

## Code of Conduct

### VDM Metals Group

Our Code of Conduct provides an orientation framework and applies equally to everyone – board members, managers, and each and every employee of VDM Metals Group. It links our demand for the compliance of statute and law with our special requirements of ethical compliance and the guidelines, which make our business success possible.

On the basis of the above, this Code of Conduct summarizes the main principles and rules governing our actions as well as the standards we set ourselves in our dealings with business partners and stakeholders.

We want to help the values that guide us to find acceptance worldwide and we therefore expect all the companies that do business with us, to base their actions on the same ethical principles.

### Conduct in business



#### Compliance with the law

Compliance with law, rules and regulations is for us an essential basic principle of responsible business conduct. We adhere to legal prohibitions and requirements at all times, even if this involves short-term business disadvantages or difficulties for the Company or individuals. Where national laws are more restrictive than the rules applying at VDM Metals, the national laws take precedence.

#### Avoiding conflicts of interest

At VDM Metals Group business decisions are made exclusively in the best interests of the VDM-Companies. Any conflicts of interest with personal matters or other business or non-business activities, including those of relatives or other related parties should be avoided. Should such conflicts nevertheless occur, they must be resolved in accordance with the law and Group policies. Conflicts must be dealt with openly and transparently.

#### Responsibility of employees and managers

In their special capacity as role models, our managers have a particular responsibility to ensure that their actions measure up to the Code of Conduct. They are the first point of contact for questions on understanding the rules and must ensure that all employees know and understand the Code of Conduct. As part of their management duties they shall prevent unacceptable conduct and take suitable measures to avoid infringements of rules in their area of responsibility.

#### Human and labor rights

We respect internationally recognized human rights and support their observance. We reject all forms of forced and child labor. We recognize the right of all employees to form unions and employee representative bodies on a democratic basis within the framework of national legislation. The right to appropriate compensation is recognized for all employees. Pay and other benefits shall at least comply with the respective national or local legal standards or the standards in the national economic sectors/industries and regions.

### Conflict Minerals

Our commitment to human rights applies worldwide. We reject the usage of minerals coming from conflict and high-risk areas. Our suppliers must actively demonstrate conflict-free origin of products like gold, tin, tantalum and tungsten.

### Commitment to transparency

We are committed to openness in our dealings with our customers, employees, suppliers, business partners and other organizations and institutions. Transparency and honesty are the guiding principles in all our communication activities, internally and externally.

## **Conduct towards colleagues and employees**



### Equal treatment and non-discrimination

A culture of equal opportunities and mutual trust and respect is of great importance to us. We promote equal opportunities and prevent discrimination in the recruitment, promotion, training and development of employees.

We treat all employees equally, regardless of gender, age, skin color, culture, ethnic origin, sexual identity, disability, religion or world view. We respect the dignity and personal rights of our employees and strictly reject any kind of abusive behavior (like harassment, force, or threat).

### Occupational health and safety

The safety and health of our employees are a corporate objective of equal standing with the quality of our products and our commercial success. Occupational safety and health protection are an integral part of all business processes and are included from the outset – starting in the planning phase – in all technical, economic and social considerations.

All employees shall promote safety and health in their work environment and comply with the health and safety regulations. All managers are obligated to instruct and support their employees in meeting this responsibility.

The same safety standards as for VDM Metals Group employees shall apply to employees of subcontractors. This is taken into account in selecting and working with subcontractors.

### Cooperation with labor representatives

For VDM Metals Group trusting and close cooperation with employee representatives is a key component and established cornerstone of corporate policy. Mutual trust and cooperative relations are based on an open and constructive dialogue characterized by mutual respect.

### Protection of company property

We use the Company's property and resources correctly and carefully and protect them from loss, theft and misuse. Our Company's intellectual property represents a competitive advantage for VDM Metals Group and is therefore a valuable asset which we protect against all unauthorized access by third parties.

We use the Company's tangible and intangible assets exclusively for business purposes and not for personal reasons except where expressly permitted.

Our employees bear joint responsibility with their supervisors for ensuring that business trips are always appropriate in nature and scale to the purpose of the trip and are efficiently planned and carried out taking time and cost aspects into account.

Mutual respect and freedom of speech

It is part of our corporate culture that all relations between board members, managers and employees of all levels, units and regions shall be guided by mutual respect, openness, honesty and the spirit of trust and cooperation. We give and seek feedback and we communicate actively and openly with each other. We are committed to a fair and open debate and seek varying opinions.

**Prevention of corruption / antitrust**Fair competition

VDM Metals Group stands for technological competency, innovation, customer orientation and motivated, responsible employees. These factors are the basis of our high reputation and the long-term economic success of the company in global competition.

Corruption and antitrust violations threaten these success factors and will not be tolerated (zero tolerance). For us, bribes and cartel agreements are not a means of winning business. We would rather forgo a contract and fail to reach internal goals than act against the law. Infringements will not be tolerated and will result in sanctions against the persons concerned.

All Executive board members and managing directors, all senior executives and other employees must be aware of the extraordinary risks which corruption and antitrust violations can signify for VDM Metals Group.

Preventing money laundering

VDM Metals Group fulfills its legal obligations to prevent money laundering and does not participate in money laundering activities. In cases of doubt, all employees are required to report unusual financial transactions, especially those involving cash, which could give grounds to suspect money laundering, to the finance, or legal and compliance department, respectively for review.

Confidential company information / Inside information

We take the necessary steps to suitably protect confidential information and business documents from access and inspection by unauthorized colleagues and other third parties.

Gifts, Benefits, Hospitality and Entertainment

The giving and accepting of gifts and other benefits is permitted subject to strict requirements. Any gifts to government officials or their direct family members are forbidden. None of our employees may solicit gifts or other personal benefits from customers, suppliers or other business partners. The giving and accepting of hospitality and entertainment within private sector is also subject to strict requirements. Any hospitality or entertainment offered to government officials is always prohibited.

Dealings with suppliers

Suppliers and service providers play an important role in our operations. Accordingly, we select suppliers with special care. Suppliers and service providers are to be selected on the basis of their performance, pricing, suitability for working with the VDM Metals Group and for their integrity.

Suppliers and service providers shall communicate the principles described in this Code of Conduct to their sub-contractors and to any other business partners who are involved in providing the products and services covered by the main contract. Suppliers and service providers shall demand that these parties also base their actions on the same standards and principles. The VDM Metals Group encourages its suppliers to introduce their own binding guidelines for ethical conduct.

The VDM Metals Group reserves the right to verify compliance with the requirements of the Code of Conduct subject to an appropriate prior announcement. Any violation of the commitments of the Code of Conduct of the supplier or service provider will not be tolerated.

### Dealings with competitors

VDM Metals Group is aware of the basic rule that competitors have to freely make their decisions and have to independently operate on the market. Therefore, all coordinated market behavior with competitors, exchange of strategic or competition relevant information with competitors - for example at association meetings, trade fairs, or within generally performance-enhancing co-operations with competitors - are strictly forbidden.

## **Handling of information**

### Behavior in public and communications

We respect the right to free speech and the protection of personal rights and privacy.

All employees should be aware that in their private lives they can also be seen as part and representative of VDM Metals Group and are therefore called upon to safeguard the Company's standing and reputation in the way they act and conduct themselves in public, above all towards the media. When expressing a personal opinion we take care not to allow our personal opinion to be linked to our function/work in VDM Metals.

### Reporting

VDM Metals Group is built on strong values: Reliability and honesty, credibility and integrity. We therefore attach great importance to being open and truthful in our reporting and communications on the Company's business transactions to investors, employees, customers, business partners, the general public and government institutions.

Every employee shall ensure that both internal and external reports, records and other documents of the Company comply with the applicable legal rules and standards and are therefore complete and correct at all times and issued in good time and in accordance with system requirements.

### Political lobbying

Our political lobbying is centralized, open and transparent. We comply with the legal requirements on lobbying and avoid at all costs unfairly influencing government policy and legislation.

### Data protection and information security

The protection of personal data in particular of employees, customers and suppliers, is of particular importance to VDM Metals Group.

We collect and process personal data only when this is absolutely necessary to perform work-related tasks or when required by law. Personal data may be collected or processed only with the consent of the person concerned and where permitted by law.

## **Quality assurance**

### Quality focus

Our commitment to quality is core to our business. In order to achieve the highest quality standards, we work constantly to improve our structures and processes for the benefit of our customers. This applies not only to our products, but also to our behavior.

### Quality management

The systematic planning, analysis and evaluation of our processes are part of our quality management at the VDM Metals Group. A management system that is committed to continuous improvement by all areas of the company enables our customers to establish always a reliable balance between performance and service delivery. We meet the requirements of this process-ori-



ented standard, which primarily focuses on customer and employee orientation as well as partnerships in the supplier business. Therefore, the VDM Metals Group also expects its suppliers to comply with these quality standards.

## Social responsibility



### Sustainability and protection of environment and climate

For us, sustainability, environmental and climate protection and resource efficiency are key corporate objectives. When developing new products and services and when operating production equipment, we ensure that all environmental and climate impacts are kept to a minimum and our products make a positive contribution to environmental and climate protection for our customers.

### Protection of resources

Every employee bears responsibility for conserving natural resources and helping protect the environment and climate through their individual behavior.

### Donations

We regard ourselves as an active part of the community and demonstrate our commitment in a variety of ways. Donations and other forms of social commitment are carried out solely in that way.

We make no financial contributions, in particular donations or sponsorships, to political parties in our home country or abroad, organizations related or similar to parties, individual office incumbents or candidates for political offices.

## Implementation of the Code of Conduct

### Implementation and contacts

VDM Metals Group shall actively promote communication of the policies and agreements on which the Code of Conduct is based and sets further internal directives for its employees.

VDM Metals Group shall ensure that no employee is disadvantaged by complying with this Code of Conduct and on its basis adopted directives and instructions.

### Information

We recognize that you may need help in understanding company policies, making difficult decisions, or helping the VDM Metals Group live up to its Code of Conduct. There are several options for you to take action:

- Consult your supervisor
- Talk with Human Resources
- Contact the relevant specialist department for questions related to particular policies
- For questions related to the Code of Conduct, please contact the legal and compliance department, reachable by Email: [compliance@vdm-metals.com](mailto:compliance@vdm-metals.com); or by phone: +49 2392 55 7777.

## VDM Metals Group

Werdohl, September 2018

The Executive Board