

# Code of Conduct

## Introduction

The Code of Conduct supports Nedschroef's commitment to responsible corporate citizenship and its pursuit of a sustainable future - economically, socially as well as environmentally. It should be seen as a guide to help answer questions about integrity and ethics in business conduct and how not to interfere in the employee's private lives. It governs Nedschroef's business decisions and actions all over the world and applies equally to corporate actions and to the behavior of all employees in all positions within the Nedschroef group. Furthermore, it is subject to the applicable laws in the jurisdictions in which Nedschroef operates.

The Code of Conduct is not all-encompassing but formulates a minimum standard of behavior. This applies to all employees in all positions at Koninklijke Nedschroef Holding, including its subsidiaries, who are entitled to specify or add additional local rules to be compliant with local legislation. It is the duty and responsibility of each manager to provide the necessary information to the employees, who in turn must make a reasonable effort to know and understand which guidelines apply to their position or seek support from their manager in case of doubt.

The Code of Conduct, which has been adapted by the Board of Directors and approved by the Supervisory Board, is regularly reviewed and revised from time to time.

Board of Directors  
January 2023

Department	Identification #	Issue date	Revision	Process owner	Approved	Page
HHR	I-001 (EN)	2023-02-20	3	Global HR Dir.	JC	1 of 7
<i>Hardcopy is uncontrolled</i>						

## 1. General commitments

### Anti-corruption

We will not tolerate any kind of corruption, including practices such as bribery, facilitation payments, fraud, extortion, collusion and money laundering. The offer or receipt of any gift, loan, fee, reward, or other advantage as an inducement to do something that is dishonest, illegal or a breach of trust in the conduct of our business is strictly forbidden. This can include cash or in-kind benefits, such as free goods, gifts and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.

Nedschroef strives to comply with the highest levels of transparency and accountability throughout the company. Records of transactions should be maintained in an accurate, complete and timely manner in accordance with Nedschroef accounting principles. No unrecorded funds or assets should be established or maintained.

### Non-discrimination

We will not tolerate any kind of discrimination such as the act and the result of treating people unequally by imposing unequal burdens or denying benefits, and harassment, against any employee, customers, suppliers, business partners or any other stakeholder on any grounds of race, color, sex, religion, political opinion, national extraction, social origin, age, disability, migrant status, HIV and AIDS, gender, sexual orientation, genetic predisposition, and lifestyles, among others.

### Child labor

We respect the regulations of the United Nations on human rights and children's rights. We recognize the abolition of child labor as a human right, specifically types of work that are not permitted for children below the relevant minimum age, such as hazardous work. We will also avoid contributing to or becoming complicit in the use of child labor through relationships with suppliers, customers and other stakeholders.

### Forced and compulsory labor

We recognize the abolition of forced and compulsory labor as a human right, such as all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered voluntarily. We will also avoid contributing to or becoming complicit in the use of forced and compulsory through relationships with suppliers, customers and other stakeholders. Employment of children and the worst forms of child labour; forced labour; slavery and practices akin to slavery will not be tolerated.

### Public policy

We will not participate in the development of public policy, through direct or indirect activities such as lobbying and making financial or in-kind contributions to political parties, politicians or causes.

Department	Identification #	Issue date	Revision	Process owner	Approved	Page
HHR	I-001 (EN)	2023-02-20	3	Global HR Dir.	JC	2 of 7
<i>Hardcopy is uncontrolled</i>						

### Socioeconomic compliance

We will comply with socioeconomic topics. This includes an overall compliance record, as well as compliance with specific laws or regulations in the social and economic area, related to accounting and tax fraud, corruption, bribery, competition, the provision of products and services, or labor issues, such as workplace discrimination, among others. This includes international declarations, conventions and treaties, as well as national, sub-national, regional and local regulations.

### Alcohol and drugs

We will not tolerate any kind of consumption or being under the influence of alcohol and/or drugs during working hours.

### Conflict of interest

We will not accept any kind of direct or indirect financial interest between employees and suppliers, competitors and/or customers, apart from a financial interest in a publicly traded company.

### Business transactions

We will ensure that all business transactions are made to and from the company bank accounts and are properly and fairly recorded in appropriate books of account in accordance with established procedures and that they are subject to audit and disclosure.

### Privacy and data management

We will respect the privacy and confidentiality of our employees and business partners. We have taken appropriate measures to ensure secure data processing in accordance with international and local legislation.

### Assets and information

We have implemented appropriate operational and technical measures to provide reasonable assurance that assets and information are appropriately protected. We request each employee to be responsible for the proper use, protection and conservation of Nedschroef's assets and resources as well as confidential information disclosed to Nedschroef by its business partners. Nedschroef's assets and resources, as well as any opportunities arising by virtue of one's position, must only be used to pursue and achieve Nedschroef's goals and not for personal benefit.

### Export Controls and Economic Sanctions

We will comply with applicable restrictions on exports of any kind of conflict minerals, goods, services, technology, etc., as well as engaging with business partners from restricted countries, regions, companies and/or individuals.

### Security forces

We will ensure that if private or public security forces are used, the security personnel have received formal training in the Code of Conduct, procedures, and relevant human rights conventions.

Department	Identification #	Issue date	Revision	Process owner	Approved	Page
HHR	I-001 (EN)	2023-02-20	3	Global HR Dir.	JC	3 of 7
<i>Hardcopy is uncontrolled</i>						

## 2. Commitment to society

### Materials

We will increase the proportion of recyclable and reusable materials for the manufacture and packaging of our products, for the conservation of natural resources.

### Energy

We will continually increase the energy performance and transfer from non-renewable sources (such as coal, petroleum or natural gas) to renewable sources (such as wind, hydro or solar), to reduce the overall environmental footprint. Nedschroef’s strategical plan, which is regularly reviewed, includes our sustainability ambitions.

### Emissions

We will reduce emissions into air including greenhouse gases (GHG), ozone-depleting substances (ODS), nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>) and other significant air emissions.

### Waste, water and effluents

We will reduce the generation of waste. In particular, the waste that is incinerated or landfilled will be replaced by waste that can be recycled or reused.

We will reduce the water withdrawal, consumption, discharge and associated impacts through efficiency measures (such as water recycling, reuse and treatment of water discharge).

### Land and natural resources

We acknowledge that the right to land and natural resources including forest and water, is as much a collective right as an individual right.

We acknowledge the right to be free from interference, such as the right to be free from forced evictions or from contamination and destruction of natural resources.

### Environmental Compliance

We will continuously strive to comply with environmental laws and/or regulations. This includes compliance with international declarations, conventions and treaties, as well as national, sub-national, regional, and local regulations.

### Supplier Environment Assessment

We will perform due diligence to prevent and mitigate significant current and potential negative environmental impacts in the supply chain. This includes impacts that are directly linked to our activities, products or services.

Department	Identification #	Issue date	Revision	Process owner	Approved	Page
HHR	I-001 (EN)	2023-02-20	3	Global HR Dir.	JC	4 of 7
<i>Hardcopy is uncontrolled</i>						

### 3. Commitment to customers

#### Cooperation

We will listen to and understand the needs and requirements of our customers. In cooperation with those customers, we will develop and design the right products and/or services in a timely manner, with minimum risk of introducing counterfeit and/or diverted parts and materials into deliverable products.

#### Anti-competitive behavior

We will not tolerate any kind of actions that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition. This can include fixing prices or coordinating bids, creating market or output restrictions, imposing geographic quotas, and allocating customers, suppliers, geographic areas or product lines.

We will not tolerate any kind of actions that can result in collusion to erect barriers for entry to the sector, or to otherwise prevent competition. This can include unfair business practices, abuse of market position, cartels, anti-competitive mergers, and price-fixing.

#### Quality, health and safety

We ensure, that products and services perform their intended functions satisfactorily, and do not pose a risk to health and safety across the lifecycle.

### 4. Commitment to employees

#### Employment

We will ensure an ethical recruitment process and relevant policies and/or practices covering the relationship under which work is performed by employees from our own or other organizations, full-time, part-time or on a temporary basis. We are committed to providing adequate living wage.

#### Labor/Management relations and communication

We will provide reasonable notice of significant operational changes to employees and their representatives, as well as to appropriate government authorities, and ensure timely and meaningful consultation to understand the impact of the changes.

#### Occupational health and safety

We will protect the physical and mental health of the employees, by preventing physical and mental harm and by promoting employee's health. We will engage employees or the employees' representatives in the development, implementation, and performance evaluation of an occupational health and safety policy, management system and programs.

Department	Identification #	Issue date	Revision	Process owner	Approved	Page
HHR	I-001 (EN)	2023-02-20	3	Global HR Dir.	JC	5 of 7
<i>Hardcopy is uncontrolled</i>						

We respect employees' right to privacy. We will not use their participation in such services and programs, or the health data derived therefrom, as criteria for decisions regarding the employment or engagement of employees, including termination, demotion, promotion or offering of prospects, compensation, or any other favorable or unfavorable treatment. We will not demand overtime on a regular basis and comply with the national laws on working hours.

### **Training and education**

We will offer relevant training and upgrading of employee skills, and provide performance and career development reviews, including transition assistance programs to facilitate continued employability, and manage career endings due to retirement or termination.

### **Diversity and equal opportunity**

We promote diversity, equal opportunity, inclusion, and remuneration regardless of age, ancestry and ethnic origin, citizenship, creed, disability, gender, etc. and take diversity aspects into account when considering how to communicate. We respect women's rights and rights of minorities and indigenous peoples.

### **Freedom of association and collective bargaining**

We recognize freedom of association as a human right. In this context, the right of employers and employees to form, join and run their own organizations without prior authorization or interference by the state or any other entity.

We recognize the right of employees to collectively bargain the terms and conditions of work as a human right. In this context, all negotiations which take place between one or more employers or employers' organizations, and one or more employee's organizations, to determine working conditions and terms of employment or to regulate relations between employers and employees.

## **5. Commitment to suppliers**

### **Cooperation**

We will develop long-term relationships with suppliers, who act fairly and honestly, and comply with specific laws or regulations in the social and economic area, and where cooperation, price and performance match our needs for products and/or services in a timely manner.

## **6. Commitment to shareholders**

### **Information**

We will provide timely, regular and reliable information about our activities, financial position and performance in accordance with the strategy.

Department	Identification #	Issue date	Revision	Process owner	Approved	Page
HHR	I-001 (EN)	2023-02-20	3	Global HR Dir.	JC	6 of 7
<i>Hardcopy is uncontrolled</i>						

### Sustainable growth

We will increase shareholder value by achieving a long-term, profitable and satisfying financial performance and - based on this strong financial foundation - ensure sustainable growth.

## 7. Observance of the Code of Conduct

### Sanctions

All employees must comply with the Code of Conduct and the Delegation of Authority. Violation may lead to disciplinary action, including dismissal, notwithstanding any further civil or criminal action that may be taken.

### Whistleblower regulation

In order to promote the reporting of violations of the Code of Conduct, a whistleblower regulation is in place, enabling employees to submit complaints on an anonymous basis without fear of the complaints leading to disciplinary action.

### Compliance

Compliance with the Code of Conduct is monitored via compliance officers, who are appointed at cluster level by the Board of Directors. The compliance officers report annually to the Board of Directors on the development of the Code of Conduct and advise on ethical issues in general. For detailed information, please see the Global Compliance Program.

We are ensuring that no other act or omission result in a manifest and serious non-compliance because of a breach of human rights conventions as annexed to the applicable Supply Chain Acts.

Department	Identification #	Issue date	Revision	Process owner	Approved	Page
HHR	I-001 (EN)	2023-02-20	3	Global HR Dir.	JC	7 of 7
<i>Hardcopy is uncontrolled</i>						