

Code of Conduct for Suppliers and Business Partners

of Güdel Group AG and its companies around the world



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Güdel Group AG and its affiliated, internationally active companies (hereinafter referred to as 'Güdel') are manufacturers of high-precision machine components and suppliers of sophisticated automation solutions. Güdel is a typical Swiss family-managed SME that can look back on a history spanning over seventy years. The company is active worldwide and is one of the leading suppliers in the field of linear drive technology.

This Group-wide Code of Conduct for suppliers and business partners (hereinafter referred to as the 'Code of Conduct') authored by Güdel was adopted by Güdel Group AG's Board of Directors and Executive Board. It is based on the rules of conduct that are applicable in all Güdel companies and are summarized in the Güdel Code of Conduct.

Compliance with the behavioral rules and applicable legislation is ensured by Güdel's own Compliance Council. It manages and monitors a compliance management system (CMS) introduced for this purpose. This Code of Conduct for suppliers and business partners forms an integral part of Güdel's CMS and aims to ensure sustainable procurement policies and practices in compliance with all applicable legislation worldwide.

This Code of Conduct describes the requirements that Güdel places on you as a supplier and business partner with regard to compliance with laws and regulations. The Code of Conduct thus includes guidelines in the areas of occupational safety, the environment, personal integrity, HR policy, conflicts of interest, corruption, data security, communication, and Güdel's assets/finances, among other things. Careful and responsible corporate governance forms the foundation of joint, sustainable business activities.

The values also described in this Code of Conduct are intended to assist in the day-to-day business of correctly implementing important laws, regulations, and internal rules, with the aim of conducting business with integrity. Not only should actions within Güdel and its suppliers' and business partners' companies comply with laws and guidelines; they must also meet ethical standards and ensure sustainability.

Güdel is aware of its responsibility towards you, its employees, customers, suppliers, business partners, and society, which is why it does not tolerate any violations of legal provisions, this Code of Conduct or other regulations. Violations will be sanctioned in accordance with the applicable legal and contractual provisions and may lead to the termination of the existing contractual relationship with the offending business partners.

Gwendolin Güdel

CEO of Güdel Group AG

1. Introduction

1.1. Purpose

The Code of Conduct for suppliers and business partners (hereinafter referred to as the 'Code of Conduct') describes the minimum requirements that they must meet when working with Güdel and its internationally active companies. This Code of Conduct is based on the Code of Conduct of Güdel Group AG and its companies around the world, as well as the associated compliance guidelines.

This Code of Conduct is also based on internationally recognized principles including the United Nations (UN) Global Compact initiative, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, International Labour Organization (ILO) agreements, SA8000 (the corporate social responsibility standard), the Dodd-Frank Act on conflict minerals, and the REACH and RoHS regulations, to name but a few important regulations with global reach.

1.2. Area of application

The Code of Conduct forms an integral part of the contractual and business relationship with Güdel and applies to all suppliers and business partners (hereinafter referred to as 'Business Partners'). They must implement the requirements below with their employees, representatives, temporary workers, teleworkers, subcontractors, suppliers, and sub-suppliers that they work with for the purpose of providing Güdel with products and services of any kind and who are part of the Güdel supply chain.

2. Compliance with laws and regulations

Güdel expects you, as a Business Partner, to comply with applicable laws, industry guidelines, contractual conditions, and generally accepted sustainability standards. These include, in particular, the protection of human rights, ensuring safety, health and environmental protection, and the prohibition on child and forced labor, money laundering, and corruption. Güdel also demands that the mechanical and plant engineering industry's recognized responsible procurement principles be observed. Business Partners must pay particularly close attention to compliance with applicable import and export legislation, as well as sanctions and embargo regulations.

As one of Güdel's Business Partners, you yourself must comply with applicable laws and regulations as well as this Code of Conduct. Additionally, you must also demand compliance from those individuals you cooperate with for the purpose of supplying Güdel with products and services. Below is a description of what you need to pay particular attention to and how you ought to proceed.

As a Business Partner, you must recognize and are required to comply with your employees' fundamental rights. The following requirements apply regardless of whether an employee works for you in a regular employment, temporary employment, subcontracting, or teleworking relationship or in any other form of employment.

You will ensure that there are no abusive working conditions either in your own company or in affiliated companies, suppliers, and subcontractors.

2.1. Fair social and working conditions

2.1.1. Human rights and fair working conditions

Güdel requires you, as a Business Partner, to comply with the fundamental human and employee rights set out in the applicable national legislation. Güdel expects the core labor standards stipulated by the International Labour Organization (ILO) and the United Nations' Universal Declaration of Human Rights to be observed.

Any form of child labor is strictly prohibited. Similarly, all forms of slavery, forced, bonded, or compulsory labor and human trafficking must be avoided. Collective punishment is prohibited. Güdel expects you to respect employees' rights in accordance with national legislation, in particular the right to form an employee representative body and to engage in collective bargaining and political activity. By doing so, you are ensuring that your employees are treated with dignity and receive remuneration in accordance with applicable laws, are allowed to take leave, and are guaranteed respectful treatment. This also applies to social benefits that employees are legally entitled to.

All applicable local, national, international, and traditional rights relating to land, water, forests, and other resources must be respected and forced evictions should be prohibited.

If public or private security forces are used to protect employees, clear and strict operating procedures, procedures for recording and documenting all incidents, and training in respect for human rights should be implemented.

2.1.2. Prohibition of discrimination

Güdel expects you, as a Business Partner, to prevent any form of discrimination. Equal opportunities and equal treatment must be promoted, while discrimination in recruitment, employment, and particularly promotion and in the granting of training and further education measures must be avoided. No employees who work for the Business Partner or its business partners may be discriminated against on account of their gender, age, skin color, ethnic or social origin, sexual identity, disability, religion/beliefs, or political opinion. As a Business Partner, you will ensure that all human rights are respected.

2.1.3. Safety

Güdel expects you to clearly commit to maintaining a healthy and safe workplace for your employees and business partners.

As one of Güdel's Business Partners, you will comply at all times with the applicable legal requirements and international standards to create a safe and healthy working environment for your employees. You will assist your own suppliers and business partners in complying with these standards too.

That means, in particular, that you

- prevent unsafe situations and accidents, e.g. when staff are handling hazardous substances, by having them wear personal protective equipment;
- measure your occupational safety and health performance; and
- continuously improve these.

To this end, you will set up suitable occupational safety management systems (e.g. in accordance with ISO 45001 or an equivalent standard).

Employees will receive appropriate training on health and safety issues.

- ❗ ***Commitment to occupational safety and health protection.***
Compliance with applicable laws and international standards.
You will assist your own suppliers and business partners with compliance.
Establishment of an appropriate occupational safety management system.
Appropriate employee training on occupational safety and health issues.

You will also comply with the applicable workplace safety and health protection requirements at the Güdel site in question while working there.

If you, as a Business Partner, identify safety problems or health hazards, you must utilize all of the necessary resources in order to rectify them as quickly as possible.

3. Products, product safety, and raw materials

3.1. Conflict minerals and commodity supply chains

Güdel expects you to comply with all of the applicable laws on conflict minerals (such as the Dodd-Frank Act).

You must also fulfill your duty of care to create a responsible supply chain for what are known as conflict minerals. These include tin, tantalum, tungsten, and their ores and mineral derivatives, as well as gold, plus cobalt and mica (hereinafter referred to as 'minerals'). You are required to improve transparency and traceability within your own supply chain, including the extraction of raw materials, and to take appropriate measures to reduce the risks of serious human rights violations, like child and forced labor, slavery, and direct or indirect financing of armed groups or similar negative impacts.

Should a product contain one or more minerals, Güdel expects you to inform us without being prompted to do so and that, if requested, you can demonstrate transparency and traceability throughout the commodity supply chains.

Güdel recommends using the Conflict Minerals Reporting Template (CMRT) published by the Responsible Minerals Initiative (RMI) to create a transparent supply chain.

Similarly, Güdel expects smelting plants and refineries in conflict or high-risk areas that are used to source materials to be checked against the RMI's Smelter Database to ensure their compliance with due diligence requirements.

- Legal requirements relating to conflict minerals must be observed. Transparency in the supply chain through the Conflict Minerals Reporting Template. Appropriate measures to reduce the risk of conflict intensification. Legal requirements relating to product safety, labeling, and packaging must be observed.***

3.2. Product safety

Products and services supplied by Business Partners must be safe and must not pose any risk to people or the environment. In particular, they must comply with the agreed specifications and observe the legally prescribed guidelines that are applicable to the products and services with regard to product safety, labeling, and packaging.

You are required to clearly communicate information on safe use and to draw attention at all times to hazards that may arise for people and the environment from the application and use of products and services.

You must comply with the legal requirements for substances of very high concern (SVHC) without exception. As a Business Partner, you will ensure within your procurement and production processes that REACH and RoHS requirements are met. The substances used must be traceable at all times and you must provide the necessary documentation.

- Hazards in application and use must be clearly communicated. Hazardous substance specifications must be observed and traceable in the supply chain.***

4. Environmental protection, sustainability, and quality

4.1. Sustainable environmental and climate protection

Güdel is committed to ecologically sustainable management and consequently expects its Business Partners to be equally and clearly committed to actively protecting the environment and the climate.

As one of Güdel's Business Partners, you will at all times comply with the applicable legal requirements and international standards, undertake to operate in an environmentally compatible and sustainable manner, and to, wherever possible, eliminate or reduce in your manufacturing chain substances and materials that are harmful to people and nature. You will assist your own suppliers and business partners in complying with these standards too.

We request that you address the issue of climate change appropriately within the context of your organization. You will regularly monitor and evaluate the environmental impact of your business activities;

- reduce waste and emissions and recycle materials at every stage of the manufacturing process;
- use energy and other resources sparingly;
- prevent environmental hazards during the design, manufacturing, operation, and disposal processes;
- improve water quality, reduce consumption, and promote reuse;
- be committed to sustainable and responsible land use, in particular to protect biodiversity and prevent deforestation;
- monitor and control your impact on soil quality to prevent damage;
- measure your environmental performance (including your energy consumption and CO₂ emissions);
- increase your decarbonization efforts and
- continuously improve these.

To this end, you will set up suitable environmental management systems (e.g. in accordance with ISO 14001 or an equivalent standard). Employees will receive appropriate training on environmental issues. You will also comply with the workplace environmental protection requirements at the Güdel site while working there. If you identify environmental hazards, you must utilize all of the necessary resources in order to rectify them as quickly as possible.

- i** ***Commitment to environmental and climate protection.***
Compliance with applicable laws and international standards.
Improvement of environmental performance.
You will assist your own suppliers and business partners with compliance.
Establishment of an appropriate environmental management system.
Appropriate employee training on environmental issues.

4.2. Quality

Güdel expects you, as its Business Partner, to clearly commit to delivering the highest quality at reasonable economic prices in a cooperative partnership.

You must comply at all times with the applicable legal requirements and international standards and undertake to provide products and services that conform to specifications. You will assist your own suppliers and business partners in complying with these standards too.

You will attach particular importance to

- meeting all of the specified requirements;
- evaluating the effectiveness of your services as well as error rectification and corrective measures;
- measuring appropriate performance indicators (e.g. quality costs, complaints); and
- continuously improving them.

To this end, you will set up suitable quality management systems (e.g. in accordance with ISO 9001 or an equivalent standard) and will sign a quality assurance agreement (QAA) with Güdel if requested to do so.

You will provide your employees with appropriate training on quality matters.

If you notice any deviations in a product, you must

- inform Güdel immediately and propose suitable remedial and corrective measures;
- assist with analyzing root causes, e.g. by providing measurement data, inspection records and information about manufacturing processes;
- assist with the necessary remedial measures so you can supply Güdel and Güdel's customers with products that meet the specifications, e.g. by delivering replacement material or, insofar as is technically feasible, by reworking existing products;
- utilize all of the necessary resources to remedy them appropriately.

- i** ***Compliance with applicable laws and international standards.***
Improvement of performance.
You will assist your own suppliers and business partners with compliance.
Topical audit 48 hours after a problem occurs.

4.3. Audits

As a Business Partner, you permit Güdel and, if appropriate, Güdel's customer to conduct process, product, and system audits on your premises. These audits are carried out following prior agreement with regard to the nature, scope, and time.

If a quality, environmental, occupational safety, or compliance problem has occurred and Güdel wishes to conduct an audit, you are required to facilitate this audit within 48 hours on your or your supplier's company premises.

5. Business integrity

You must also comply with all of the applicable national and international laws and regulations, particularly with regard to corruption, competition, conflicts of interest, and money laundering.

5.1. Conflicts of interest

You must alert Güdel to situations that may constitute a conflict of interest. In particular, you are required to inform Güdel if Güdel employees or their family members or friends are involved in your business or maintain business relationships with you.

5.2. Violations of competition law

You must comply with competition and antitrust laws and regulations. You will ensure that no unlawful agreements are made with other business partners and will not join cartels or monopolies. Any agreements with competitors or business partners that have the purpose or effect of unlawfully restricting competition are strictly prohibited and will be sanctioned by Güdel. Price discrimination and other unfair trading practices are prohibited.

5.3. Fraud and corruption

You must also prevent fraud and corruption. You may not engage in any form of corruption, either actively or passively, directly or indirectly. Corruption and attempts at corruption and extortion will not be tolerated in any way. Corruption is any direct or indirect benefit offered, accepted, or received with the intent or effect of influencing a decision-making process undertaken by a business partner or an office holder.

5.4. Hospitality and invitations

Hospitality and gifts within the normal, lawful bounds are permitted. Hospitality and gifts that exceed what is usual or normal are not permitted. Local circumstances and culture must be taken into account as a measure of what is usual and normal. Güdel employees will comply with the relevant regulations in Güdel's own Code of Conduct. As a guideline for offering and accepting gifts and hospitality, Güdel employees may not exceed CHF 200 per year and business partner without justified cause and the approval of their superior.

5.5. Money laundering and tax evasion

Güdel complies with its legal obligations to prevent money laundering and also requires its Business Partners to do the same. You will, at all times, comply with applicable tax regulations and will not assist in tax evasion by employees, customers, suppliers, business partners, or third parties. You will ensure correct accounting in accordance with accepted rules.

5.6. Sanctions and embargoes

You will also ensure that no products and services from countries that are subject to sanctions or embargoes are used.

6. Confidentiality and protection of personal data and intellectual property

6.1. Data protection

Güdel and its Business Partners exchange personal data such as names, telephone numbers, email addresses, and other personal data in the context of their contractual relationship where necessary, proportionate, and appropriate. The parties will process such personal data in accordance with applicable laws. In doing so, you will pay particular attention to the requirements set out in the European General Data Protection Regulation (GDPR), if applicable. The parties will take particular care to ensure that no unauthorized third parties have access to such personal data without the data subjects' consent.

The parties will process personal data in a strictly confidential manner and exclusively for the contractual purposes. The party processing the personal data is responsible for the lawfulness of its processing activities and for safeguarding data subjects' rights. It is important that personal data is only collected where this is appropriate, proportionate, and necessary.

i *Personal data is strictly confidential and may only be used for contractual purposes.*

6.2. Confidentiality and protection of intellectual property

As a Business Partner, you will respect and protect Güdel's and third parties' intellectual property rights and require your employees to do the same.

Your employees who have access to confidential information (including confidential information about research and development projects, production processes, business plans, financial data, marketing and sales strategies, customer data, new product launches, and corporate mergers and acquisitions) are required to keep this information strictly confidential. You will instruct your employees, suppliers, and subcontractors accordingly and ensure that confidential information is properly and professionally stored and used in a secure manner. You will sign a non-disclosure agreement (NDA) upon Güdel's request.

7. Consequences of breaches of this Code of Conduct

The described behaviors form the foundation of a successful and sustainable cooperative relationship with Güdel. If a Business Partner of Güdel fails to comply with the basic principles set out in this Code of Conduct, Güdel will be entitled to extraordinary termination of the business relationship. Güdel may at its own discretion choose to forgo such consequences and instead take alternative measures if the Business Partner can credibly warrant and demonstrate that it has immediately initiated counter-measures to prevent future violations.

Güdel has a zero-tolerance policy with regard to unethical and unlawful conduct such as corruption, bribery, forced labor, and child labor. Güdel reserves the right to terminate contractual and business relationships with any Business Partners who violate requirements set out in this Code of Conduct. Güdel's right of termination is subject to the caveat that the Business Partner has not remedied the breach of contract within a reasonable grace period set by Güdel or by the Business Partner, provided that remedial action is possible.

i ***The described behaviors form the foundation of a successful and sustainable cooperative relationship.***

8. Implementation

8.1. Communication and implementation

You must communicate the contents of this Code of Conduct to those employees, representatives, subcontractors, suppliers, and sub-suppliers you work with for the purpose of supplying Güdel with products and services. You must ensure that the Code of Conduct is implemented both by your own employees and by the people you work with.

8.2. Dealing with your suppliers and subcontractors

You must take reasonable care to ensure that your subcontractors, suppliers, and sub-suppliers comply with this Code of Conduct. To this end, you must also assess the risk of violations against the principles described above in your supply chain. In the event of unacceptable risks, you must take measures to minimize these risks. If violations are identified, you must take corrective action or, if that is not possible, stop doing business with your business partners.

Appropriate management systems are suitable for the implementation described. With regard to quality, you must implement a quality management system that at least meets the specifications set out in the current version of the ISO 9001 standard. The management system must be continuously improved and monitored, and should preferably be certified by a third party.

i ***You must take reasonable care to ensure that your subcontractors, suppliers, and sub-suppliers comply with this Code of Conduct.***

8.3. Documentation

You must retain the necessary documentation on your own business operations so you can demonstrate the measures you have taken to comply with the Code of Conduct. Similarly, you must retain documentation of the due diligence process in your own supply chains. Upon Güdel's request, you must provide documentation and all of the information that is relevant to compliance with the Code of Conduct.

8.4. Auditing

You must regularly conduct internal audits to ensure compliance with this Code of Conduct. Güdel reserves the right to carry out unannounced audits of your business partners or have them carried out by a representative. You must inform Güdel if any agreements with other parties conflict with this Code of Conduct.

i *Internal audits must be carried out regularly.*

8.5. Declaration of consent

Every Güdel Business Partner must sign a declaration of consent, which is attached to this Code of Conduct. By doing so, you confirm that you will comply with the principles and requirements set out in the current Code of Conduct.

9. Updating the Code of Conduct

Güdel reserves the right to regularly review this Code of Conduct and to amend it if necessary. You will always be notified of important changes. The current version of the Code of Conduct is also available on the website at gudel.com.

Business partners must maintain appropriate management systems to meet the requirements set out in this Code of Conduct. Management systems must be commensurate with the scale, complexity, and risks of the business activity. This includes a fully functional risk management system, trained and aware personnel, and a suitable monitoring solution to allow continuous improvements. This should preferably be a quality management system (QMS) that at least meets the specifications set out in the current version of the ISO 9001 standard.

If there is no management system certified by a third party, the Business Partner will ensure that similar and equivalent management systems that meet the requirements set out in this Code of Conduct are implemented. In addition, the Business Partner will ensure that the necessary compliance requirements and processes are in place to ensure that work and business are carried out in accordance with the rules. The Business Partner must ensure that the principles set out in the Code of Conduct are also implemented by its suppliers and subcontractors. It is responsible for compliance within its supply chain and sphere of influence and must be able to provide evidence at any time, on Güdel's request, demonstrating that it involves, instructs, and monitors its business partners accordingly.

Contact

Should you have any questions, doubts, or suggestions, or wish to report a legal violation, please do not hesitate to contact Güdel at any time via the following e-mail address or telephone number: compliance@ch.gudel.com or +41 79 197 32 50

Appendix: The business partner's declaration of consent

We, the undersigned, hereby certify that:

1. we have received and taken note of the version of the Code of Conduct dated _____
2. we undertake to comply with the requirements set out in this Code of Conduct.
3. we consent to Güdel or Güdel's representatives conducting unannounced inspections on our premises to verify compliance with the Code of Conduct.
4. we will also communicate this Code of Conduct throughout our supply chain and ensure that it is implemented with appropriate due diligence.
5. we confirm that compliance with this Code of Conduct is a necessary basic requirement for the business relationship with Güdel.

Name

Name

Role

Role

Company name

Company name

Company address

Company address

This declaration of consent must be signed by individuals who are authorized to represent the Business Partner and must be returned to the responsible Güdel contact within 14 working days of receipt.

I hereby confirm that I have understood the Code of Conduct and fully comply with its requirements.

Business Partner, name, and address

Place and date

Signature