

CODE OF CONDUCT

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FOREWORD

Dear colleagues,

As one of the world's leading manufacturers of grinding, eroding, laser, and measuring machines as well as machine tools for additive manufacturing, UNITED GRINDING is carrying an overarching accountability to do things right. Living our corporate values, serving our customers and honoring our commitments is a key prerequisite for our license to operate and lies at the heart of our success as a company.

We are committed to meet and exceed the high expectations set on us by stakeholders around the world by strictly following and complying with applicable laws and regulations, demonstrating fair and sound business judgment and conducting our operations in accordance with ethical and social business standards, based on a culture of responsibility, integrity and sustainability. Always. Everywhere.

You as an employee of UNITED GRINDING are an ambassador for our company. Our reputation and collective well-being depends on you.

Given that, we have established this present Code of Conduct as a practical guide for all employees, reflecting our corporate values and principles and setting the minimum standards of behavior that we expect and request each employee to embrace when acting for or on behalf of UNITED GRINDING.

I encourage everyone to take good note of our Code of Conduct and to seek advice or to raise questions or concerns at any time with your manager, local HR or Group Legal.

Stephan Nell,
Chief Executive Officer, United Grinding Group AG

1. GUIDING PRINCIPLES

Our passion for innovation, precision and excellence drives our success. UNITED FOR YOUR SUCCESS is more than a marketing slogan. It is an embedded key pillar of our strategy and a guiding principle for all our actions and operations.

UNITED FOR YOUR SUCCESS goes hand in hand with integrity, safety and product quality. It requires each employee at all times to act in a fair, respectful, transparent and trustful manner, to show responsibility and to demonstrate good corporate citizenship in all business dealings.

This Code of Conduct outlines our corporate values and sets the minimum standards that each employee is expected and requested to live up to. It is complemented by global and local policies and directives, as made available from time to time.

Each employee is expected and requested to continuously inform itself about laws, regulations, policies and directives applicable to its role and function and to understand the impacts these may have for its tasks within its scope and area of responsibility. Training courses must be attended, when offered. In case of questions or concerns, employees are expected to seek advice at any time from their managers or the functional departments within the group.

2. SAFETY AND QUALITY

The safety of employees, customers, contractors and visitors comes first. We are committed to a safe workplace and recognize that we all have a responsibility to protect our safety and wellbeing, and that of our colleagues. We comply with all internal safety measures and will speak up, correct, or report to a manager, when we notice situations when safety is at risk.

Our ambition is to achieve zero accidents and zero harm to persons and assets. To pursue this mission we:

- act responsibly and provide leadership, visible commitment, resources, safety standards and continuous training;
- create a working environment where everyone feels comfortable to raise safety issues;
- respond promptly, responsibly and effectively to concerns, near misses, incidents and emergencies; and
- commit to continuously maintain and improve our safety performance through active listening, learning, hazard and risk reviews.

We all have a fundamental responsibility to ensure that customers and consumers can trust the safety and quality of our products. We comply with relevant industry standards and we follow documented quality assurance processes. We take action and immediately correct, or report to a manager, any threat to product safety or quality.

3. COMPLIANCE WITH LAWS

We strictly comply with all laws and regulations applicable to our business and operations.

Non-compliance with laws and regulations may result in reputational damages, lead to breach of contract and, in severe cases, constitute a criminal offence, resulting in administrative constraints, fines and possibly even imprisonment.

To prevent harm and damage to individuals concerned, to colleagues and to UNITED GRINDING as a company, we speak up, correct and report any suspected non-compliance with laws and regulations.

4. SOCIAL RESPONSIBILITIES

We conduct our business and operations, wherever this may be, in a way that integrally respects basic human rights. We treat every employee and every third party stakeholder with dignity, respect, transparency and fairness.

4.1 Human Rights

We unconditionally support the protection of internationally proclaimed human rights.

We do not tolerate:

- any form of modern slavery, including human trafficking, forced or bonded labour;
- any form of child labour;
- any workplace receptive to harassment, intimidation and abusive conduct, harsh and inhumane treatment or other unlawful practices;
- any discrimination on the basis of race, color, religion, gender, age, disability, sexual orientation, political preference or other personal characteristics; and generally
- any attempt to prevent a diverse and inclusive work environment.

We protect young workers from performing work that is likely to be hazardous or that may be harmful to their health, physical, mental, social, spiritual, or moral development.

We seek to take influence – appropriate to our market power and effective control – over our supply chain to prevent our suppliers from tolerating any of the above. We seek to motivate suppliers to implement, apply and maintain adequate and effective measures to identify any risks related to human rights and to prevent adverse impacts in their own supply chain.

4.2 Workplace Conduct

We conduct ourselves in a manner that is professional and appropriate at all times. We strictly adhere to our workplace policies and we are committed to keeping our work environment safe and drug free.

We treat people fairly, with integrity and respect at all times. We behave in a thoughtful way that does not offend, intimidate, degrade, insult or humiliate others and we foster a culture of openness and encourage everyone to speak up.

We provide equal employment and promotion opportunities. We strive to provide employees with the chance to realize their full potential by offering development and training opportunities. For diversity to thrive, we are nurturing an inclusive environment where people can truly be themselves and grow to their full potential.

We show respect for different cultures and religions in all our business practices and dealings.

We uphold the freedom of association and the right to collective bargaining in accordance with applicable laws, thereby respecting the workers' right to communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal.

4.3 Conflict Minerals

We seek to ensure that our products are free from unlawful substances and materials. Together with our suppliers, we continuously work towards improving traceability and documentation for parts and components sourced externally.

We do not tolerate any conflict minerals or products and services directly or indirectly originating from sources that contribute to human rights violations, terrorist activities or armed conflicts as targeted and prohibited by legal provisions and directives regarding conflict minerals, in particular EU Conflict Minerals Regulation (Regulation (EU) 2017/821) and Section 1502 of the Dodd-Frank Act.

We therefore expect and require our suppliers to:

- comply with all legal provisions and directives regarding conflict minerals;
- establish a policy and a management system to reasonably assure that the “conflict minerals” as well as critical material, which may be contained in their products are sourced responsibly and do not, directly or indirectly, finance or benefit armed groups;
- conduct due diligence and provide UNITED GRINDING with supporting data on their sources and supply chain when/ as requested; and
- cooperate with UNITED GRINDING to enable downstream requirements in relation to suppliers' products and/or services to be fulfilled.

5. INTEGRITY AND BUSINESS ETHICS

We compete on the merits of our products and services only.

We strictly refrain from engaging in illegal or unjust practices to gain a competitive advantage. This includes fraudulent acts, deception of people, making false claims or allowing anyone else representing UNITED GRINDING to do so.

We invariably conduct our business and operations in a transparent, diligent and moral way, with integrity and business ethics being the basis for all our actions and dealings. All transactions and flows of funds must appropriately be recorded and documented.

We abstain from entering into business transactions or pursuing internal targets if this can only be achieved by violating or ignoring applicable laws or business ethics.

5.1 Anti-Bribery, Anti-Corruption and Illegitimate Payments

We strictly comply with all applicable anti-bribery and anti-corruption laws and regulations and unconditionally refrain from engaging in corrupt practices with any stakeholder to advance UNITED GRINDING's business interests.

We do not tolerate:

- the offering, promising, making, accepting or agreeing on any improper or illegitimate payments, gifts, advantages or favors, whether direct or indirect, to public officials or representatives of customers, suppliers, their agents, or any related or affiliated persons that aim to influence business decisions or otherwise induce or encourage them to act dishonestly, illegally or otherwise contrary to their obligations;
- any form or attempt of money laundering and fraud;
- any advantage achieved by fraud, deception or false claims; and
- the direct or indirect support of, or involvement in, any of these illegitimate actions.

We do not solicit, encourage, extend or accept gifts, kickbacks, trips, hospitality, entertainment or other favors to or from existing or potential customers, suppliers or business partners, unless such favors are of insignificant value and do neither violate the law nor influence our sound business judgment.

5.2 Competition and Antitrust

In all our relationships with customers, suppliers and competitors we strictly refrain from entering into arrangements or actions that would unlawfully restrain or impact fair competition, be it actually or potentially, and be it intentionally or inadvertently. Likewise, we avoid situations that could be perceived as anti-competitive behavior.

We will at all times:

- comply with all applicable competition laws and regulations;
- refrain from participating in any cartel or from entering into formal or informal, written or verbal anti-competitive arrangements or agreements that fix prices, limit supply, allocate or control markets; and
- refrain from exchanging with competitors current, recent, or future pricing information (including price-relevant terms such as pricing methodology, price developments, price ranges, target prices, minimum or maximum prices, list or discounted prices, discount levels, or production and distribution costs) or other sensitive business information (including trade and industrial secrets, intellectual property and knowhow, research and development activities, manufacturing and sales processes, customer and supplier data, financial information, business strategies and market expectations and development).

We pay particular attention to industry association meetings and trade shows that no such information is shared with, discussed or obtained from competitors. Should conversations veer towards red-flag topics, we unilaterally end the discussion or we leave the terrain.

We do not abuse our position on the market or put our market opponents at an unjust disadvantage.

When having market dominance or relative market power, we will not unlawfully:

- refuse to do business;
- enforce excessive or predatory pricing or unreasonable terms and conditions;
- discriminate market participants;
- engage in geo-blocking, nor
- engage in exclusivity arrangements.

5.3 Insider Trading

We will not engage in insider trading. In particular, we will not use any material or non-publicly disclosed information obtained in the course of our business relationship with customers, suppliers or other partners as the basis for trading or for enabling others to trade in the stock or securities of any company, whether directly or indirectly.

5.4 Conflict of Interest

We avoid any situations that may lead to conflicts of interest. We furthermore strive to anticipate and avoid situations giving the mere appearance of a conflict and to provide notification to all affected parties in the event that an actual or potential conflict arises. This includes a conflict between business interests and personal interests or those of close relatives, friends or associates.

To prevent potential conflict of interests at core, we do not:

- enter into relationships with customers, suppliers or other business partners that might impair our judgment on our work on behalf of UNITED GRINDING (notably when the contract is with closely related individuals, such as family members, partners, relatives and friends, or in relation to which such individuals are closely invested or involved, e.g. employed in a key function or acting as the direct negotiation counterpart);
- alternatively, when the business context requires it, we resign and delegate the negotiation, decision and contract execution to other members of the team or the management.

Any side-business or paid mandate must be reported and approved by UNITED GRINDING, unless such side-business or mandate is a pure financial investment or (i) does not compete with the business of UNITED GRINDING, its customers, suppliers and business partners, (ii) is of marginal value and (iii) does not impair the employee's capacity and performance for UNITED GRINDING.

5.5 Information Protection

We take great care to safeguard confidential information entrusted to us by customers, suppliers and other business partners. We handle trade and business secrets, confidential information and other proprietary or sensitive information strictly confidential and protect them against unauthorized access, use, modification and disclosure.

The privacy of our employees, customers, suppliers and other business partners is key to us. We protect the integrity of everyone who entrusts us with their personal data and invariably collect, retain, use or transmit personal data only strictly in compliance with all applicable data privacy laws and regulations.

5.6 Global Trade and Export Control

We comply with all applicable national and international trade laws and regulations, including but not limited to trade controls, export control and sanction and embargo laws and regulations in Switzerland, the EU, the US and any applicable national regulations in the countries of operations.

We will obtain export control licenses and permits when required and communicate any declarations where necessary.

We will not support the business and affairs of any person or company targeted by applicable sanctions and embargos, be it through supply of goods and materials, provision of services or technical assistance or through financial contributions and engagement.

6. PROTECTION OF ASSETS

We protect corporate assets from damage, loss and abuse. We treat them diligently and in accordance with applicable operating manuals and instructions. We maintain corporate assets in regular intervals in accordance with the manufacturer's recommendations. Where required by laws or company policies, corporate assets may only be operated by licensed and trained employees.

Any confidential information, business secrets and trade secrets acquired or learned, and any know-how, inventions, patents, trademarks, tradenames and other forms of intellectual or industrial property rights reduced to practice in the context of the employees' activities for UNITED GRINDING are the property of UNITED GRINDING (unless otherwise agreed or prescribed by mandatory statutory laws), constitute corporate assets and are to be protected against misuse and unauthorized disclosure.

We use corporate assets for business purposes only, except if private use is authorized, and in such case strictly in accordance with applicable terms of usage, as set out in pertaining group policies.

7. ENVIRONMENTAL PROTECTION

We strive to perform business in an environmentally responsible and sustainable manner and are committed to comply with all applicable environmental laws and regulations. We are committed to handle resources in a responsible manner, to protect the environment and biodiversity and to continuously reduce our ecological footprint.

In doing so, we are determined to:

- promote and foster the safe and environmentally sound development, manufacturing, transport, use and disposal of products;
- use resources efficiently;
- reduce waste and emissions to air, water and soil;
- apply energy-efficient and environment-friendly technologies; and more generally
- minimize negative impact on biodiversity, climate change and water scarcity wherever possible and economically reasonable.

Furthermore, together with our suppliers, we are continuing our ongoing efforts to:

- systematically document, evaluate, classify and monitor substances and materials comprised in our products;
- work towards eliminating, as far as technically feasible, any prohibited, restricted or controlled substances and materials; and
- anticipate future regulatory constraints on substances in order to ensure continuity of supply.

8. NON-COMPLIANCE

The best working environment is one built on mutual respect and trust. We want to continue to foster this kind of environment at UNITED GRINDING. To do so, we must strive to be open and straightforward with all our colleagues, managers, team members and peers, in discussions about our values and matters that may impair the reputation and performance of our company.

Upholding the principles of this Code of Conduct is the responsibility of each UNITED GRINDING employee. We expect all employees to raise their concerns if they become aware of or suspect wrongful acts in violation of this Code of Conduct. Employees should speak directly to the individual involved, their direct manager, local HR, Group Legal or the Group Compliance Officer.

In such case that employees feel insecure about making a report directly, they should use UNITED GRINDING's anonymous whistleblowing channel: grinding.integrityline.com

Employees who report potential misconduct, or who provide information or otherwise assist in an inquiry or investigation of potential misconduct, will be protected against retaliatory action. We will also respect any request for confidentiality to the utmost extent possible.

Non-compliance with this Code of Conduct is a serious breach of trust and may lead to disciplinary actions, termination of employment agreement, and in severe cases to civil claims and criminal prosecution.

Bern, 1 March 2024

The management of the United Grinding Group AG



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