Supplier Code of Conduct. We highly value the exchange of best practices and identifying opportunities for mutual improvement. By working closely together, we can cultivate a culture of continuous improvement and uphold the highest standards.



### **3.2 Grievance Mechanism and Non-Retaliation**

You are required to establish and maintain a grievance mechanism that is easily accessible to all employees, stakeholders, and communities affected by your operations. This mechanism should allow for anonymous reporting and be designed to address grievances in a timely, fair, and unbiased manner.

To guarantee an effective Grievance Mechanism you must ensure that all relevant parties are aware of the grievance mechanism. Information about how to access and use the mechanism should be clearly communicated in local languages and made available in easily accessible locations. Furthermore, a strict non-retaliation policy to protect anyone who raises a concern or reports a grievance must be implemented. The confidentiality of the individual raising the grievance must be maintained, and protection from retaliation, discrimination, or disciplinary action must be assured.

All grievances must be documented and tracked. You should maintain records of each grievance, the investigation process, and the outcome. While maintaining confidentiality, you should also be transparent about the general functioning and effectiveness of your grievance mechanism.

Effective remediation of substantiated grievances is essential. You should take appropriate action to address and resolve issues raised. Follow-up with the complainant to ensure that the resolution is satisfactory, and to evaluate the effectiveness of the response is also crucial. Furthermore, you should provide regular reports to us on the functioning of their grievance mechanisms, including trends in the types of grievances raised and the outcomes of these processes.

### **3.3 Subsidiary Grievance Channel**

Any grievances, whistleblowing incidents, or compliance breaches related to this Supplier Code of Conduct can also subsidiarily be reported to us directly at:

→ [\*\*compliance@bystronic.com\*\*](mailto:compliance@bystronic.com)

## 4 Acceptance and Consequences

By accepting our business partnership and continuing to work with us, you acknowledge your commitment to adhere to this Supplier Code of Conduct and contribute to ethical conduct, sustainability, and responsible business practices as outlined above as well as in applicable laws and regulations in your own operations as well as in your supply chains.

Approval of this Supplier Code of Conduct requires the signature of an authorized representative (owner/director) of the supplier. It is the supplier's responsibility to proactively confirm their acceptance to Bystronic.

If a supplier or contractual partner cannot fully embrace the Supplier Code of Conduct presented here, they must provide evidence of an equivalent or higher-level Supply Chain Code of Conduct, meeting at least the same standards and requirements. The burden of proof, demonstrating the equivalence or superiority of this Code of Conduct to Bystronic's Supplier Code of Conduct, rests with the supplier.

Non-compliance with this Supplier Code of Conduct may result in corrective action plans or, in severe cases, termination of the business relationship.

The supplier/business partner, by signing below, confirms their understanding of the aforementioned requirements and their implementation within their business area. Furthermore, this signature affirms the supplier's readiness to undergo revisions and audits.

### For Bystronic Group

**Domenico Iacovelli**  
CEO Bystronic Group

**Michael Präger**  
Chief Communications &  
ESG Officer