

TORNOS

Code of Conduct for Business Partners

Tornos Group

Code of Conduct for Business Partners

As an international business with many years of tradition, the uppermost priority of Tornos is to maintain its integrity and the responsibilities towards human beings and the environment. Tornos therefore requires a high standard of ethically unimpeachable actions which are in accordance with the relevant laws and rules. With this Code of Conduct for Business Partners, Tornos declares its commitment to these ideals and acknowledges its responsibility towards its commercial and social environment, its staff around the world and any other stakeholder.

1. Objective, scope of application

This Code of Conduct shall be a binding guideline for all Business Partners of Tornos within their daily actions. It is a minimum standard which, as a complement to the values of Tornos, defines the behavioural principles which Tornos considers appropriate and mandatory for any business.

This Code of Conduct shall apply to all the Business Partners of Tornos over the world, even if in certain countries behavioural or business practices which contradict this Code of Conduct are demanded, expected or tolerated by official bodies and the general public. If in any particular country stricter rules or behavioural principles are in force than those defined in this Code of Conduct, these stricter rules shall apply.

2. Responsible and sustainable behaviour in the business environment

2.1 Conformity with laws, Human Rights and Health/Safety

In any country the Business Partners are active, they shall observe all locally applicable laws and regulations and minimum industrial standards. Thus, conformity with all local data protection laws is also secured. The Business Partner ensures the General Data Protection Regulation (GDPR) with its binding level of protection especially where data of natural persons from the EU are transferred to non-EU countries.

Tornos acknowledges and expects its Business Partners to strictly respect the values incorporated in the UN Convention of International Bill of Human Rights inclu-

ding all 30 articles of the Universal Declaration of Human Rights, the Social Accountability International Standard SA 8000 together with the Eight Fundamental Conventions and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), namely freedom of association and effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labour, effective abolition of child labour and elimination of discrimination in respect of employment and occupation.

Our suppliers are required to comply with their due diligence obligations regarding relevant raw materials – in particular 3 TG or ores (conflict minerals). Tornos expects its Business Partners to adhere to all applicable conflict minerals regulations.

2.2 Tolerance and equality of opportunity

As a globally active company, Tornos works with staff and business partners of various nationalities, cultures and philosophies of life. The work with one another is characterised by respect, tolerance, esteem, fairness and openness.

Tornos therefore expects its Business Partners to reject without exception discrimination, harassment, disadvantaging, humiliation and all other forms of disrespectful treatment. In particular, discrimination due to racial or ethnic origin, religion or belief, disability, age or sexual orientation and political opinion is prohibited on the basis of the principle of equal opportunities and the EU Equal Treatment Directives. In addition, all forms of harassment in the workplace are fundamentally forbidden. It shall be irrelevant with regard to the above whether or not the affected person is able to avoid the behaviour in question or whether the person violating this principle regards his/her own behaviour as acceptable.

2.3 Sustainability and environmental protection

Tornos follows the principles of sustainability and environmental protection. We are aware of the scarcity of re-sources and our responsibility towards future generations. Therefore, we have installed an environmental man-agement system which is based on the international ISO standard 14001.

Compliance with all applicable environmental protection laws, including the local provisions of the respective coun-tries, is a self-evident obligation for both Tornos and our Business Partners – as well as to strive for a conti-nuous improvement regarding societal and environmental impact.

2.4 Fair competition

Tornos acknowledges the rules of a market economy and fair and open competition, both nationally and interna-tionally. Tornos therefore expects its Business Partners to ensure observance of the principles of competition leg-islation, e.g. by refraining from market agreements, in particular agreements with competitors regarding prices, ca-pacity or non-competition, refraining from boycotting or support of boycotting of suppliers or customers and from submitting of sham offers during tendering ope-rations or from agreeing to share customers, areas or production programmes.

2.5 No bribery or corruption

Tornos does not tolerate any form of corruption, firmly rejects any type of bribery and strictly adheres to the UN Convention against Corruption. Its Business Partners are requested to reject and refrain from offering, pro-mising or granting benefits to third party, the staff or representatives of third party, office holders, politicians or relatives or associates of any of these groups in return for preferential treatment when procuring goods or services. In this con-text, Tornos expects from its Business Part-ners to comply with the guidelines of the International Chamber of Commerce (ICC) for combating corruption in business and the requirements, with the principles of the US FCPA (For-ign Corrupt Practices Act) and with the UK Bribery Act 2010.

2.6 Benefits and remuneration

Tornos expects its Business Partners not to offer, make, request or accept direct or indirect gifts and other ad-vantages relating to their entire business activities. This shall not apply to occasional hospitality and gifts which are of no significant financial value and conform to the usual level of business etiquette and local culture, as far as legally allowed.

The offering and acceptance of hospitality and gifts of

this kind shall, however, at all times be subject to the re-quirement that there is no contravention of legal regu-lations and that the possibility of influence on business deci-sions can be excluded from the very outset. Requesting and accepting gifts of money shall be forbidden in all cas-es. Remuneration, particularly in the form of commissions, paid to third parties, especially salespersons, distributors, brokers, consultants or other intermediaries, must be proportionate to the work provided and shall be docu-mented in writing in full, particularly in terms of the subject of the remunerated activity and the settlement date. These payments must be of such a size that they do not even create an assumption that the existing rules are bypassed.

2.7 Payments

Payments for deliveries and services received shall be made directly to the relevant contractual partner only (in the absence of legally valid transfer agreements or mandatory redemptions) and always in the country of the con-tract partner's registered office. Payments in cash are forbidden, with the exception of amounts up to CHF 100 or local equivalent and provided that a properly signed receipt is issued for these.

2.8 Selection of Business Partners

Tornos selects its Business Partners purely on the basis of objective and economic criteria and examines all offers from its suppliers fairly and impartially. Unprofessional preference or disadvantaging of suppliers, especially for pri-vate reasons, is prohibited as a matter of principle. In case of invitations to tender, contracts shall be awarded to the most cost-effective tender unless other reasons (quality, service, long-standing business relation, creditwor-thiness, etc.) justify a different decision. In these cases, the decisive considerations shall be documen-tered, without enabling third parties to derive claims from this action.

Tornos attaches importance to the principle that, wherever possible, the requirements of this Code of Conduct are to be incorporated by its Business Partners into their contractual agreements, particularly with sup-pliers, but also with customers and/or other third parties.

2.9 Regulations covering foreign trade, export control and customs duties

Tornos adheres to all regulations relating to foreign trade, embargoes, customs duties and the control of terrorism as well as the regulations established in this context relating to payment processes which are applicable in the various countries in which it conducts business. Tornos also expects this from its Business Partners.

3. Final Statement

Tornos expects all its Business Partners to respect, for their part, the values expressed in this Code of Conduct, to take note of these in their business dealings and to ensure that they are compliant with. Violations and incite-ment to violations will not be tolerated and shall lead to appropriate legal action using all available legal means including termination of the business relationship.

Any violation of this Code of Conduct is to be disclosed. Discloser can be arranged under **code-of-conduct@tornos.com** and/or the official Tornos website <https://www.tornos.com/en/content/our-code-conduct>

Full address of company

Full name of the company

Street

Zip code & city

Country

Date

Signature

Full name of General Manager in capital letters
