SUPPLIER CODE OF CONDUCT

FROM:

☑ FISCHER PRÄZISIONSSPINDELN AG

☑ FISCHER FUELL CELL COMPRESSOR AG

☑ FISCHER COMPRESSOR AG

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1. MISSION STATEMENT

The FISCHER Spindle Group was founded in 1939 by Ernst Fischer and Werner Stohler in Inkwil (CH).

Today, the company is managed as a family business by the third Fischer generation and the Moser family. We see ourselves as an international group of companies with strong roots in Switzerland. The company develops and manufactures products in the field of fast, precise, and powerful rotation.

Most of these are precision spindles, milling heads as well as compressors.

The products are mainly used in machine tools, production equipment and in fuel cells systems. In these machines and systems, great increases in productivity and quality are achieved with our products.

The FISCHER Spindle Group exports all over the world and is constantly expanding its service organization to ensure high availability of its products and services.

This according to our principle "THINK GLOBAL, ACT LOCAL". The owner families, Board of Directors, management, and employees are committed to the following guiding principles:

CUSTOMER-ORIENTED

We focus on the customer and build products tailored to their needs. In doing so, we use our passion for rotation technology and digitalization to create significant added value. We strive to be role models and keep our promises.

INDEPENDENT

We are an independent family business with strong roots that have grown over time and continue to live the vision of the founding generation. We are committed to independence and autonomy. We take responsibility and make decisions quickly and unbureaucratically after reviewing tasks in a team for opportunities and risks. We act in a cost-conscious and entrepreneurial manner.

COMPETENT

The basis for the company's success has always been the quality of its services, which is demanded, provided, and constantly improved at all levels. For this reason, we invest a lot in the training and further education of our employees. We work together and professionally. Our highest maxim is customer satisfaction.

A quality management system certified according to the current edition of ISO 9001 should prevent quality defects, detect them at an early stage if they occur, and demonstrably eliminate the causes that led to the defect. This promotes the personal responsibility of our employees. Our integrated management system and processes are brought to life by our employees.

INNOVATIVE

As a medium-sized, clearly focused group of companies, the FISCHER Spindle Group can flexibly adapt to all requirements and quickly implement innovative ideas. We do not stand still but continue to develop. We use the digital transformation to improve the quality of our products and processes and develop new digital solutions for our customers. The products of the FISCHER Spindle Group increase the efficiency, productivity and quality of the machines and systems manufactured and used by its customers. Customer benefit is always in the foreground. The promotion of innovation and technology is fostered in all companies. It has the task to deepen our core competence of fast, precise and powerful rotation with different bearing technologies and to search and find applications in new markets.

FAIR

We are binding business partners and communicate and act in a straightforward, open, and authentic manner. We cultivate respectful interaction. The overriding principle is not to maximize profits, but to preserve jobs and consolidate our leading position in the high-performance rotation. Our employees, who are the company's most valuable asset and whose loyalty and commitment to work are rewarded by a fair salary policy at all levels, are the backbone of this success. We promote talent for the next generation. Cooperation is characterized by appreciation, respect, honesty, and trust. We are committed to the principles of a free but social market economy and unreservedly observe the applicable legal standards. In particular, we firmly reject any form of corruption as well as child and slave labor. Our actions are based on the 10 principles of the UN Global Compact.

SUSTAINABLE

We take all necessary measures to avoid health and accident risks and to protect the health of employees. We trust each other. Suppliers are selected and assessed in accordance to these requirements. The implementation of the EKAS guidelines (Federal Coordination Commission for Occupational Safety) guarantees that the high safety standards are fully complied with. Acting in an environmentally conscious manner is a central concern for us. In particular, we actively promote the use of environmentally friendly technologies with our products.

CONCLUSION

Our Mission can only be carried out properly with the full commitment of our suppliers, therefore we have defined a short, simple, and effective code of conduct that all Suppliers confirm as soon as they provide a quotation and/or accept an order from us.

Violations of this Code of Conduct will not be tolerated, and may lead to withdrawal from the contract, termination of the contract or even of the business relationship. The assertion of claims for damages remains reserved.

The details of this code of conduct are as follows:

2. SUPPLIER CODE OF CONDUCT

HEALTH AND SAFETY

Suppliers will provide a safe and healthy workplace for their employees in compliance with all applicable laws and regulations. Suppliers shall implement programs that effectively cover health and safety of their personnel, incident reporting and investigation, chemical safety, ergonomics, etc., and shall ensure that these health and safety considerations also apply to any employee housing and dining facilities that are provided for employees.

RESPECT AND DIGNITY

Suppliers to FISCHER will treat all employees with respect for their physical and psychological well-being. There is to be no harsh and inhumane treatment, including any physical abuse, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

FORCED OR INVOLUNTARY LABOR

FISCHER Suppliers will not use forced or involuntary labor of any sort, including forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery, or trafficking of persons. This includes transporting, harboring, recruiting, transferring, or receiving vulnerable persons by means of threat, force, coercion, abduction, or fraud for the purpose of exploitation. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment.

CHILD LABOR

Child labor is strictly prohibited. Child labor is not to be used in any stage of manufacturing. The term “child” refers to any person under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported.

HOURS OF WORK

Under no circumstances shall work weeks exceed the maximum permitted under applicable laws and regulations.

Except in emergency or unusual situations, a work week shall be restricted to 80 hours, including overtime, and workers shall take at least one day off every seven days.

VULNERABLE GROUPS

FISCHER Suppliers shall commit to identify vulnerable groups among employees or stakeholders of any kind and protect their rights within its business and supply chains, particularly, but without limitation the rights of women, indigenous peoples, children, migrant workers or minorities in general. Our Suppliers are required to address health and safety concerns that are prevalent among women workers, including, but not limited to, preventing sexual harassment and providing necessary accommodation for rest of pregnant or nursing mothers.

Suppliers are required to respect the rights of local communities and indigenous peoples affected by their business activities, to avoid any (potential) negative impact on their health, safety and living conditions, including land, forests and/or waters that serve as a person's livelihood, and must not unlawfully engage in or contribute to any forced eviction of such local communities or indigenous peoples. In fact, our Suppliers shall ensure that free prior and informed consent is obtained from existing users for the respective use, which must always be adequately compensated.

WAGES AND BENEFITS

Suppliers shall pay all workers at least the minimum wage required by applicable laws and regulations and provide all legally mandated benefits. In addition to their compensation for regular hours of work, workers shall be compensated for overtime hours at the premium rate required by applicable laws and regulations. Suppliers shall not use deductions from wages as a disciplinary measure. Suppliers shall offer vacation time, leave periods, and holidays consistent with applicable local laws and regulations.

NON-DISCRIMINATION

Suppliers to FISCHER should be committed to a workforce free of harassment and unlawful discrimination. Suppliers shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as promotions, rewards, and access to training.

FREEDOM OF ASSOCIATION

The rights of workers to associate freely, join or not join labor unions, seek representation, and join workers' councils in accordance with local laws shall be respected. Workers shall be able to openly communicate and share grievances with management regarding working conditions and management practices without fear of reprisal, intimidation, or harassment. Suppliers to FISCHER suppliers must exclude private or public security forces from interfering with the right to association.

PROTECTION OF THE ENVIRONMENT

FISCHER has defined environmentally conscious action as a central concern. In addition to compliance with the relevant Swiss environmental legislation, this concerns in particular the active dissemination of environmentally friendly technologies, which we promote with the development and distribution of our products. FISCHER therefore fully supports the goals of the Federal Council to reduce climate-damaging greenhouse gases in Switzerland to net zero by the year 2050. For years, FISCHER has therefore been striving for climate neutrality in new construction projects. Biodiversity and animal welfare as well as the aspects of land use and deforestation are also taken into account. Energy efficiency is an important decision criterion for new investments in machinery and equipment. FISCHER actively develops, produces and disseminates technologies and products that support the energy transition. In the production of its products, FISCHER focuses on the careful handling of the resources used. Any waste generated is sent for recycling or proper disposal in accordance with local legislation. The same applies as strict requirements for suppliers. Insofar as water or air pollution occurs in the suppliers' production processes, it is cleaned as far as possible in the production process and recirculated. The disposal of contaminated water is carried out in accordance with local legislation. The legal regulations for air and noise emissions are complied with. All processes are designed in such a way that there is no contamination of the soil or groundwater.

FISCHER suppliers must protect the environment.

At a minimum, suppliers shall comply with all applicable environmental laws, regulations, and standards, such as requirements for chemical and waste management and disposal, recycling, industrial wastewater treatment and discharge, air emissions control, environmental permitting, and environmental reporting. Suppliers must also comply with any additional environmental requirements applicable to products supplied to FISCHER, as defined in design and product specifications and contract documents.

Suppliers to FISCHER shall operate active programs to increase energy efficiency and reduce greenhouse gas emissions. In addition, legally compliant climate targets must be included in the corporate strategy and the use of 100% renewable energy must be planned at all supplier sites by 2030.

CONFLICT MINERALS

FISCHER suppliers are required to comply with US Securities and Exchange Commission legislation with respect to Conflict Minerals. Suppliers will be required to declare that all products supplied either:
- Do not contain tantalum, tin, tungsten, or gold that are necessary to their production or functionality,

or,

- If they do contain these minerals that they originate from non-conflict areas or from smelters that have been validated by an independent private sector party to be conflict free.

This declaration must be submitted to FFCC annually in the form of a reporting template without being requested to do so.

LAWS AND REGULATIONS

FISCHER Suppliers will comply with all applicable laws and regulations in all locations where they conduct business.

ANTI-CORRUPTION & BUSINESS ETHICS

FISCHER's suppliers must conduct their business in accordance with the highest ethical standards. Suppliers must strictly comply with all laws and regulations regarding bribery, corruption and prohibited business practices. This includes the anti-corruption laws and regulations of all countries in which FISCHER and its suppliers operate. Bribes - any "quid pro quo" arrangements in which payments are made, offered or promised with the expectation that an improper benefit or advantage will be granted in return - are strictly prohibited. Facilitation payments are also strictly prohibited.

Fair competition is a cornerstone of FISCHER's business and supply chain activities, and our suppliers are committed to competing fairly and ethically in all business transactions with us and other market participants. For this reason, but without limitation, our suppliers must not engage in anti-competitive behavior, such as price fixing, market sharing, bid rigging, sharing competitively sensitive information with competitors, or other forms of collusion or unfair trade practices. And compliance with laws designed to protect and promote fair competition and all applicable Antitrust Laws.

The protection of data and intellectual property, as well as data security, are critical to maintaining the trust of business partners and the long-term success of FISCHER.

For this reason, but without limitation, suppliers must protect the confidentiality, integrity and availability of all data and information, including any personal or sensitive information in compliance with data protection and security laws and regulations. Implement and maintain appropriate, state-of-the-art data security measures, including physical, technical and organizational controls to prevent unauthorized access, disclosure, modification or destruction of data.

Use the information provided only for the agreed purpose, intellectual property rights shall be respected, and know-how shall be managed in a way that ensures the protection of intellectual property rights and in accordance with applicable national or international laws.

Suppliers must make decisions solely on objective grounds and avoid any kind of influence by personal interests. For the purposes of this Code, the term "personal interest" may refer, for example, to (non-exhaustive list) an employee of a partner who has a material interest in FISCHER or vice versa, or the existence of a special or close (e.g. family) relationship between an employee of the supplier and an employee of FISCHER who is involved in a business transaction, etc.

Potential or actual conflicts of interest in connection with business with FISCHER or other business partners of FISCHER must be reported immediately and appropriately regulated in consultation with FISCHER.

FISCHER considers accurate record keeping to be essential to maintaining a transparent organization and ethical supply chain. Suppliers must maintain accurate and complete records of all transactions related to their business. This includes, but is not limited to, financial transactions, timekeeping, inventory management, shipping and delivery, and any other business operation records required for this purpose. Suppliers shall not falsify records at any time; if falsified records are discovered in connection with transactions with fishermen, they shall be reported immediately.

Suppliers must comply with all applicable export control laws and regulations, including those relating to the export of goods, services, software and technology. Suppliers must also comply with all applicable trade compliance laws and regulations, including those relating to import and export restrictions, economic sanctions and anti-boycott laws. Appropriate third-party due diligence must be conducted to ensure compliance.

It is of utmost importance to FISCHER that anyone who reports violations of the Supplier Code of Conduct in good faith must be protected from retaliation. Therefore, the supplier shall not engage in any form of threats, disciplinary action, discrimination, harassment, punishment or other forms of retaliation resulting from the reporting of violations.

FLOW OF INFORMATION WITHIN THE SUPPLY CHAIN

The contents of this Supplier Code of Conduct, as well as project-related and customer-specific requirements, must be passed on and actively applied by FISCHER's suppliers in their supply chain.

If necessary, FISCHER requires the cooperation of the supplier and its sub-suppliers to establish traceability and maximum transparency in relevant supply chains, if necessary, down to the raw material. In this regard, the supplier must, upon request, fully and truthfully answer FISCHER's questions regarding compliance with its obligations under this Code of Conduct, including its measures, any violations, and complaints. Likewise, the supplier must provide corresponding documents upon request and name contact persons for inquiries.