Code of Conduct



SMS group

Foreword

Dear Colleagues,

The good reputation of our group of companies as a supplier of high-quality products and services gives us a decisive competitive advantage. An essential foundation of the trust placed in our company group by our customers, suppliers and the public is our respect for and adherence to legal and statutory requirements as well as our company guidelines (Compliance).

We already laid the foundation for this many years ago. Through the continuous further development and adaptation of our Compliance Organization and our Compliance Management System, we are ensuring that we live up to what we and the public expect of us. While working for the SMS group, we comply with both legal and internal requirements – both in Germany and abroad. It is our firm belief that we will only succeed if we proceed on this basis in future.

The Code of Conduct is valid worldwide and applies to all employees of our group of companies. It is your responsibility to comply with the requirements laid down in this Code of Conduct and in the directives which concretize this Code of Conduct. In addition, it is the responsibility of the company's executives and managers to ensure that all employees know, understand, and comply with the provisions of this Code of Conduct.

We do not tolerate any violations of this Code of Conduct. Therefore: If in doubt or if you have any questions regarding this Code of Conduct, please contact your supervisor or the Compliance department.

Mönchengladbach, July 1, 2024



Jochen Burg
Managing Board of
SMS GmbH



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1. Lawful conduct

We regard the integrity of our employees as an essential prerequisite for the long-term success of our business. While our actions may always be geared towards the interests of our customers, compliance with statutory rules and regulations is a top priority for us. We therefore expect every employee of SMS group to act in accordance with the applicable rules and regulations.

Breaches may not only have consequences for the individual under civil or criminal law but may also lead to sanctions against our group of companies and a long term damage to our reputation.

2. Our conduct in business transactions

2.1. Compliance with antitrust regulations

In the competition for market shares we commit ourselves to fairness and integrity. Compliance with antitrust regulations is imperative. Agreements or behaviors that restrict competition are not permitted, regardless of whether they are made in writing or verbally and informally. Any exchange of competitively sensitive information is prohibited. In particular, this includes agreements on prices, strategies, conditions, quotations, the division of customer groups, products and regions.

Special care must be taken with regard to activities involving associations. Although work in associations may be of benefit to SMS group in principle, associations often offer their members a platform for discussing industry-specific interests and issues. This increases the risk of exchanging competitively sensitive information. For better guidance, we have drawn up rules of conduct for contacts with competitors. The principles laid down in this regulation must be observed.

Example:

You talk to a competitor at a trade fair. During the conversation, the person tries to obtain information on SMS group's strategy. In return, he offers to disclose the equivalent information for his company.

Make it immediately clear and unambiguous to the other person that you will not discuss such matters with him. In addition to the unauthorized disclosure of business secrets, such a conversation constitutes a violation of the applicable competition laws. Document this discussion and inform your supervisor and the Compliance department immediately.

2.2. Prohibition of corruption

We do not tolerate any form of corruption or bribery. Our approach to the competition for customer orders is marked by an awareness of our first-class products and services and our company's excellent reputation. In this context, reference is made to the SMS group Guideline on the Prevention of Corruption.

Offering and granting advantages

Corruption as a means of obtaining orders is prohibited. No employee is allowed to grant unjustified advantages, such as monetary or material contributions, within the context of the initiation, conclusion, or handling of orders. The same applies to dealings with authorities.

Gifts for hosts or promotional gifts and invitations are permitted if they conform to social norms and standards, correspond to local customs, and are considered a matter of courtesy in the relevant country. The choice, scope, and monetary value of the gift or invitation must comply with the customary and legal framework in the relevant country. Cash gifts are prohibited. In all cases, when choosing or deciding on gifts and invitations, it must be ensured that these do not create the impression of wishing to influence the actions or decisions of the persons receiving the advantage due to their monetary value. Furthermore, transparency with regards to gifts and invitations must be ensured. The criteria for choosing and deciding on gifts and invitations are subject to particularly strict standards when dealing with public officials.

Example:

You are visiting a customer to negotiate an important project. Shortly before concluding the negotiations, the managing director responsible for awarding the contract implies that the likelihood of the contract being awarded to SMS group would be higher if he were to receive a gift as a sign of gratitude.

This situation corresponds to corruption and constitutes prohibited behavior. Reject this request from the managing director.

Demanding and accepting advantages
It is not permitted to demand, accept, or accept promises of personal advantages. Only low-value gifts for hosts or promotional gifts, which are granted within the framework of customary and legally permissible practices and do not create the impression of wishing to influence decisions, may be accepted. If in doubt, employees are obligated to obtain their supervisor's permission before accepting any advantage or benefit.

Example:

A supplier contacts you. He has the impression that SMS group is increasingly buying from other suppliers. He asks you for a personal meeting and offers you a gift of your choice if you change the situation to his benefit.

The acceptance of low-value gifts in business relationships is possible under normal circumstances. In this specific case, however, the gift is clearly linked to a service in return (competitive benefit). Demanding, accepting, or accepting promises of a gift is not permitted under such circumstances, even if the gift of your choice is of low value. Transparency must always be ensured when accepting or granting advantages. This is not the case when meeting someone privately. Circumstances such as these must be reported to your supervisor and to the Compliance department.

2.3. Avoiding conflicts of interest

The business decisions we take are exclusively in the best interests of our company. Private interests and the interests of the company must be separated. Persons or companies with whom SMS group has business relations may only be contracted by employees for private purposes in compliance with customary market terms and conditions. Before taking up any paid secondary activity, you must inform and agree this with the Human Resources department.

In the case of conflicts of interest, the supervisors must be informed in order to work together on resolving the situation.

Example:

Your relative works for a company that is a supplier of SMS group. You are responsible for a tender in which this supplier has participated

Inform your direct supervisor immediately of the situation. He will then probably assign the task to another colleague in order to avoid a possible conflict of interest.

2.4. Export control

We are committed to the objectives and values of international export control. We undertake to ensure that our business activities comply with all applicable embargo and export control regulations. To guarantee this, we expect you to know and comply with internal processes relating to the export of goods and, in case of doubt, to obtain advice from the Export Control Officer.

Example:

You have forgotten to send a measuring instrument from Germany to a construction site in China. A colleague tells you that he had once forgotten to send an important product to a trade fair and that he simply carried the product in his hand luggage and did not experience any problems.

Find out first whether the product in question is subject to customs or export control regulations. Please contact your supervisor and the Export Control and Customs Department to clarify whether you are allowed to take the device out of Germany.

2.5. Prevention of money laundering

As a trader of goods, we comply with our legal obligations to prevent money laundering. We do not get involved in transactions that are used to conceal or integrate criminal or illegally acquired assets. We expect you to be attentive at all times with regard to the warning signs of money laundering. High cash transactions, in particular, are prohibited. If there is a suspicion of money laundering in unusual transactions, the Compliance department must be informed and consulted.

Example:

A project with a customer in Europe is in the process of being negotiated. During the negotiations, the customer informs that the payments to the SMS group will be made from an account located in a country outside the European Union.

This may be a warning sign of money laundering, especially if payments are to be made from a tax haven. A better understanding of the circumstances is required. Contact the Compliance department.

3. Our treatment of employees

3.1. Safety, health, and prohibition of child and forced labor

We are responsible for all our employees. The protection of the life and health of all employees is our number one priority. It is the task of all employees to avoid hazards at the workplace and to eliminate or reduce any hazards identified as far as possible. Furthermore, we reject any form of child or forced labor and respect the personality and rights of every employee.

Example:

You find that a machine in your department clearly has an electronic defect.

Shut down the machine securely and notify your direct supervisor. It is not permitted and may be dangerous to repair electrical equipment yourself.

3.2. Prohibition of discrimination, harassment and bullying

We do not tolerate any discrimination within our group of companies. All employees are treated equally by their colleagues and supervisors, regardless of in particular their ethnic background, skin color, gender, religion, national and social origin, personal circumstances, health, or age. Every employee has equal opportunities. As to discrimination, we will not tolerate harassment or bullying.

Example:

You learn that an applicant was rejected due to his ethnic background, although he was the most suitable candidate for the advertised job.

Inform the Human Resources department so that appropriate actions can be taken.

4. Our treatment of company property, resources and data

4.1. Protection of corporate assets

We treat the company's assets with care and use company property for business purposes only. All employees are obliged to be careful with company property entrusted to them and to protect it against loss, damage and theft.

Example:

You are preparing for a business meeting while traveling by train. You leave your seat and your company laptop is left unattended.

Never leave a company laptop unattended. There is a high risk that it will be stolen. In addition to the loss of the laptop, unauthorized access to confidential information, such as trade secrets, also poses a risk.

4.2. Protection of intellectual property

We safeguard our technologies by means of patents, copyrights, trade secrets, and other industrial property rights ("intellectual property"). We expect you to protect our intellectual property, amongst other things, by complying with our internal technical, organizational, and legal protective measures. Any use of intellectual property is only permitted within the scope of your work. In particular, you are responsible for ensuring that information in connection with our intellectual property is disclosed to third parties only after the relevant non-disclosure agreements have been concluded.

In the same way in which we protect our own intellectual property, we also respect the intellectual property of others. The intellectual property of third parties must be treated confidentially. It may only be disclosed to colleagues who absolutely require such confidential information to fulfill a specific purpose.

Example:

You discover a technical security gap that allows third parties to gain access to documents relating to our order handling processes or drawings.

Report the matter immediately to the department responsible for data security.

4.3. Environmental protection and sustainability

We regard environmental and climate protection as an important corporate policy objective. The focus of what we do is also on our responsible and long-term commitment to the environment and to the climate as a central guiding principle. We are aware of this special responsibility and commit to protect and preserve our natural resources. We are all called upon to continuously reduce the environmental and climatic impact of our company and products and thus make a major contribution, together with our customers, to the decarbonization of the industry.

Example:

Several barrels containing unknown substances are stored at the company premises. The barrels are rusted and fluid is leaking from one of them.

Immediately inform the relevant employee in charge and urge him or her to resolve the issue. Do not rely on someone else to report the matter.

4.4. Data protection

We protect the personal data (information on the personal or material circumstances of an identified or identifiable natural person) of our employees, customers, and suppliers, in particular. The personal data of individuals may only be collected, processed, and used in accordance with the relevant statutory provisions and company regulations. It must always be treated as confidential and protected against access by unauthorized third parties. If you are in doubt or have any questions, contact the responsible data protection officer.

Example:

Your colleague has asked you to give him the private telephone number and home address of another colleague.

Such information is personal data and may only be used for specific business-related purposes.

5. Compliance with the Code of Conduct

We must consistently align our conduct in our everyday working lives with the principles stated in this Code of Conduct. If you are in doubt or have any questions, contact your supervisor or the Compliance department who will provide guidance and support. An additional source of guidance with regard to permissible conduct may be a person's own "inner compass" when answering the following questions:

- Is my conduct legal?
- Does my conduct reflect the values of the company?
- Is my conduct in the interest of the company?
- Would I agree to this being reported in the press?
- Would I assume personal responsibility for this?

Furthermore, it is crucial that any violations of the rules are identified internally at an early stage, clarified, and remedied. You can all make a contribution here by confiding in your supervisor or the Compliance department if you have any suspicions.

In addition, we offer not only you but also our customers, suppliers and other business partners a secure whistleblowing system to draw attention to possible compliance violations. The whistleblowing system improves and professionalizes our Compliance Management System. At the same time it enforces legal requirements. In this way, information can be passed on also anonymously, 24/7, worldwide.

You can access the whistleblowing system via our website or directly via the following link:
https://sms-group.integrityline.app/

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