



Our Guiding Principles

CODE OF CONDUCT

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A Message From the CEO



OCTOBER 2025

At A. O. Smith, our values and Guiding Principles aren't just words on a page — they're the foundation of who we are and how we operate. They're what drew me to this company, and when I see our values in action, I can't help but feel proud. For more than 150 years, A. O. Smith has paved the way as an industry leader with honesty and integrity. We foster a culture of respect, unity and accountability in everything we do. Across the world, our values unite us.

Progress is essential to our growth. Our purpose — To Find a Better Way — is about challenging ourselves to improve, innovate and keep moving forward. And we do that without compromising who we are while pushing ourselves to be better — for our customers, communities and each other.

That means acting with honesty, treating others with respect and holding ourselves accountable. It means making decisions that reflect our values, even when it's not the easiest path. And it means recognizing that integrity isn't just a leadership responsibility — it's everyone's responsibility.

Every employee on the A. O. Smith team around the world plays a role in shaping our culture and protecting our reputation. Regardless of your function, what you do matters. Every interaction, every decision, every challenge is an opportunity to live our values. And when we all do that — when we all commit to doing business the “SmithWay” — we create something powerful.

We create a workplace where people feel respected and supported. We create a company that customers trust

and communities value. And we create a legacy that we can all be proud of.

I've seen that power in action. I've seen teams come together to solve problems, support each other through challenges and celebrate wins. And I've seen a deep sense of pride in the work we do and the way we do it. That's what makes A. O. Smith special. That's what makes our culture strong. And that's what gives me confidence in our future.

As we move forward, we will continue to grow, adapt and innovate. But our values will remain constant. They will continue to ground us, guide us and unite us.

So, I ask each of you to keep living our values. Keep supporting one another. Keep finding better ways. And keep doing business the right way.

Thank you for your continued integrity, commitment and contributions. I'm proud to be on this journey with you.

A handwritten signature in black ink, appearing to read 'Steve Shafer'.

Steve Shafer
President & Chief Executive Officer

Our Values



A. O. Smith developed this set of values as a guideline for conducting business and interacting with our customers, employees and the communities where we do business. These values have been the foundation of our company since 1874 and will sustain it for years to come.

A. O. Smith will achieve profitable growth

We grow with purpose, discipline and a long-term view by:

- *Developing efficient, high-quality and differentiated products*
- *Creating more opportunities for career growth and job security*
- *Delivering strong, sustainable returns for our shareholders*
- *Growing in a way that strengthens all parts of our business — and outpaces global economic trends*
- *Funding growth through strong performance and efficient use of capital*

A. O. Smith will emphasize innovation

Innovation is central to how we grow and lead. We're committed to:

- *Strengthening our culture of creativity, collaboration and experimentation*
- *Empowering employees to deliver bold ideas and drive future growth*
- *Leading in every major product category through continuous improvement*
- *Accelerating the speed and impact of our innovation efforts and results*
- *Finding smarter ways to work and improve productivity*

A. O. Smith will preserve its good name

We lead with integrity, honesty, transparency and ethical behavior in everything we do. That means:

- *Following the law and pursuing responsible goals — no shortcuts, no compromises*
- *Treating customers, suppliers, competitors, regulators and each other with fairness and respect*
- *Maintaining high standards of quality across all areas of our business*
- *Communicating honestly and accurately*
- *Embedding these values in our culture across every country and region*

A. O. Smith will be a good place to work

We attract, retain and develop talented and imaginative people by:

- *Creating a workplace where everyone feels respected and valued*
- *Fostering a culture of teamwork, inclusion, safety and continuous learning*
- *Providing the tools, training and environment to keep our people safe*
- *Supporting personal growth through curiosity, hard work and shared values*
- *Ensuring fairness and equity in how we treat and recognize one another*

A. O. Smith will be a good citizen

We're committed to making a positive impact in the communities where we live and work by:

- *Supporting local organizations and encouraging employee involvement*
- *Driving growth that benefits local economies*
- *Meeting or exceeding environmental standards at all our facilities*
- *Advancing our environmental, social and governance efforts*
- *Advancing a corporate culture rooted in innovation, ethical competition and shared success*

Employee and Business Conduct

A. O. Smith has been in business since 1874, and each of us plays a vital role in ensuring that our company continues to flourish for generations to come.

A. O. Smith is a reflection of the conduct and behavior of our employees, officers, the members of our board of directors and, under certain circumstances, third parties that act on A. O. Smith's behalf.

Our Guiding Principles were established to foster the values that A. O. Smith believes are critical to our past and future success.



A. O. Smith's interests are never served by acting unethically or dishonestly.

The SmithWay:

Observing Society's Legal and Ethical Standards

While A. O. Smith competes vigorously in its markets, we conduct business the right way — the “SmithWay.” Following the SmithWay means acting in a fair, honest and consistent manner in all business activities. We expect everyone at A. O. Smith — employees, officers and directors, as well as affiliated and subsidiary companies, consultants, contractors and other third parties that A. O. Smith engages to work on its behalf — to maintain the highest ethical standards and to avoid any activity which might compromise (or even give the appearance of a compromise) our ethical standards.

Never take any action on behalf of A. O. Smith that violates the law and never encourage anyone else to violate the law on the company's behalf. If you question whether an action or decision is against the law, it is your duty to find out before you take action.

A. O. Smith's Guiding Principles include established policies and create a framework for making decisions where there is none. Throughout this booklet are examples of how you can “Follow the SmithWay” by acting ethically, legally and in accordance with our Values. When the answer is not clear and deciding the right course of action isn't easy, ask yourself: “If I were to take the action I am considering, would I be comfortable with it being shared for the world to see?” If you can honestly answer you would, it probably is the right decision.

Your Responsibilities

These Guiding Principles apply to all employees of A. O. Smith, our officers and directors, as well as affiliated and subsidiary companies, consultants, contractors and other third parties that A. O. Smith engages to work on our behalf. It is your responsibility to read and understand them.



ASK QUESTIONS.

You have a responsibility to ask questions, especially if you have doubts or concerns about an action or a decision.



SPEAK UP.

You have a responsibility to report any violation of these Guiding Principles, company policies or any illegal or unethical act you may witness, including:

- Harassment, including sexual harassment
- Improper use of insider information or other securities law violations
- Bribery
- Antitrust non-compliance
- Inaccurate, false or misleading entries in the company's books or records
- Improper commercial activities
- Unsafe working conditions
- Other questions regarding ethical practices

Additional Responsibilities for Managers

Managers have a significant impact on A. O. Smith culture, including the beliefs and attitudes of employees. In addition to the responsibilities held by all A. O. Smith employees, managers have additional responsibilities as part of their commitment to uphold A. O. Smith's values. It is each manager's responsibility to do the following:

- Promote a speak-up culture and ensure others feel comfortable raising issues to you
- Be aware of key laws and policies so you can react to red flags
- Understand A. O. Smith's processes for reporting and investigating concerns
- Be aware of the Authority Matrix and the Contract Review Administration Policy
- Report actual or potential conflicts of interest in writing to the general counsel
- Maintain a culture of safety through compliance with applicable safety regulations and never ask someone to work in unsafe conditions
- Ensure you and your direct reports complete all assigned training
- Treat others with respect and prevent harassment, discrimination or retaliation in your team
- Frequently discuss ethics and compliance with your team and model ethical decision-making



SPEAK UP.

There are a number of ways to raise a question or concern:

- Speak to your supervisor. Most often, your supervisor will be able to provide you with guidance or refer your question to the appropriate person.
- Speak to your human resources representative or facility leader. They understand the company's Guiding Principles and are familiar with many of the rules and regulations that govern the workplace.
- Speak to the legal department. They are the expert authority on all legal affairs related to the company.
- Speak to the Integrity Helpline. Staffed 24/7 by trained specialists at an independent third party, the Integrity Helpline offers unbiased guidance and the ability to remain anonymous. Visit www.aosintegrity.com or the company intranet (AOSnet or WeChat).

When you report an issue:

- Your question or concern will be taken seriously. Your request for information will be handled promptly, discreetly and professionally.
- Your issue will be reviewed and investigated by A. O. Smith, with an impartial and objective point of view.
- Your identity will be protected to the extent possible or allowed by law. To adequately and appropriately investigate your concerns, it may be necessary to reveal your identity on a strictly need-to-know basis with managers, the human resources department and/or the legal department.
- If you report an issue using the Integrity Helpline, you will be able to follow up with the Helpline to learn what action A. O. Smith has taken to address your concern.



FOLLOW THE SMITHWAY

Q: If I have a concern related to ethics and compliance, what should I do?

A: We all share a responsibility to ask questions, raise concerns, report potentially unethical or illegal behavior or violations of company policy or seek guidance on ethics and compliance matters. In any case, you are encouraged to contact or consult with any of the following:

- Your supervisor
- Your facility's leader
- Your human resources representative
- The legal department
- The Integrity Helpline

Non-Retaliation Policy

It is A. O. Smith's policy that any individual who, in good faith, reports a suspected violation of our Guiding Principles or policies will not be retaliated against. Any employee who retaliates against an individual reporting a violation will be disciplined, up to and including termination.



FOLLOW THE SMITHWAY

Q: I believe that my manager, who is a purchasing supervisor, has a financial interest in a company that he recommended and approved as a direct supplier. I believe this is a conflict of interest, but I am concerned if I report this I will be fired. What should I do?

A: You should report this issue to your facility's leader, human resources representative or the legal department. If you feel uncomfortable speaking to any of them, you should report it through the Integrity Helpline. The company will not tolerate any form of retaliation, such as firing or disciplining you for raising the issue in good faith, and will take the appropriate steps to protect an employee from retaliation. It is in our best interest to address conduct that may violate the law, a company policy or ethical standards.





The Workplace



Equal Employment Opportunity

A. O. Smith values all employees. In our employment practices, we do not discriminate with regard to race, color, religion, sex, sexual orientation, gender identity, age, national origin, disability, military or veteran status, genetic information or any other legally protected status. We operate in a global environment and will strive to create a workplace where people from diverse backgrounds can thrive and achieve their fullest potential.

A. O. Smith complies with labor regulations and guidelines. As part of our commitment to human rights, we work toward the elimination of human trafficking, modern slavery and child labor globally. We fully comply with applicable wage and hour laws in the locations where we operate and compensate employees for all hours worked.

Workplace Violence

A. O. Smith is committed to maintaining a safe workplace for our employees and prohibits harassment, intimidation, threats and other forms of violence. Any employee participating in workplace violence will be subject to disciplinary action, up to and including dismissal, and may face civil and/or criminal penalties as well.

Harassment

You are entitled to work in an environment that is free from any form of harassment, such as hostile, offensive or humiliating behavior; unwanted physical contact; or verbal, written or graphic statements directed at you or a group of employees.

We define harassment to include:

- Sexual harassment, such as unwelcome sexual advances or requests for sexual favors
- Racial or ethnic harassment, where hostile or unwelcome behavior is based on your race, ethnicity or nation of origin
- Religious harassment, where the harassment is based upon your religious beliefs
- Harassment based on your age, a disability, or any other non-job-related characteristic protected by law

The company will discipline any employee whose conduct violates our harassment policies. If you are being harassed, or if you witness an individual being harassed, report it immediately.



FOLLOW THE SMITHWAY

Q: You walk into a break room and hear two employees making fun of another employee's disability. They stop talking and leave the room when they notice you. You were not intended to be included in the conversation, but it still made you feel uncomfortable. What is the appropriate response?

A: This may rise to the level of illegal harassment under law, but even if it doesn't, this type of conduct is disrespectful and contrary to the type of work environment we require at A. O. Smith. You should report the situation to your supervisor or human resources representative. You can also contact the legal department or Integrity Helpline if you feel more comfortable with that approach.

Drug- and Alcohol-Free Workplace

As part of our commitment to provide a safe place for employees to work, promote a drug-free community and supply customers with the highest quality services and products, A. O. Smith prohibits employees' use of alcohol and drugs, including psychoactive substances, at work with the limited exception of alcohol at specific sanctioned work events. Drug and alcohol use, during work time or otherwise, can seriously endanger the safety of employees as well as that of the general public. It can create a variety of workplace problems, including increased injuries on the job, absenteeism, theft, decreased morale and productivity, and increased health care and benefit costs. The company has established policies to prevent and detect illegal drug use and alcohol use during work. If you observe drug use or unsanctioned alcohol use during work time, report it immediately.



FOLLOW THE SMITHWAY

Q: I saw one of my co-workers giving out his prescription pain pills to another employee in his department and it wasn't the first time. Should I report this?

A: Yes. Providing prescription pain medication to others is prohibited and possibly illegal. Depending on the circumstances, even employees who have a prescription for pain medication should not take it at work. You should report the situation.

Communication and Social Media

Technology is an important part of daily communication. It is a powerful tool to help us build our brand and serve our customers more efficiently and effectively. Because people can communicate so quickly with technology, it is easy to do so without giving thought to how or what you are communicating.

When you use company communication technologies, we expect you to conduct yourself in a manner that complies with



the Guiding Principles, A. O. Smith's policies and the law. Take the time to read and review your communication before you send or post it. You also must not access, download, upload or disseminate material that is prohibited by law, contains sexual content or offensive language or could negatively reflect on the company in any way.

Particularly when using social media on behalf of A. O. Smith or when you have associated yourself with A. O. Smith in your personal social media, it is important to do this in a way that reflects well on yourself, your co-workers and the company. Keep in mind, when you use social media to talk about the company, your co-workers, our customers or suppliers, the words and images may be seen by many more people than you might intend. You want to be certain you do not inadvertently disclose confidential information. Also, unless you have been authorized to do so, do not imply that you are speaking on behalf of the company on social media. For more information on the opportunities and obligations associated with social media, please refer to the company's Social Media Policy.



FOLLOW THE SMITHWAY

Q: Someone has been posting negative comments about our products on a retailer's website. I can't be sure but I think it may be a competitor. Can I create a fake profile and post positive product reviews?

A: We understand your desire to "set the record straight," but do not use an assumed identity to post comments about A. O. Smith products or join in any online discussions about the company. This type of conduct is against the company's Social Media Policy. Such postings also may violate federal law and can be damaging to the company's reputation if the employee's identity is revealed. In this instance, the best approach is to let our marketing team know about the negative comments and if you think the negative comments were posted by a competitor.

Integrity in Sales and Marketing

A. O. Smith is committed to ethical and responsible business practices, and we never use unethical business practices to secure a competitive advantage. When we market our products and services to the public, we always provide honest descriptions that fairly and accurately reflect our products, company and employees.

A. O. Smith sales and marketing teams act and speak with integrity about our products and services. We compete in the marketplace solely based on the merits of our products and services. We do not disparage other companies to help A. O. Smith succeed, and any claims we make comparing our products or services to competitors are substantiated and accurate. If you have any questions about sales or marketing content, contact the legal department.

Conflict of Interest

You have a conflict of interest when your personal interests interfere, or appear to interfere, with the interests of the company. Conflicts also may arise when an employee, officer or director, or a member of one's family receives or requests to receive improper personal benefits because of his or her position in the company.



Common examples of conflicts of interest include when you or a member of your family:

- Have a direct or indirect financial interest in a current or potential competitor, supplier or customer of A. O. Smith (other than owning shares of a publicly traded company)
- Conduct business on behalf of A. O. Smith with a supplier or customer that employs one of your relatives as a principal, officer or representative
- Operate a business or work as an employee, officer or director of another company under circumstances detrimental to A. O. Smith

Any conflict of interest (or potential conflict) must be disclosed for evaluation. A. O. Smith employees and officers must notify their supervisor and the legal department, and directors must alert the Board's Nominating and Governance Committee. Some connections may not present a conflict of interest or it may be that appropriate measures can be implemented to avoid one.



FOLLOW THE SMITHWAY

Q: My family member owns a company that would like to bid on project work for A. O. Smith. Are we prohibited from selecting that company as a supplier?

A: Not necessarily, but you should disclose your relationship to your supervisor and the corporate general counsel and remove yourself from the decision on which supplier to select. If your family's company is the best supplier, it can be selected.

Corporate Opportunities

Employees, officers and directors owe a duty to A. O. Smith to advance the company's interests, and they cannot act in competition with the company, directly or indirectly. They are prohibited from using company property, information or position for personal gain.



FOLLOW THE SMITHWAY

Q: I know the company is planning to expand our plant, and I just learned that adjacent property will be put up for sale. Can I tell my brother to buy the land so he can later sell it to A. O. Smith?

A: No. If you become aware of an opportunity that would benefit A. O. Smith, you must alert the company. In this situation, the company would have a direct interest in the land that could support its long-term expansion plans. If your brother were to purchase the property it would be just as improper as if you purchased it yourself.

Environment, Health and Safety

A major part of being a good corporate citizen and good place to work is obeying all laws and regulations that pertain to health, safety and the environment and providing our consumers with thoughtful, innovative products. The company complies with applicable laws and regulations.

A. O. Smith's responsibility is to:

- Design, build and operate our facilities to ensure they are safe workplaces
- Provide proper machine guards and safety devices for all equipment in our plants
- Design and manufacture products that are safe to use and perform as specified
- Design and manufacture products ethically, meaning we never hide mistakes or defects



- Provide proper documentation, such as material safety data sheets, for materials used in the manufacturing process
- Reduce any waste or emissions at their source
- Maintain our commitment to improve efficiency and water conservation of our own products
- Support policymakers in analyzing data and developing achievable solutions to reduce greenhouse gas emissions
- Designate only qualified partners to handle and dispose of hazardous waste
- Communicate our safety rules and policies to all employees
- Maintain complete and accurate records, including U.S. EPA and OSHA logs, and follow all regulatory agency requirements

As an employee, you have responsibilities as well. You are responsible for developing safe working habits and ensuring that your fellow employees work safely. This includes:

- Always using machine guards, lock-outs and safety devices on the equipment in our plants
- Becoming familiar with and using the personal protective equipment required, including glasses and hearing protection
- Safely handling and properly disposing of any waste materials, being especially attentive to hazardous wastes

- Completing all training as required to perform your duties safely and to A. O. Smith's standards
- Never performing work for A. O. Smith, or on A. O. Smith property, if you are under the influence of alcohol, drugs or prescribed medication that may inhibit your behaviors or reflexes
- Acting safely and treating your coworkers with respect by never making threats or bringing weapons inside company facilities, and reporting threats or weapons you witness

If you discover a hazardous condition or notice another employee working in an unsafe manner, notify the worker or a supervisor immediately.

A. O. Smith believes all injuries can be prevented.



Protecting A. O. Smith's Information and Ideas



Confidentiality of Company Information

Employees, officers and directors should maintain and protect the confidentiality of information entrusted to them by the company, our customers, agents, consultants and suppliers, except where disclosure is authorized or required by law. Confidential information includes all non-public information that, if disclosed, might be of use to competitors or harmful to the company, customers or suppliers. Confidential information can take many forms. It could be trade secrets, technology or manufacturing know-how. It could be pricing or customer communications; or it could be financial information or business plans. Unauthorized disclosure of confidential information could cause harm to A. O. Smith's business and could result in civil and criminal liability (e.g., insider trading liability, outlined on page 29).



Employees are responsible for protecting the company's confidential and proprietary information. Take care to keep confidential information secure, whether at your desk, on your computer or on mobile devices. As part of your position's responsibilities, you may have access to the confidential information of suppliers or customers, and you should protect their confidential information in the same manner that you protect A. O. Smith's information.



FOLLOW THE SMITHWAY

Q: I am part of a project team working on a new technology. I take precautions to limit the number of people who know what I'm working on and I keep my work locked in my desk. I've been invited to present at a conference and need to bring my laptop. How can I maintain security?

A: Traveling can present security risks. You should carry your work with you at all times while in transit. You should not work on your presentation on the plane or anywhere else that others can see it. You should not assume your materials are safe in a hotel room. When using the internet outside of a work space, use the VPN connection to maintain the security of the information.

Patents, Trademarks, Copyrights and Intellectual Property

The knowledge and technology that A. O. Smith has developed throughout the years are valuable assets, and as with any asset, we must make every effort to protect it and keep it out of the hands of our competitors. This

“intellectual property” can take the form of product designs, computer programs or files, process descriptions and business practices. There are ways to protect intellectual property, including:

- The company can choose to protect it as a trade secret or proprietary process and not disclose anything to the public about it.
- The company can apply for a patent to cover a product or process. A patent, which is issued by the government of the country where we are operating, grants A. O. Smith the exclusive right to that product or process for a specific duration.
- The company can register a trademark, which protects our right to use a name or slogan of a product or service in the marketplace.
- The company can register a copyright, which would enable us to protect the contents of brochures, videos, computer programs, websites and other related works from being copied.

Anyone working in new product or process development should coordinate their activities with the company's Patent Committee. The committee will evaluate the idea and determine if it is patentable, and if so, will work with the company's patent counsel to ensure that all procedures are followed properly in investigating and filing for a patent.

When the time comes to name a new product or service, you should have the legal department conduct a trademark search. If the company elects to register

the name of the new product or service as a trademark, the legal department will help secure the mark and show you methods to protect the mark.

You also have a responsibility to properly use and respect the intellectual property of others. Employees should ensure they have permissions or licenses to use patents, trademarks, copyrights or property owned by others, including company-purchased software, which may be subject to licensing guidelines.



FOLLOW THE SMITHWAY

Q: I have identified a unique, memorable name for a new product my team is developing. What steps do I take before finalizing the name?

A: There are several things to consider. Can the product name be a trademark? Is the product name close to that of a competitor or other seller, and could we be accused of infringement? Is the product name worth investing in the cost of trademark registration and enforcement? Contact the legal department for assistance in evaluating these issues.

Protection of Data and Cyber Security

Much of A. O. Smith's company information is stored electronically. Employees should be particularly mindful of protecting the security of this information. Data breaches that can significantly disrupt or harm the company can happen inadvertently and quickly. Hackers most frequently breach a company's IT system by tricking or confusing an unsuspecting employee. Never open an email attachment, click on a website link or provide company-confidential or personally identifiable information unless you have confirmed that the sender is trustworthy and legitimate.

A. O. Smith has an incident response plan in place for cyber security breaches. If you believe that A. O. Smith's data or IT security has been breached, immediately report it to the A. O. Smith Service Desk or A. O. Smith's Information Security manager.



FOLLOW THE SMITHWAY

Q: I received an email from one of our corporate executives asking for assistance in closing a secretive deal and was asked to wire a large sum of money to a bank account and keep the transaction secret to protect the deal. Should I do it?

A: There are multiple red flags with this scenario. Under no circumstances would you be asked to wire money without your prior knowledge of the pending transaction. Scammers often use urgency and secrecy to trick people into believing the scam is legitimate. Always verify the email address of a message you receive, as hackers often make slight changes to the email address to make the sender look legitimate. You should also contact the sender by phone to verify the request is accurate and, if so, provide the details in a different manner. In addition, if you determine the email to be illegitimate, you should contact the Service Desk and report the phishing attempt.

Protection of the Company's Interests

As we conduct business, we must protect A. O. Smith's interests by properly documenting and ensuring compliance with our business relationships. All contracts, other than standard form agreements pre-approved by the legal department, must be reviewed prior to execution. Upon execution, the contract must be maintained in accordance with the Contract Review and Administration Policy and the procedures of the corporate secretary or sent to the legal department for filing.



FOLLOW THE SMITHWAY

Q: I am working on a supply agreement for a new steel supplier. We've come to terms, but now I need to put a formal agreement in place. What steps do I need to take to properly negotiate and document the contract?

A: If the supplier agrees to use A. O. Smith's standard form supply agreement, then you can proceed without further legal department review. If not, contact

the legal department to prepare a draft supply agreement. While you are primarily responsible for the economic terms of any supply agreement, the legal department can assist you with the legal provisions required in every contract. You should also confirm that you have the authority to sign the agreement on behalf of A. O. Smith and, if not, speak with your manager to obtain proper authority.

Protection and Proper Use of Company Assets

The resources of A. O. Smith should be used only for legitimate business purposes and for the benefit of the company. All employees, officers and directors should protect the company's assets and ensure their efficient use. Theft, carelessness and waste directly affect A. O. Smith's profitability.

As part of your job, you may have access to company equipment, facilities, materials, technology and intellectual property. It is your responsibility to keep company assets safe and to use them only as required for business purposes. Fraud is any deception or deceptive behavior that is intended to achieve personal or financial gain. Fraud can include submitting, or encouraging

someone else to submit, false reports; misappropriating company assets or company property; and unauthorized alteration or destruction of business or financial records. You should report immediately any suspected fraud or theft for investigation

Responsible Use of Artificial Intelligence and Technologies

At A. O. Smith, we use Artificial Intelligence (AI) ethically. We recognize that generative AI has benefits and risks in our workplace and in our daily activities. When using AI, we must safeguard A. O. Smith's confidential and proprietary information, as well as our intellectual property. Ethical use of AI includes handling data with care and mitigating the risks associated with data security, privacy and the accuracy of AI outputs. We do not use publicly accessible technology, applications, programs or databases for any sensitive, confidential or proprietary information or any other information that cannot be shared publicly.

When using AI for decision making, employees should be aware of unique risks inherent in the systems. Additional sources of information should be verified along with facts to protect against hallucinations and fabricated information.



FOLLOW THE SMITHWAY

Q: A hiring manager and recruiter receive over 200 resumes for an open position. The hiring manager suggests that the recruiter use AI to review the resumes and select the top five to make the decision more efficient. Is this approach okay?

A: Using generative AI for this purpose is very likely not acceptable for several reasons. First, by entering the resumes into an open AI, the applicant's personal information is likely to be put at risk since many of these tools do not protect this information appropriately. In addition, there may be unintended bias embedded in AI that would not select the best fit for our organization. Finally, this use might violate new and emerging regulations prohibiting use of AI in candidate screening for hiring. Any new use case for generative AI must be reviewed by both BTS and legal in accordance with the Generative AI Policy.

Trade Compliance

As a global company, A. O. Smith complies with regulations and restrictions, including proper classification of imports and exports to comply with tariff regulations and paying import duties as required.

A. O. Smith is also proud to participate in the Customs-Trade Partnership Against Terrorism (CTPAT) program, initiated by the U.S. Customs and Border Protection to protect importers' supply chains and increase border security. Maintaining security throughout our worldwide supply chain is crucial to the safety of our employees, the security of our facilities and the integrity of our products. We require our international suppliers to implement security procedures for packaging, containerizing and shipping their products to our facilities. We also have security procedures that our employees follow when receiving incoming materials and components, packaging our finished products and loading trucks for customer delivery.

We expect each employee to follow these procedures to ensure our products are handled properly and securely. A. O. Smith also has systems and procedures to help maintain the security of our facilities. These include visitor registration procedures, employee identification and facility perimeter security.

We expect you to share our commitment to a secure workplace. If you see anyone

in our facilities or on our grounds that you do not recognize or any suspicious activity, contact your supervisor or facility manager. The security of our supplier network, company and the countries in which we operate requires each of us to remain vigilant and report suspicious activity.



FOLLOW THE SMITHWAY

Q: I work in the shipping and receiving department. Today I noticed a man with a package standing by our truck trailers. He was not wearing any employee identification or a visitor's badge. Should I approach him and ask him what he's doing?

A: Unauthorized personnel are prohibited from the area where trailers are stored and loaded. The package the stranger was carrying could have been drugs, weapons or other contraband. While it is certainly OK to approach an unknown person and ask him who he is or what he is doing in the plant, it would be safer to immediately contact your supervisor concerning the situation. If your supervisor is not available, contact your facility manager or human resources manager as quickly as possible.



Accurate Documentation, Records Management and Taxes

Having reliable information is crucial to running a successful business. Records and reports should be accurate, timely, complete and consistent with generally accepted accounting principles in the U.S. You are responsible for any reports you write and records you keep. This includes sales records, production records, expense reports, inventory or scrap reports, environmental records, accounting records and any other business-related reports, transcripts or records. If you become aware of any inaccurate, false or misleading entry in the company's books or records, report it immediately to your supervisor, the company's chief financial officer, the legal department or the Integrity Helpline. These reports will be investigated according to the procedures established by the Audit Committee of the Board of Directors.

It is not appropriate to keep records of transactions off the company books.

The company has a policy that describes how long you should maintain specific records. You are responsible for maintaining records for the appropriate length of time and for destroying records in accordance with this policy. If you have any questions on record retention, contact the legal department.

A. O. Smith is diligent in reporting our tax obligations fairly and accurately and in paying its taxes promptly. We obey all foreign and domestic tax laws and foreign exchange control laws. Never enter into any transaction on behalf of the company that would violate the law.



FOLLOW THE SMITHWAY

Q: One of my co-workers submits inaccurate expense reports and seeks reimbursement for items and meals she never purchased. I brought it up to my supervisor, but the practice continues. Should I call the Integrity Helpline?

A: Yes. Falsifying expense reports is theft and fraud against the company. In addition, the accuracy and reliability of the company's financial records are crucial to our success. If you have a concern that is not remedied, you should report it to the legal department or the Integrity Helpline.

The Market

Inside Information and Securities Trading

As a publicly traded company in the United States, A. O. Smith is obligated to report any material information to the investing public as quickly as practical. Material information is anything that a reasonable investor would consider important when deciding whether to buy, sell or hold our stock. Examples would be major new contracts from customers, an important new product introduction, an acquisition, a major lawsuit, and future sales and profit estimates.

As an employee, officer or director, you may become aware of this type of information before it is made public. This is commonly called non-public information or “insider information.” It is illegal to buy or sell stock when you have insider information. It also is illegal to share that information with anyone who may trade in our stock.

Insider trading can result in fines and jail sentences for you and the person with whom you share the information.

A. O. Smith’s Insider Trading Compliance Policy provides additional details on properly handling non-public information. Keep in mind, our policy applies to inside information related to our customers and suppliers, as well as our company.



FOLLOW THE SMITHWAY

Q: I visit company “discussion groups” on social media quite frequently and noticed that someone is posting some very sensitive company information, including some news that I thought was being kept secret. Should I respond online or do anything about this?

A: Do not respond online because that would likely make the situation worse. Instead, contact human resources or the legal department immediately and relay your concerns to them. Spreading inside information is illegal, even if the individuals involved do not benefit personally from the “tip.” If necessary, we will contact the appropriate law enforcement agency to investigate this incident.





FOLLOW THE SMITHWAY

Q: We are using a new supplier for a key component in a new product we are launching next month. I have a hunch the supplier's stock price will go up once we announce the new product. Is it OK to buy stock in the supplier?

A: No. This would constitute illegal trading based on inside information, even though you are not trading in A. O. Smith stock.

Money Laundering

A. O. Smith manages our finances responsibly and complies fully with anti-money laundering laws globally. We conduct business only with reputable parties and monitor our transactions for signs of money laundering or terrorist financing. Our due diligence process begins prior to engaging in a business relationship with a third party and continues throughout the course of the relationship. Our goal is to locate

any “red flags” (adverse findings) that could indicate high-risk activities. We also rely on all employees to be alert for any suspicious financial transactions and maintain accurate and complete records.

Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. Each employee, officer and director should deal fairly with the company's customers, suppliers, competitors and employees.

In our highly competitive markets, being able to gather and analyze information about our competitors is an important and necessary activity. There are dozens of public sources of competitive information that enterprising employees may reference, such as annual reports, internet sites, press releases, trade shows, stock analyst reports, etc.

We expect, however, that you will not attempt to obtain competitive intelligence by unfair, dishonest or illegal means. Theft, illegal entry, wiretapping or similar methods are expressly forbidden. Misrepresentation, such as posing as a customer to obtain sensitive data, is also against our Guiding Principles.



No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair dealing practice.

Occasionally, you may be offered access to competitive information by a non-public source or third party. Situations such as these require extreme caution, and you should remember to observe accepted standards of good faith and all applicable laws when dealing with this source.

Similarly, never make false or misleading comments about other companies, their employees or their products, including our competitors. Use only fair and accurate comparisons when describing our products or a competitor's. The best practice is to stress the advantages of A. O. Smith's products or services.



FOLLOW THE SMITHWAY

Q: We recently hired the chief engineer from one of our competitors. She had not signed a “nondisclosure” agreement, so can we brief her on her former employer's new product plans?

A: Not if the questioning centers on any proprietary or non-public information. In fact, she should be reminded that she cannot voluntarily comment on any proprietary information about her former employer or she and A. O. Smith could be subject to criminal prosecution or a lawsuit.





FOLLOW THE SMITHWAY

Q: I have been given a password that allows me to access a competitor's computer system. Can I use this to obtain information about their product costs?

A: No. This type of electronic entry is illegal. "Hacking" a competitor, downloading their computer files and obtaining competitor computer files from a third party are forbidden.

Antitrust

A. O. Smith competes aggressively and independently in the markets we serve. Our relations with competitors, customers, suppliers, pricing and other market-related issues all come under a group of laws called "antitrust." Antitrust laws in the United States and other countries are based on the same principles: that the public benefits most if businesses compete vigorously, free from agreements with other companies that limit competition.

A. O. Smith is committed to following antitrust laws without exception. If your job or position as an employee, officer or director brings you in

contact with competitors, customers or suppliers, it is your responsibility to follow our policies on antitrust compliance.

You may never make any formal or informal agreement with a competitor to:

- Fix or control prices
- Allocate products, markets or territories
- Boycott certain customers or suppliers
- Refrain from or limit the manufacture, sale or distribution of any product

Dealing with customers may also present antitrust risks or be viewed as anti-competitive depending on the circumstances. You must consult with the legal department in advance regarding any agreement with customers that:

- Sets resale prices
- Provides preferential pricing or terms
- Requires a customer to purchase one product to receive another

You may become involved in trade associations or other professional organizations where you meet competitors, customers or suppliers. Remember that antitrust laws apply to formal and informal communications, as well as written or unwritten agreements or understandings. Always be aware of this when you attend any functions for a trade association or other organization.



Failure to comply with antitrust laws will result in serious consequences to A. O. Smith and, possibly, to you. The company and you may be heavily fined, and, in some cases, you may be subject to imprisonment. If you are involved in any transaction where you have an antitrust question or concern, contact your supervisor, human resources or the legal department.



FOLLOW THE SMITHWAY

Q: At a recent trade show, I was invited to join our competitor's salespeople for breakfast. We talked about some general topics, and then the discussion moved into what we are charging a particular customer. I didn't say very much and didn't reveal any specific pricing information. Is this an antitrust violation?

A: It's hard to say. You were placed in a compromising situation. Failure to say anything can sometimes be interpreted as consenting to antitrust practices. The best course of action would have been to tell everyone at the table that this topic of discussion was inappropriate and to have left immediately. In the future, it's a good idea to avoid these situations to minimize your risks.

Bribery

While business practices may vary around the world, as an A. O. Smith employee, officer or director, you are forbidden to offer or accept a bribe at any time. Never offer money, gifts or anything of value:

- To receive a customer order
- In exchange for information about a competitor, customer or supplier
- To avoid paying a fine, permit fee or other government levy
- To attempt to influence a government official or government agency decision
- To gain an unfair business advantage

You may not pay a consultant or an agent if you believe they are going to use a portion of that money for bribes. The company retains only reputable and qualified business partners and does not engage business partners who may be involved in corrupt activities. A good approach to take, especially in countries outside the U.S., is to insist on a purchase order or contract for every business transaction and not use cash (or cash equivalents) for payments.

A. O. Smith and our officers, directors and employees are required to comply with our Anti-Bribery Policy and to obey both the letter and spirit of all applicable laws, including anti-bribery and anti-corruption laws. It is also A. O. Smith's policy to

require third parties to comply with these same laws and the company's Anti-Bribery Policy. Illegal activities and unethical practices will not be tolerated. Furthermore, although certain "facilitating payments," which are made to expedite or secure performance of routine governmental action may not violate the U.S. Foreign Corrupt Practices Act, these payments often violate the laws of the countries where we do business, and A. O. Smith prohibits facilitating payments.

To ensure that the company does business with reputable business partners, A. O. Smith requires all third parties who may interact with government officials on the company's behalf to go through our Third-Party Due Diligence process before a hiring decision is made. This process is also available to use with any third party, whether a consultant, customer or supplier. If you have questions about whether Third-Party Due Diligence is required or appropriate, please consult with the legal department.



FOLLOW THE SMITHWAY

Q: We are pursuing a contract with a company in another country. My main contact with the company said that it is customary in this country to invite government officials for dinner, drinks and entertainment, and then suggested arranging an event that would cost more than \$10,000. Should I go ahead with setting up this event?

A: No. The U.S. Department of Justice has issued guidance indicating a scenario like this constitutes unlawful and improper travel and entertainment expenditure under the U.S. Foreign Corrupt Practices Act. This conduct could also violate other countries' anti-bribery and anti-corruption laws.



FOLLOW THE SMITHWAY

Q: I am responsible for forming a joint venture with another company, but I have learned that the other firm hired a consultant reputed to pay bribes to government officials to "speed up the process." Given that A. O. Smith itself did not make the payment, is there cause for concern?

A: Yes. Anti-bribery and anti-corruption laws, including the U.S. Foreign Corrupt Practices Act, prohibit bribes made through third parties or intermediaries. In this circumstance, you should immediately report this issue to the legal department. You should also have the consultant run through the Third-Party Due Diligence process. In circumstances where employees are doing business in countries where there is significant corruption, employees have a responsibility to determine everyone who may be perceived to be doing work on A. O. Smith's behalf involving government officials (including consultants such as the one in this example) and use the Third-Party Due Diligence process to ensure that those parties are trustworthy and reputable.



FOLLOW THE SMITHWAY

Q: We have been working to obtain permits to begin exporting our products to a new country. A government official has indicated the permit could be granted soon, but that it is customary in his country to make a monetary contribution to his charitable foundation to expedite the permit process. Is this acceptable?

A: No. This is an improper payment even though the payment may be charitable in nature.





Business Travel, Gifts and Entertainment

When traveling for company business, it is important to accurately document expenses and submit them promptly for reimbursement.

Employees should seek approval from their manager prior to booking travel and follow their local travel policies.

Giving and receiving gifts is a difficult area that requires good judgment. Normally, inexpensive gifts — such as pens, coffee mugs, baseball caps or food baskets — are part of establishing a good business relationship. Large or expensive gifts, however, could be interpreted as bribes and must be avoided.

It is OK to accept gifts and entertainment expenses that:

- Are infrequent, customary and reasonable in amount
- Do not violate local gift and hospitality laws or the recipient's code of conduct
- Are not offered or given with the intent of improperly influencing the recipient
- Comply with processes and limits established by A. O. Smith

Similarly, simple business entertainment, such as buying meals or taking a customer to a sporting event, is a

normal part of the business relationship. Larger forms of entertainment, such as paying for or accepting a trip, are prohibited.

You may not request or solicit a gift from a supplier, customer or other party under any circumstances.

If you are unclear whether a specific gift or form of entertainment is prohibited, talk to your supervisor, human resources representative or the legal department.



FOLLOW THE SMITHWAY

Q: I'm planning a family vacation to Hawaii. A supplier mentioned that she has a condo there, and I asked her if I could use it. She agreed and indicated I would not have to pay her anything for it. Is this acceptable?

A: This is an improper solicitation, and you should not use the supplier's condo. If you look at this issue from the supplier's perspective, she might feel pressured to go along with this to keep you, the customer, happy. Also, this arrangement can result in an actual or perceived conflict of interest: it could be determined that this gift will influence the



ability to select a supplier based on our business needs. If you have any questions as to whether a gift is appropriate, contact the legal department.



FOLLOW THE SMITHWAY

Q: I received a gift through the mail that I think is inappropriate and have no way to return it. What should I do?

A: Turn the item over to the legal department or your human resources representative for disposition.

Political Contributions

We encourage our employees to be active in the political process and support the politicians, candidates and political parties of their choice. However, A. O. Smith does not authorize any employee, officer or director to contribute on the company's behalf to any politician, candidate or political party.

The company does sponsor a political action committee (PAC) in the U.S. The A. O. Smith Political Action Committee (AOSPAC) was created to allow A. O. Smith employees to act together in supporting candidates who support our employees, products and interests. Participation in the in AOSPAC by any U.S. citizen is purely voluntary.



FOLLOW THE SMITHWAY

Q: My boss has told employees that we should each make a contribution to his preferred candidate for public office. I feel pressured to make a contribution, even though I do not agree with the candidate's views. Do I have to make a contribution?

A: You should report this situation immediately to your human resources representative. A. O. Smith does not allow your supervisor to use his position or company resources, including his work time, on a political campaign. Additionally, the company does not restrict your personal political activities or your use of personal funds. You are free to support the candidate or party of your choice or choose not to participate at all.

Volunteering and Charitable Giving

Being a good corporate citizen is an important value at A. O. Smith. Since 1955, the A. O. Smith Foundation has been committed to bettering the communities in which we live and work. We achieve our mission by partnering with a broad range of local organizations where we provide financial support and use our expertise in innovative technologies and energy efficient solutions to provide clean, safe and hot water to our communities. For more information on the A. O. Smith Foundation and our recent philanthropic efforts, please view the A. O. Smith Sustainability Report.



Privacy

A. O. Smith may collect personally identifiable information about you, your co-workers, prospective employees, customers or others. A. O. Smith respects the privacy of this information. Access to any personally identifiable information is restricted to those A. O. Smith employees with a “need to know” (such as your supervisor) and must only be used for legitimate business reasons and as permitted by law. A. O. Smith has established privacy policies with respect to information collected from customers, end users and prospective employees (which may be found at the bottom of any website hosted by A. O. Smith or one of our affiliated companies), and with respect to information collected from employees. Personally identifiable information and who may access it is subject to various legal restrictions, which vary depending on the country. A. O. Smith operates globally; do not assume that only the laws in the country in which you are located apply to the information you have. Do not forward, copy or share personally identifiable information without consulting the legal department.



Restricted or Prohibited Dealings

Our international activities are subject to trade regulations of the U.S. and other nations we operate in. If you are uncertain of the trade status of any country or the export or import of any good, contact the director of trade compliance or the legal department. The U.S. prohibits conducting business with certain individuals, groups and organizations that have been designated as terrorists, those supporting terrorism and drug traffickers. This list includes “end-users” who may be involved in chemical or biological weapon development, ballistic missile development and sensitive nuclear activities in certain countries. Our adherence to this restricted party list is essential to our reputation as a global supplier. The U.S. has also imposed sanctions and trade limits on several countries.

A. O. Smith screens international transactions to identify evidence of prohibited business conduct and never does business with sanctioned locations, entities or individuals.



FOLLOW THE SMITHWAY

Q: The human resources manager in China is asked by the corporate communications team in the U.S. to provide a list of China employees including names, birthdates, start dates and addresses, so that the communications team can send personalized birthday and work anniversary cards. Should this information be shared?

A: Not yet. Privacy laws vary significantly between countries. Some countries require employee consent to transfer this kind of information, even within the company. The human resources manager should first speak with the legal department to understand what information can be transferred and how it can be done in compliance with privacy laws.



The legal or trade compliance departments can advise you of sanctions against specific countries, individuals and entities, and other regulatory sanctions.

Any goods we import or export must be classified accurately and assigned the correct tariff number so that appropriate duties are applied and paid. An accurate determination of which jurisdiction a particular commodity, piece of information or service falls under is critical to ensuring that the item is appropriately identified, secured, handled and transferred in accordance with export controls.

We must adhere to U.S. antiboycott laws at all times; these laws prohibit us from participating in unsanctioned boycotts (refusals to do business with certain countries or people). The purpose of the antiboycott laws was to require U.S. companies (including their foreign subsidiaries) to refuse participation in foreign boycotts that the U.S. does not sanction. In other words, companies headquartered in the U.S. (including their foreign

subsidiaries) are prohibited from collaborating in other nations' boycott policies that run counter to U.S. policy. As a practical matter, we are most likely to encounter regulated boycott situations when dealing with customers or vendors in countries that boycott Israeli-origin goods and services. Notify the legal department whenever you read or hear a statement or request that may involve acting or furnishing information in connection with an unauthorized boycott and contact the trade compliance department if you are uncertain of the boycott status of any country.

Supply Chain Integrity

A. O. Smith's Guiding Principles set forth the expectations the company has of itself and its suppliers. We take steps to ensure that the partners we do business with adhere to similar standards. We have established policies and procedures, including



our Third-Party Due Diligence Policy, Supplier Requirements Manual and ongoing supplier monitoring to reinforce these expectations of our suppliers.

In addition, some U.S. laws emphasize the responsibility that manufacturers have to their supply chains, including laws on anti-bribery, child labor,

human trafficking and slavery, fair wages, conflict minerals, and chemical and hazardous substances. A. O. Smith has a strong commitment to compliance with respect to these laws and regulations, and we expect the same commitment from our suppliers. If you have any questions in this area, please contact the legal department.



Conclusion



We are all proud to be associated with A. O. Smith.

But we must always be mindful that a reputation — even one as longstanding as our company's — can be destroyed overnight by carelessness. It is important to learn and understand our Guiding Principles and to live by them every day. The company expects these principles to be followed by every employee, officer and director. For employees, any waiver must be approved by the plant, facility manager or human resources representative in advance and in writing. For officers and directors, any waiver must be reviewed and approved by the board of directors (or a committee thereof) and will be disclosed promptly on the company's website, www.aosmith.com.

Remember, it is in everyone's best interest to live by the A. O. Smith Guiding Principles. If someone disregards these standards, willingly or inadvertently, we all suffer. If you see what you think is illegal or unethical, speak up. We have worked too hard to build a reputation for excellence to have it damaged or destroyed by an isolated act of carelessness.

Let's all continue to do things the SmithWay.

A. O. SMITH OVERVIEW

ESTABLISHED IN

1874

HEADQUARTERED IN

**Milwaukee,
Wisconsin, USA**

12,700+

EMPLOYEES

25+

GLOBAL
MANUFACTURING
FACILITIES

SALES AND DISTRIBUTION
IN MORE THAN

60

COUNTRIES

AOSMITH.COM



A. O. SMITH CORPORATION

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