

SW

**We are
SW**



Preamble

The employees* of Schwäbische Werkzeugmaschinen GmbH have together developed a Group mission statement. This Group mission statement expresses what our company stands for today and in the future:

Who we are.

We are the Schwäbische Werkzeugmaschinen GmbH. We develop, produce and market multi-spindle machining centers and highly dynamic manufacturing systems in a global network with excellent service.

What values we have.

We are one of the leading suppliers of smart manufacturing solutions. Our solutions and services are customer-oriented and reliable, allowing us to offer customized high-tech solutions. We can only achieve this with our "technology people" who are humane, dependable, motivated, courageous and responsible.

What we do.

With our vision of being "The Leader in Smart Manufacturing Solutions", we aim to set new standards and change the world of manufacturing. SW finds solutions that are digitally networked, innovative, automated and flexible. We think ahead – beyond the framework of our core business today. We want to design processes and technologies so they are smart, to provide optimum support for our customers in the digital transformation and to make manufacturing fit for the future. This is a challenging goal, but at the same time it spurs us on.

How we do it.

"We love machining" – that is what drives us. We are passionate about shaping the production of tomorrow with our manufacturing systems. This is our aspiration and our contribution to sustainable business. The commitment and the skills of every individual are the basis for achieving this. The development of our employees is particularly important to us. Health and safety in the workplace have the highest priority. We live our common values. We act in the overall interests of the SW Group. Openness and mutual respect characterize the way we work together.

For us, compliance means reliability and honesty, credibility and integrity. Compliance goes without saying for us. We take responsibility for society. The responsibility for society expressed in our mission statement also encompasses an active commitment to sustainable development and production. We are also committed to the United Nations Universal Declaration of Human Rights and the core labor standards of the International Labour Organization (ILO).

Concrete rules and regulations for individual situations and circumstances in the working environment are clearly formulated in the corresponding guidelines and agreements. These guidelines and agreements are unconditionally valid and binding for all employees of Schwäbische Werkzeugmaschinen GmbH. Any employee who does not behave in accordance with the guidelines and agreements must expect appropriate consequences within the framework of the company and legal regulations.

Building on this, the present Code of Conduct summarizes the key principles and rules for our actions and sets out the standards we expect from our business partners and stakeholders.

*This and other collective terms include both the male and female form and also refer to all known and unknown genders.

Compliance with the law

For us, compliance with laws and regulations is a fundamental principle of economically responsible action. We observe the applicable legal prohibitions and obligations at all times, even if this entails short-term economic disadvantages or difficulties for the company or individuals. If national laws provide for more restrictive regulations than the regulations applicable at Schwäbische Werkzeugmaschinen GmbH, the national law takes precedence.

Avoidance of conflicts of interest

At Schwäbische Werkzeugmaschinen GmbH, business decisions are taken exclusively in the best interests of the company. The goal is to avoid conflicts of interest with private interests or other economic or other activities, including those of relatives or other related persons or organizations, from the outset. If they do arise, they must be resolved in accordance with the law and the applicable guidelines. A prerequisite for this is the transparent disclosure of the conflict.

Fair competition

The Compliance Commitment given by the management of Schwäbische Werkzeugmaschinen GmbH is the benchmark for our competitive activities: Schwäbische Werkzeugmaschinen GmbH stands for technological expertise, innovative strength, customer orientation and motivated, responsible employees. This forms the basis for our high reputation and the sustainable economic success of the SW Group in global competition.

Corruption and anti-competitive behavior threaten these guarantors of success and will not be tolerated ("zero tolerance"). For us, bribes or cartel agreements are not a means for winning contracts. We would prefer to miss out on an order and the achievement of internal goals than break the law. With the Compliance Commitment, Schwäbische Werkzeugmaschinen GmbH has put measures in place to ensure that anti-corruption and competition regulations and the guidelines based on them are observed. Violations will not be tolerated and will result in sanctions against the persons concerned. All managing directors, all senior executives and all other employees must be aware of the extreme risks that a violation can mean for both Schwäbische Werkzeugmaschinen GmbH and for them personally. Every employee is called upon to actively support the implementation of the guidelines in their field of responsibility.

Prevention of money laundering

Schwäbische Werkzeugmaschinen GmbH complies with its legal obligations to prevent money laundering and does not participate in money laundering activities. If they are unsure, every employee is urged to have any unusual financial transaction, in particular one involving cash, which may give rise to a suspicion of money laundering, investigated by the responsible finance, legal or compliance department.

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Code of Conduct

Conduct vis à vis colleagues and employees

Equal treatment and non-discrimination, a culture of equal opportunities, of mutual trust and mutual respect are of great importance to us. We promote equal opportunities and avoid discrimination in the recruitment of new employees as well as in promotion or the granting of training and further education measures. We treat all employees equally, regardless of gender, age, skin color, culture, ethnic origin, sexual identity, disability, religion or ideology.

Human and employee rights

We respect internationally recognized human rights and support their observance. We strictly reject any form of forced or child labor. We recognize the right of all employees to form trade unions and employee representative bodies on a democratic basis within the framework of national regulations. The right to appropriate remuneration is recognized for all employees. The remuneration and other benefits correspond to at least the respective national and local legal standards or the level applied in the national economic sectors/industries and regions.

Collaboration with employee representatives

For Schwäbische Werkzeugmaschinen GmbH, close and trusting collaboration with the employee representatives is a key component and proven cornerstone of our corporate policy. The basis for this mutual trust and cooperative collaboration is an open and constructive dialog characterized by mutual respect.

Labor and health protection

The health and safety of our employees are equally as important corporate goals as the quality of our products and our economic success.

Occupational health and safety are an integral part of all operational processes and are incorporated into technical, economic and social considerations from the start – as early as the planning phase. All our employees promote health and safety in their working environments and comply with the health and safety regulations. Every manager is obliged to instruct and support their employees in fulfilling this responsibility.

The same safety standards apply to employees of subcontractors working on behalf of Schwäbische Werkzeugmaschinen GmbH as to our own employees. This is taken into account during selection and cooperation.

Behavior within the company

Sustainable environmental and climate protection and resource efficiency are important corporate goals for us. Both in the development of new products and services and in the operation of production facilities, we ensure that all resulting effects on the environment and climate are minimized and that our products make a positive contribution to environmental and climate protection for our customers. Every employee has a responsibility to handle the natural resources with care and to contribute to the protection of the environment and climate through their own individual behavior.

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Donations

We see ourselves as an active member of society and are therefore involved in various ways. We make donations and engage in other forms of social commitment solely in the interests of the company. We do not make financial contributions, in particular donations or sponsoring measures, to political parties in Germany or abroad, to related or similar organizations, or individual holders of or candidates for political offices.

Political lobbying

If we undertake political lobbying, we do so centrally, openly and transparently. We observe the legal regulations for lobbying and avoid exerting unfair influence on politics and legislation at all costs. We comply with the EU Code of Conduct.

Public image and communication

We respect the right to freedom of expression and to the protection of personal rights and privacy. All employees should be aware that they can also be perceived as being part of and as being representatives of Schwäbische Werkzeugmaschinen GmbH even in their private lives, and are therefore called upon to protect the image and reputation of the company through their conduct and actions in public, especially in contact with the media. Where personal opinions are expressed, we ensure that the respective function or activity within the SW Group is not linked to the personal opinion.

Trade sanctions and export control

The terms economic sanctions and embargoes refer to national laws and regulations – usually on foreign affairs, national security or human rights issues – that restrict trade with certain individuals, organizations or governments.

Such restrictions may include a general ban on all trade relations with the government of a particular country or with persons or entities located, resident or organized in that country. Penalties for violating economic sanctions can be severe; companies can suffer heavy financial losses and individuals can face heavy fines or imprisonment.

We strive and make great efforts to comply with the laws and regulations of the United Nations, the United States of America and the European Union on economic sanctions that often implement the sanctions resolutions of the UN Security Council. Local laws also have to be observed. We, as well as our business partners, are required to observe export control laws and regulations where applicable.

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Handling of information

Reporting – Financial responsibility

The Schwäbische Werkzeugmaschinen GmbH is built on strong values: humanity, motivation, courage, responsibility and dependability. We therefore attach great importance to open and honest reporting and communication on the company's business transactions to shareholders, employees, customers, business partners, the public in general and state institutions. Every employee ensures that both internal and external reports, records and other documents of the SW Group comply with the applicable legal regulations and standards and are therefore always complete, accurate, timely and system-compliant.

Confidential company information

We take the necessary steps to appropriately protect confidential information and business documents from being accessed and viewed by colleagues and other third parties who are not involved.

Data protection and information security

The protection of personal data, in particular of employees, customers and suppliers, is of particular importance to Schwäbische Werkzeugmaschinen GmbH. No personal data may be collected or processed without legal permission or the consent of the data subject.

Protection of company property – Intellectual property

We use the company's property and resources appropriately and carefully and protect them from loss, theft or misuse. Our company's intellectual property represents a competitive advantage for Schwäbische Werkzeugmaschinen GmbH and is thus an asset worth protecting that we defend against any unauthorized access by third parties. We use tangible and intangible property of the company exclusively for company purposes and not for personal purposes, unless expressly permitted. Together with their superiors, our employees are responsible for ensuring that the type and scope of business trips always bear a reasonable relationship to the purpose of the trip and are planned and carried out economically, taking time and cost aspects into consideration.

Plagiarism

We commit ourselves and our suppliers to apply, implement and maintain effective methods and processes to identify and minimize the risk of introducing counterfeit parts and materials into our supply chain. If identified, the suppliers are expected to take effective measures to quarantine the product and inform the recipients of counterfeit products.

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Implementation and contact persons

The Schwäbische Werkzeugmaschinen GmbH and the Group companies actively promote the communication of the guidelines and agreements on which the Code of Conduct is based. The individual companies are responsible for their implementation and for ensuring that no employee suffers any disadvantage as a result of compliance with the guidelines and agreements.

Our managers have a special role model function and their actions are particularly measured against the Code of Conduct. They are the first point of contact for questions on the interpretation of the regulations and ensure that all employees know and understand the Code of Conduct. As part of their management role, they prevent unacceptable behavior or take appropriate measures to prevent breaches of the rules in their area of responsibility. Trusting and good cooperation between employees and managers is demonstrated by honest and open information and mutual support. The Compliance department is also available to all employees and third parties (customers, suppliers, etc.) for further questions relating to the Code of Conduct.

Whistleblowing

Information on possible violations of laws or guidelines in the areas of antitrust law and corruption that affect persons and companies in the SW Group can also be reported via the whistleblower system. Confidential, anonymous access to the whistleblower system is available on the Schwäbische Werkzeugmaschinen GmbH website (www.sw-machines.com). All information is treated with the strictest confidentiality.

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