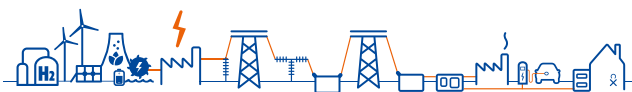


# CODE OF CONDUCT





# FOREWORD

Dear colleagues,

Customers from all over the world rely on the products of the SGB-SMIT Group. As a transformer specialist and reliable partner, we take on even the most difficult challenges, and deliver solutions with full dedication. Our corporate philosophy has been for over a century to grow through these challenges, remaining flexible to meet our customer requirements and designing transformers achieving the highest quality level.

Over the past years, our group has grown to become the largest independent and pure play transformer manufacturer globally, with its roots and main base in Europe. Our aim for

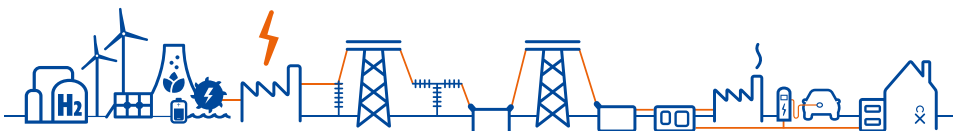
the future is to grow further at a global scale. Accordingly, we have documented our core values and responsibilities to ensure ethical business practices within the entire group. This ethical code traces the guidelines for doing business the right way, complying with all regulations applicable to our operations.

We count on all our employees all over the globe to act ethically and responsibly following the guidelines of this Code of Conduct. The reputation of SGB-SMIT Group and the maintenance of a work environment that promotes integrity and relationships based on trust depends on every single one of us.

Regensburg, July 2023

Holger Ketterer  
Group CEO

Dr. Heinrich Uekermann  
Group CFO







# ABOUT THIS CODE OF CONDUCT

## WHAT IS IT FOR?

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At SGB-SMIT, we emphasize the significance of decision-making for every individual within our organization. We acknowledge that while some decisions may present greater challenges than others, all choices must be made with a strong

commitment to ethics and responsibility. This Code of Conduct provides the framework to navigate you through these challenges and guide your decisions on a daily basis.

## WHOM IS IT FOR?

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This Code of Conduct applies to anybody who works for or represents SGB-SMIT Group. It applies also for the board of directors, management, employees, and contractors of SGB. We believe everyone at

SGB-SMIT can lead by example. By giving example, and showing active engagement and dedication, all contribute to an ethical work environment.

## WHICH AREAS DOES IT COVER?

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The following guidelines provide the framework for doing things right. They are classified in three main areas:

### 1. ENVIRONMENTAL GUIDELINES:

Environmental protection and management of resources.

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### 2. SOCIAL GUIDELINES:

Ensuring optimal working conditions and safeguarding employee rights.

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### 3. CORPORATE GOVERNANCE GUIDELINES:

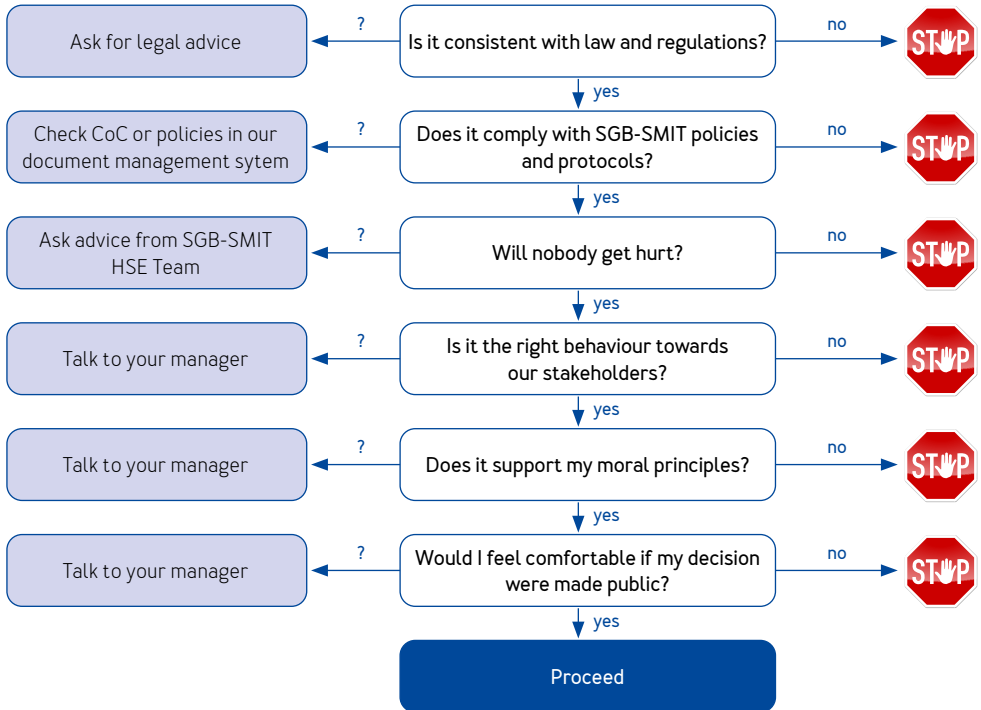
Applicable legal and business ethical standards.

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## HOW CAN I MAKE ETHICAL DECISIONS?

If you are facing a situation where the ethical choice is not clear, simple questions can guide you towards the right decision.



## WHEN SHOULD I SPEAK UP?

In instances where you come across or become aware of any behavior or information that deviates from our standards of ethical conduct and compliance, do not hesitate to take prompt action, and speak up. By speaking up or reporting any misconduct, you play an essential role in upholding our shared values and fostering a culture of accountability and ethical responsibility.

Though this Code of Conduct is applicable for everybody representing SGB-SMIT Group we encourage everyone, who identifies that something is wrong at any business context of SGB-SMIT Group, to speak up.







## HOW CAN I SPEAK UP?

At SGB-SMIT you have several possibilities to speak up:

Speak directly with:

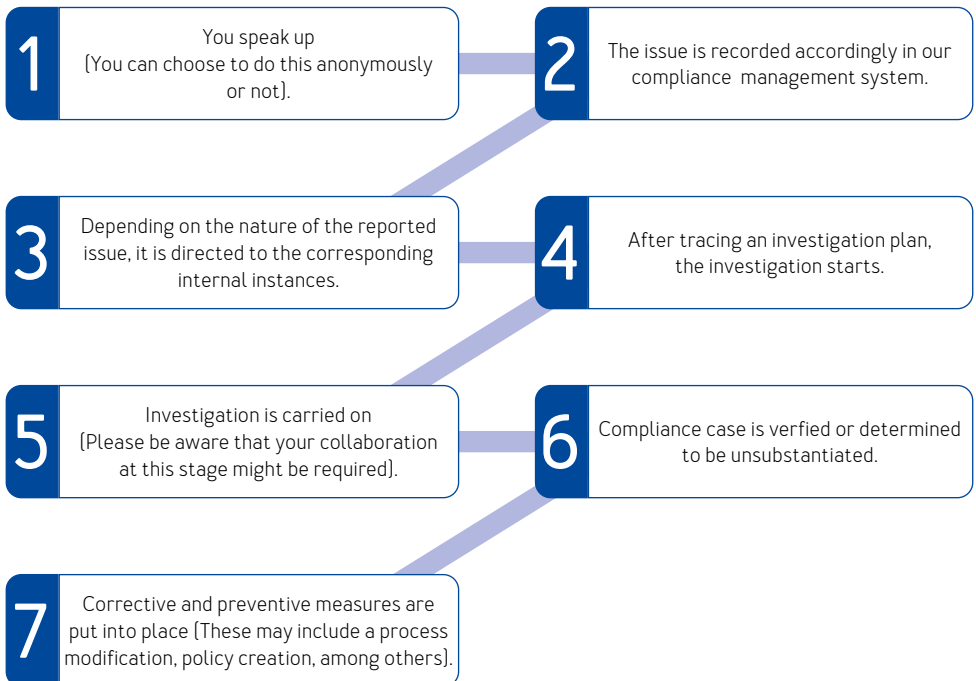
- Your manager or any manager you trust
- Human Resources
- Compliance Officer

Or contact our independent Ombudsman:

- 📞 +49 991 379175 292
- ✉️ [ombudsmann-sgb@sws-p.de](mailto:ombudsmann-sgb@sws-p.de)

## WHAT HAPPENS WHEN I SPEAK UP?

As soon as you raise your voice regarding a compliance matter, a compliance case is initiated. Every reported compliance case is treated with extreme seriousness, and the following steps are taken:



# ENVIRONMENTAL



# ENVIRONMENTAL

## WE TAKE CARE FOR THE ENVIRONMENT. WE ACT SUSTAINABLE.

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We expect our employees to work in an environmentally responsible and efficient way. Our employees shall minimize adverse impacts on the environment and health of humans at all times.

By conscientiously implementing sustainable practices and incorporating eco-friendly habits into their routines, each of our employees actively contribute to the reduction of our environmental footprint.

### SUSTAINABLE HANDLING OF RESOURCES

We ensure that natural resources and the environment are treated with respect. All employees are responsible of protecting the environment in their working area.

We comply with environmental protection laws and regulations. In countries where local regulations do not ensure an adequate level of protection yet, we apply standards comparable to those applicable in the European Union.

### WATER AND AIR QUALITY

The quality of the natural resources water and air must be responsibly ensured. Pollution must be avoided and reduced throughout the whole supply chain and sewage must be reduced, reused, or recycled. We continuously reduce our greenhouse gas (GHG) emissions.

### CHEMICAL MANAGEMENT AND REDUCTION OF WASTE

We oblige and train our employees on a responsible handling of chemicals and hazardous waste.

That also includes professional disposal of those substances. Chemicals which are hazardous to human health, or the environment are continuously monitored, listed and, if possible, replaced.

Waste must be kept as low as possible during developing, manufacturing, delivery, and recycling of our products. We develop and support concepts for reusing, recycling and for environmentally friendly disposal.

# SOCIAL





# SOCIAL

## WE ARE RESPONSIBLE FOR OUR EMPLOYEES WORLDWIDE

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The behaviour of both managing directors and every employee holds great importance for our reputation as SGB-SMIT Group which is essential for our success.

### HUMAN RIGHTS

We respect and support human rights. Everyone must take care of and respect the personal dignity, privacy, and personal rights of everyone.

### WORKERS' SAFETY

Health and safety of our employees is very important to us. We determine and eliminate potential risks immediately. Our managers must ensure appropriate health and safety practices. We provide regular trainings for our employees and execute regular safety walks in all our plants.

### EQUAL OPPORTUNITIES

We guarantee equal opportunities for all employees. We support diversity and inclusion in our organization.

### NO DISCRIMINATION OR HARASSMENT

A fair and respectful interaction in our company forms the base of a motivating working environment. We do not accept any kind of discrimination because of gender, race, ethnicity, religion, age, or sexual orientation as well as other characteristics.

We are committed to provide a work environment free from any kind of harassment, including sexual harassment, whether direct or indirect, physical, or psychological, verbal, or non-verbal.

### NO MODERN SLAVERY, CHILD LABOUR, OR FORCED LABOUR

We restrain from any form of child labor, forced labor or any act of modern slavery. We respect the rights of our employees and any third party. We comply with ILO core conventions and UN Convention on the rights of the child concerning minimum age for admission to employment and concerning the prohibition and immediate action for the elimination of the worst forms of child labor.

### FREEDOM OF ASSOCIATION

We respect the right of all employees to form and join (or not join) a trade union, select their own representatives and to bargain collectively.

### EQUAL OPPORTUNITIES AND EQUAL PAYMENT

We support equal remuneration and social security of our workers. We secure an equal payment for men and women for work on equal value and guarantee equal employment opportunities for all our employees.

### TERMINATION OF CONTRACT

Our workers can terminate their employment within a reasonable period.

### WORKING HOURS

We strictly follow the legal and collective rules for working hours and break times.

### REMUNERATION AND SOCIAL BENEFIT

We follow the statutory and applicable collective agreements on remuneration and social benefits. The local minimum wage must be paid. We want to ensure an adequate standard of living for our employees and their families.

# GOVERNANCE

## WE COMPLY WITH THE APPLICABLE LAWS AND HONOR OUR CONTRACTS AND AGREEMENTS

We comply with the applicable laws in all countries where we are doing business. We apply German and European best business practices if the standards and laws of other countries are not on an acceptable level.

### CONFLICT OF INTEREST

Every employee is responsible for complying with the laws, our contractual obligations, and internal guidelines.

Our employees are committed to restrain own private interests in business related matters and to act in the interest of SGB-SMIT Group solely.

### CORRUPTION AND BRIBERY

We do not tolerate any kind of corruption or bribery. There must be a strict separation of personal and company interests.

Our employees are requested to take or give any kind of present or invitation only in a lawful and socially acceptable scope. For further guidance we implemented a Group Compliance Guideline for Anti-Bribery.

### CARTEL AND ANTI TRUST LAW, FAIR DEALING

We commit to the principles of free and unadulterated competition.

We do not take part in any agreement that is against cartel or anti-trust laws or regulations. We are committed to fair competition. All employees must strictly refrain from any dishonest actions or fraudulent behavior while acting on behalf of SGB-SMIT Group.

### PRODUCT LIABILITY AND PRODUCT SAFETY

The foundation of our business is the safety and quality of our products. We will provide safe and high-quality products to our customers and secure this level throughout the entire supply chain.

We see ourselves as partner of our customers and are focused on long-term relationships.

### CONFLICT MINERALS

We respect the legal requirements regarding conflict minerals, in particular tin, tantalum, tungsten and gold from conflict or high-risk areas.

We prevent the use of raw materials that directly or indirectly finance armed groups that violate human rights (terrorist financing).

### EXPORT CONTROL LAW AND FOREIGN TRADE

We respect current economic embargos or trade restrictions, import or export controls, or regulations preventing the financing of terrorism.

A specific management system for the entire group has been implemented to comply with these topics.

### ANTI MONEY LAUNDERING

We only do business with serious business partners. We carefully check the identity of every business partner to avoid illegal funding.

# GOVERNANCE



## WE SUPPORT A RESPONSIBLE HANDLING OF DATA AND INFORMATION

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### PROTECTION OF BUSINESS SECRETS AND INTELLECTUAL PROPERTY

We keep all business secrets or valuable information of the SGB-SMIT Group and of our business partners confidential. We protect it against unauthorized disclosure or usage.

We respect all forms of intellectual property or protected contents and have implemented measures against cybercrime in our company.

### DATA SECURITY

We comply with the rules of data protection and data security. Personal data are only collected and used in compliance with the applicable laws and policies.

## WE ACT IF THERE IS AN ETHICAL OR LEGAL VIOLATION

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Any member of SGB-SMIT Group who learns of inappropriate behavior by another person which constitutes a violation against ethics, or the law is called upon to report this to their respective supervisor, superior, top management, the compliance committee, or the Ombudsman of SGB-SMIT Group.



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