

**CODE OF CONDUCT**  
**VEREINIGTE SCHMIRGEL- UND MASCHINEN-FABRIKEN AG**  
**(AS OF MARCH 2025)**

**Präambel:**

Vereinigte Schmirgel- und Maschinen-Fabriken AG (in the following “**VSM**”) and its subsidiaries are a globally operating company with innovative products, a long tradition and strong values. For us, responsible action with a view to the future and the impact of our business on society and the environment is a core element of our business and corporate strategy. We believe that economic success and social responsibility are inextricably linked.

VSM complies at all times with legally binding regulations at national and international level as well as all voluntary commitments. All employees are obliged to inform themselves about the regulations applicable to their area of responsibility, to comply with them and, in cases of doubt, to obtain additional information and advice and to report any irregularities.

With this Code of Conduct, we as VSM commit ourselves to the following binding minimum standards for responsible and legally compliant action.

**I. Principles of business activity**

1 Conduct in the business environment, principle of legality

We comply fully with the laws of the countries in which we do business. Acting ethically and in compliance with the law is an important responsibility of our company.

2 Fair Competition

We respect the principles of fair and free competition. We observe the statutory regulations on antitrust and competition law and refrain from any action that hinders, restricts or distorts free and fair competition.

3 Prohibition of corruption and bribery

We are committed to complying with applicable local, regional and global anti-bribery laws, e.g. the German Criminal Code, the U.S. Foreign Corrupt Practices Act or the UK Bribery Act. We do not tolerate any form of embezzlement or fraud, corruption, granting of advantages, bribery or corruptibility or business conduct that could create the impression of undue influence or influence peddling. We ensure that our employees comply with these prohibitions. If employees receive

indications of corruption or bribery, these must be reported, e.g. via the whistleblower system or the Compliance Officer.

4 Safeguarding business secrets, confidentiality, data protection and intellectual property

We take appropriate measures to protect our own confidential information and that entrusted to us by our business partners. These include training and confidentiality obligations for our employees and our business partners as well as IT security measures. We comply with the data protection laws that apply to us and protect intellectual property against misuse. Employees must comply with the provisions of the Data Protection Policy. If there is any doubt about the permissibility of processing personal data, the Data Protection Coordinator must be consulted.

5 Conflicts of interest

Conflicts of interest can arise when a person's own interests conflict with the interests of the company. Even the appearance of a conflict of interest is problematic if it gives the impression that a person's objectivity or independence could be compromised. We ensure that conflicts of interest are disclosed to our employees and that the integrity of our business activities is maintained.

6 Customs requirements, export controls and economic sanctions

Compliance with all legal customs regulations, foreign trade laws, national and international sanctions and embargo regulations and guidelines applicable to VSM or our products, including legal and official requirements for export/import controls and economic sanctions, is a matter of course for us.

7 Money laundering and terrorist financing

We only maintain business relationships with business partners whose integrity we are convinced of and whose identity is known to us. We comply with the applicable legal provisions on the prevention of money laundering and combating the financing of terrorism and report suspicious transactions to the relevant authorities. Through comprehensive internal controls, such as checking sanctions lists and training, we ensure that all employees recognize the risks and signs of money laundering and terrorist financing and are able to act accordingly.

8 Information security and cyber security

The security and availability of our information and communication technology systems are important prerequisites for our business activities. To this end, we use advanced security technologies and continuously improve our security procedures. Employees must comply with the password and IT security guidelines.

9 Responsible procurement of raw materials, dealing with conflict minerals

We support the responsible procurement of raw materials and avoid the procurement and use of raw materials that were obtained illegally or through ethically reprehensible or unreasonable measures. We exclude the use of raw materials that are affected by embargoes or other import restrictions. This applies in particular to conflict minerals.

**II. Human rights**

1 Working conditions and fair wages

We are committed to our social responsibility for our employees and the society. We comply with the laws that apply to us in our dealings with our employees, ensure fair working conditions for our employees and observe the ILO core labor standards.

2 Occupational health and safety

We attach great importance to the health and safety of our employees. We implement occupational health and safety within the framework of the applicable national regulations.

3 Respect for human rights, especially rights of indigenous people

We treat each other with respect, fairness and loyalty and respect everyone's personality. We are committed to respecting globally recognized human rights as set out in the United Nations Guiding Principles on Business and Human Rights and respect the rights agreed in the International Bill of Human Rights. We avoid violating the rights of indigenous peoples, including the prohibition of unlawful eviction and dispossession of land, forests and waters and the destruction of cultural sites

4 Prohibition of child labor or forced labor

We are committed to ensuring that no child labor or forced labor is used at any stage of the production or distribution of our products. We do not tolerate any form of child or forced labor or modern slavery. In particular, we do not employ anyone under the age of 15.

5 Freedom of association, right to form employee representation and right to collective bargaining

We respect and uphold the freedom of association of our employees and recognize their right to collective bargaining in accordance with the laws applicable to us. We respect the right to form an employee representative body. Cooperation with the works council must be professional, trusting and respectful. Constructive dialog is to be conducted in order to achieve an appropriate balance of interests.

6 Equal opportunities and prohibition of discrimination

We do not tolerate any form of discrimination, particularly on the basis of skin color, gender, age, nationality, religion, sexual orientation or political activity. We create a working environment for our employees in which they are respected, accepted, supported and valued and are committed to equal opportunities in employment. Our employees adhere to VSM's management principles and the guidelines for dealing with each other contained therein.

**III. Requirements for environmental protection and sustainability**

We are aware of our responsibility towards the environment and conduct our business in accordance with the laws, regulations and industry guidelines on environmental management and the circular economy that apply to us. We comply with guidelines relating to the US Lacey Act, the EU Timber Regulation and similar laws. We promote the sustainability of our production chain and products, use resources sparingly and minimize the environmental impact of our business activities in order to continuously improve environmental protection.

1 Environmental management, waste and hazardous substances

We consider the impact of our activities on the environment and reduce the release of substances that pose a risk to people and the environment to a necessary minimum or avoid them altogether. We are aware of the risks to people and the environment posed by the disposal of waste and hazardous substances in particular and have taken measures to protect them. We comply with the laws and regulations that apply to us.

2 Consumption of raw materials and natural resources and use of renewable energies

We avoid the excessive consumption of natural resources - including water and energy - in production and reduce the generation of all types of waste. We aim to reduce our energy consumption and increase our energy efficiency. We work towards using renewable energy to reduce greenhouse gas emissions.

3 Quality and product safety

We place the highest demands on the quality and safety of our products throughout the entire product life cycle in order to eliminate risks and hazards as far as possible when handling them. Our products are therefore always state of the art.

#### **IV. Dealing with media**

We want to strengthen VSM's global image by providing the public - including the media - with transparent, dialog-oriented and consistent information. Communication with media such as TV, radio, newspapers, the Internet, etc. is always conducted via the Executive Board or via spokespersons or functions authorized by the Executive Board. In the case of publications by employees in social networks, we expect all employees to refrain from making statements or publications that could damage VSM or its image.

#### **V. VSM Compliance-System**

VSM expects all managers and employees to comply with the laws, guidelines, standards and ethical principles that apply to them. To ensure this, there is a regular exchange between the Executive Board, auditors, managing directors of the companies belonging to VSM and the locally responsible employees. VSM employees can contact their line manager, the local managing director or the Executive Board if they have any questions about the content or interpretation of the Code of Conduct.

#### **VI. Final Provisions**

This Code of Conduct applies to VSM AG and its subsidiaries. It replaces any previous versions and is regularly reviewed to ensure that it is up to date and revised as necessary. Board members, managing directors, managers and employees must act in accordance with the provisions of the current Code of Conduct.

The Board of Management of VSM AG

Date: May 12<sup>th</sup> 2025