

GÜHRING

Code of Conduct



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General introduction (preamble)

As the world's leading manufacturer of rotary tools for metalworking, Gühring is aware of its particular responsibility socially and towards the environment and society. Integrity, honesty, respect, fairness and responsibility form the foundation of the corporate culture within the Gühring Group (hereinafter referred to as "Gühring"; this also includes each individual member of the Group).

This Code of Conduct contains the fundamental requirements for the conduct of each individual, be it business partners, such as suppliers, customers or others, as well as their employees and managers (hereinafter referred to as "Partners"), and is intended to help answer all ethical and legal questions that arise correctly and appropriately. It also aims to ensure that ethical conduct and maintaining the highest standards together creates an environment in which trust and collaboration can thrive. In order to be able to ensure these requirements, Gühring and its partners are expected to demonstrate responsibility within the framework of this Code of Conduct by making every effort to comply with the Gühring Group's Code of Conduct. Each individual can contribute to the sustainable success of the company and to positively influence the community by anchoring the values and principles of the Gühring Group's Code of Conduct in the daily consciousness of each individual.

Honesty requires compliance with all applicable laws, regulations and legal standards in all business practices and interactions. Gühring expects all partners to act within the framework of existing jurisdiction in order to avoid legal disputes, sanctions or legal issues.

Integrity requires compliance with moral and ethical principles as well as honest and transparent conduct in all business activities. Gühring expects all partners to adhere to ethical standards and also take responsibility for their own actions.

Respect means respecting and protecting the dignity, views, rights and differences of all individuals. Gühring expects all partners to behave politely and fairly towards colleagues, customers, suppliers and other stakeholders.

Fairness refers to the fair and equal treatment of all persons, regardless of their individual characteristics or positions, and to compliance with fair business practices. Gühring expects all partners to make decisions and act on the basis of objective criteria, without prejudice, discrimination or unfair preferential treatment.

Responsibility requires the moral, ethical and social commitment of each individual to consciously shape actions and decisions and to consider the impact on employees, customers, society and the environment. Gühring expects all partners to perform their tasks and obligations conscientiously while keeping the long-term interests of Gühring and its stakeholders in mind.

The following Code of Conduct is based on international standards, such as the principles of the United Nations Global Compact initiative, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work.

Gühring's partners make a significant contribution to the company's success. It is therefore Gühring's aim to continue to develop our products and services sustainably and successfully together with all partners in the future. Gühring considers a common understanding of ethical and sustainable actions to be the basis for business success. Partners encourage their own suppliers to comply with the obligations of the Code of Conduct as part of the fulfilment of their contractual obligations.

I. Social

1. Human rights

Gühring expects respect for the dignity and personal rights of every individual, as well as all parties affected by the company's activities, business relationships or products. Gühring does not tolerate any acts that violate human rights and does not accept any form of

unlawful expropriation of people's property. For this reason, Gühring calls for the implementation of preventive steps and proactive measures to prevent human rights violations and calls for decisive efforts to eliminate them. Respect for human rights is deeply anchored in the corporate responsibility. This is why Gühring's corporate policy is based on the International Charter of Human Rights, the UN Guiding Principles on Business and Human Rights, the ten principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the internationally recognised standards of the International Labour Organisation's (ILO) core labour standards.

2. Child and forced labour

Gühring distances itself from any type of child labour, forced and compulsory labour, modern slavery, involuntary or exploitative prison labour, torture, human trafficking or other forms of exploitation in any business activity. All partners must refrain from such an inhumane type of work and respect the rights of children.

3. Diversity and equal opportunity

It is everyone's shared responsibility to contribute to an atmosphere of mutual respect and tolerance. Active commitment to equal opportunities and the promotion of the individual potential of all employees is essential. Gühring strongly opposes any form of discrimination, harassment, physical violence or bullying based on ethnic origin, gender, religion and belief, disability, age or sexual identity.

The establishment of a complaints system is an important part of this. Gühring encourages all such incidents to be reported via the complaint management system. The company expressly reserves the right to prosecute any violations of these principles.

4. Occupational safety and health protection

Gühring places particular importance on the health of its employees. This is why Gühring expects its partners to also ensure a safe and hygienic working environment for their employees. At least the respective legal requirements and national standards must be complied with. Gühring expects active measures to be taken to reduce the number of accidents at work and the severity of their consequences. The physical and mental health of all employees of both Gühring and its partners must always be promoted. Managers in particular are responsible for taking appropriate health and safety measures.

Particular attention should be paid to employees who require special protection, such as adolescents, pregnant women and people with reduced performance capabilities. It must be ensured that they are protected from activities that could be detrimental to their health or safety. Partners are encouraged to seek certification according to ISO 45001 or similar.

5. Working conditions

The development of all employees must be seen as an investment in the individual future of each individual as well as in the competitiveness of the company. Gühring addresses the special needs of families and wants to encourage its partners to provide family-friendly working conditions as much as possible in order to promote employee satisfaction and motivation. Gühring expects the partners to acknowledge employees' entitlement to appropriate remuneration, all statutory social benefits, compliance with maximum working hours and the guarantee of minimum holidays. Gühring and its partners comply at least with national and local legal standards, regulations or agreements. The applicable labour law regulations are consistently observed in all areas of the company.

Employees must be protected from inhumane and degrading treatment, physical punishment, sexual harassment, physical and psychological coercion, or verbal abuse.

6. Employee representatives

The right of employees to establish employee representatives in a free and democratic manner and to conduct negotiations to regulate working conditions must be accepted by all partners. Gühring maintains a trusting and constructive cooperation with the employee representatives and also wants this from its partners. Sustainable solutions can be achieved through open dialogue.

It is Gühring's firm belief that private or public security forces are not used to compromise freedom of association. Especially if their use could lead to human rights violations due to inadequate training or insufficient control on the part of the company.

II. The environment

1. Environmental and climate protection

Environmental and climate protection is firmly anchored in Gühring's corporate policy. Gühring encourages its partners to take responsibility for the environmental compatibility and sustainability of their products, locations and services. This requires taking environmentally friendly, progressive and efficient measures or investing in sustainable technologies in order to continually promote environmental protection. It should be everyone's overall goal to do the best possible to minimise environmental impact. This includes reducing the environmental impact during development and production and efficient use of energy. This can be achieved by setting clear sustainability targets and implementing systems that ensure the security, monitoring and measurability of these targets.

We also expect support to protect biodiversity, the ecosystem (land use and deforestation), improve soil quality, reduce noise emissions and thereby improve the environment and human health overall.

All of partners processes, facilities and equipment should comply with the applicable legal requirements and standards for fire and environmental protection. Gühring expects all its partners to comply with all applicable environmental regulations and international agreements on environmental standards. The companies' sustainability strategies must be disclosed annually in a sustainability report. The partners strive to establish an environmental management system in accordance with ISO14001 or similar in their company.

2. Protection of natural resources

Preserving natural resources is the core of sustainable development and the prerequisite for the survival of people and culture. Gühring attaches great importance to environmentally sound behaviour as well as the protection of resources and the environment. Waste, contamination, pollution or noise pollution can severely affect the life and health of living beings by, among other things, making access to clean drinking water more difficult and significantly affecting the preservation and production of food. Gühring expects its partners to take measures to preserve the natural resources of living beings; this includes, in particular, the legally compliant disposal and cross-border shipment of hazardous waste or toxic substances.

3. Use of resources

Already during development and production, Gühring places great importance on a resource-saving approach. Gühring and its partners avoid hazards to people and the environment, keep their impact on the environment to a minimum and use resources such as water, air and raw materials sparingly. Responsible chemical management is practiced. Gühring expects its partners to always consider and implement the exchange and replacement with environmentally friendly alternatives.

4. Waste prevention and recycling

The product life cycle at Gühring is geared towards resource-saving use. Gühring expects its partners to follow the "Cradle to Cradle" and "Cradle to Grave" principles when manufacturing products. Partners should take possible measures to prevent the generation of waste. Any waste generated must be collected, stored, prepared for reuse, recycled if possible and then disposed of in an environmentally friendly manner. Recycled products do not end up in the waste management system and thereby contribute to resource-saving and environmentally friendly behaviour.

5. Conflict minerals

Conflict minerals are often mined in conflict and high-risk areas without respect for human rights. This can lead to risks such as corruption or money laundering or contribute to the financing of armed troops. Gühring procures its raw materials only from approved suppliers who confirm that all raw materials are free of conflict minerals and comply with OECD guidelines. All partners are aware of the special responsibility associated with the use of conflict minerals and undertake to comply with all due diligence and inspection obligations. Upon request by Gühring, the partner shall be prepared to submit a CMRT or EMRT report (if applicable to the partner).

6. Protecting indigenous peoples' habitats

Climate change has severe consequences for the lives of indigenous peoples, although their traditional way of life has made little contribution to it. The rights of indigenous peoples to the preservation and development of their habitats, to self-determination as well as their institutions, traditions, cultures and identities must be respected by Gühring and all partners. They must also respect applicable local, national, international and traditional land, water and resource rights. In particular, the rights of indigenous peoples and local

communities should be respected, promoted and protected throughout the supply chain in accordance with the United Nations Declaration on the Rights of Indigenous Peoples.

III. Governance

1. Anti-corruption

Gühring rejects all forms of corruption, including extortion and bribery. Gühring expects its partners to comply with the applicable anti-corruption laws. Any conduct that could give the impression of undue influence on business decisions cannot be tolerated. These principles also apply if Gühring's partners cooperate with other third parties in connection with their work for Gühring's own organisation.

Partners are not permitted to offer or grant unauthorised advantages to others, directly or indirectly, in connection with their business activities. Gifts are only permitted within the framework of courtesy provided that this does not give the appearance of dishonesty, impropriety or binding dependence.

2. Information security and data protection

Gühring and its partners ensure the security of all business information by complying with legal provisions and take all possible technical and organisational measures to secure the data in all systems.

The personal rights of employees and partners must be fully protected and respected. Personal data is only processed and used in accordance with legal requirements, regulations and/or the express consent of the data subjects. Appropriate standards for the technical and organisational security of the data must be implemented, particularly with regard to protection against unauthorised access and loss. The current state-of-the-art technology and the respective risk must be taken into account.

3. Fair competition and antitrust law

A trusting and balanced business relationship is based on fairness, which is an integral part of Gühring's corporate culture. Gühring's business practices are based on the principle of performance and are based on the market economy as well as free and unrestricted competition. When competing with other companies, partners always act in accordance with applicable rights, ethical principles and laws. Gühring expects its partners to refrain from any form of anti-competitive agreements with competitors, suppliers or customers. A dominant position in the market is not abused. Gühring's partners must comply with all applicable national and international laws and regulations.

4. Conflicts of interest

At Gühring, everyone's private life and personal decisions are accepted, but Gühring employees should come into conflicts of interest through their work. Therefore, integrity is expected of all partners. Decision-making is based solely on objective criteria, without influencing personal interests or relationships. Therefore, situations in which personal interests and actions conflict with the interests of Gühring should be avoided. If it is not possible to prevent conflicts of interest, it is very important to discuss the next steps together.

5. Intellectual property rights

Patents, information and know-how are valuable company resources. For this reason, Gühring, its partners and other third parties ensure that this intellectual property is not used unlawfully. Third-party knowledge may only be used if it was lawfully acquired.

The industrial property rights of third parties, including patents, designs and trademarks, are respected by both Gühring and its partners. The use of such industrial property rights is only permitted with the permission of the respective owner.

6. Export controls

When exporting or importing goods or technologies, Gühring and its partners must comply with all relevant export control and sanction laws, regulations and embargo provisions. All necessary approvals and permits must be obtained in advance to ensure timely and correct delivery of the products.

7. Anti-money laundering

Gühring and its partners must consistently comply with all legal obligations to prevent money laundering and terrorist financing and avoid any involvement in transactions intended to conceal criminal or illegally acquired assets. Partners are encouraged to report financial transactions that may raise suspicions of money laundering.

Careful verification of the identity of customers, business partners and other third parties is a duty before entering into a business relationship. The declared objective is to maintain business relationships exclusively with reputable partners whose business activities comply with the applicable legal provisions and whose financial resources come from legal sources.

8. Whistleblowing and protection against retaliation

At Gühring, all employees are encouraged to speak up openly about inappropriate conduct. Gühring actively encourages its partners to establish a system that enables inappropriate

conduct to be addressed openly without fear of possible consequences. Partners should do everything possible to avoid persecuting whistleblowers.

9. Disclosure of information

Confidentiality regarding internal matters must be maintained both during and after the termination of the cooperation or employment relationship. This applies in particular to all trade and business secrets, the organisation and figures of the internal reporting system.

No one is permitted to make recordings, files, image and sound documents or duplicate them without consent unless this is directly necessary for professional activity or cooperation. Everyone must keep data belonging to their workplace under lock and key and protect it against unauthorised access by third parties.

IV. Information and communication (valid for suppliers)

1. Information for business partners and employees

The supplier shall communicate the requirements specified in this Code of Conduct to employees and business partners in the local language.

2. Monitoring and proof of compliance

The supplier must provide all necessary information for an initial assessment correctly and comprehensively as part of a self-assessment upon request. It also provides other information that demonstrates compliance with the Sustainability Policy. Gühring has the right to monitor the implementation of these guidelines and to verify them by means of supplier audits. The supplier must inform Gühring of any events that conflict with the principles of this Sustainability Policy without being requested to do so.

V. Consequences in case of violation

If one party discovers a violation of the company's Code of Conduct that could harm the business relationship, the other party must be informed as soon as possible. Both parties reserve the right to monitor compliance with the Code of Conduct and to conduct audits after timely notice or supplier evaluations. If there are doubts about compliance with laws, rules and/or standards, appropriate remedial measures may be taken with regard to the business relationship. In the event that the remedial measures are not implemented or are not implemented on time, it is at Gühring's or the partner's discretion to issue a warning to the other party or to terminate the business relationship by extraordinary termination if the continuation of the business relationship can no longer be maintained due to the violation of the Code of Conduct.

This Code of Conduct is subject to the laws of the Federal Republic of Germany and to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG). All disputes arising from this contract or relating to its violation, termination or invalidity shall be settled exclusively in accordance with the Arbitration Rules of the German Institution for Arbitration (DIS) without recourse to the courts of law. The court is composed of one arbitrator. This will be determined by the parties by mutual agreement. If the parties cannot agree on a joint arbitrator within 4 (four) weeks, the arbitrator will be appointed by the Chairman of the Stuttgart Chamber of Industry and Commerce. The venue of the proceedings is Stuttgart. The language of the negotiations is German.

VI. Severability clause

Should any provision of this Code of Conduct be invalid or not implemented, this shall not affect the validity of the remaining content of the agreement. The contracting parties will endeavour to replace any invalid provision with another provision that corresponds to the spirit of the old provision.

Written form requirement

There are no ancillary verbal agreements. Amendments and additions to this agreement must be made in writing in order to be effective. This also applies to the written form requirement itself.

VII. Acknowledgement and agreement of both parties

By signing this Code of Conduct, both parties are obliged to comply with the requirements and principles stated.

Place, date

Signature (incl. company stamp)

Place, date

Signature (incl. company stamp)