KraussMaffei Supplier Code of Conduct

Our understanding of sustainability in supplier management

The KraussMaffei Group[1] (in the following also referred to as **"KraussMaffei"**), as a globally active corporation, is committed to social and ecological responsibility towards society and employees. For us, sustainability is an important component of successful development that contributes to long-term success.
In our procurement activities, we pay attention not only to process-related, economic and technical criteria, but also to social and ecological aspects such as human rights, working conditions, prevention of corruption and environmental protection.

KraussMaffei expects its suppliers to comply with and implement the applicable laws as well as the principles and requirements set forth in this "KraussMaffei Supplier Code of Conduct" (hereinafter also referred to as the **"Code"**) for a lasting and sustainable relationship.
Furthermore, they are expected to promote continuous improvement with regard to the implementation of the principles and requirements of the Code along the supply chain.

Environmental protection

Environmental protection is an integral part of KraussMaffei's sustainable corporate culture. For this reason, all suppliers are expected to minimize hazards to the environment, use natural resources sparingly and comply with the applicable national and international environmental laws and regulations.[2]
In this context, the supplier shall take into account the inputs and impacts of its business activities on the environment throughout the life cycle of its products or services, in particular during the production or provision of the service, the use phase and the disposal of the product, including the associated upstream and downstream processes.

In particular, all suppliers are expected to take sustainable measures to protect the climate and reduce greenhouse gas emissions, particularly their CO_2 emissions, for example by using renewable energies or increasing energy efficiency.

KraussMaffei also expects its suppliers to strive to minimize their water and energy consumption as well as the impact of their business activities on water, air and soil quality, biodiversity, species diversity and natural (terrestrial and aquatic) ecosystems, and at a minimum to comply with the relevant legal and regulatory requirements. In addition, KraussMaffei expects its suppliers to make every effort to refrain from harmful noise emissions and to minimize the transport distances as well as land consumption incurred in the course of their business activities.

Furthermore, KraussMaffei expects its suppliers to take animal welfare into account in the course of their business activities and to endeavor to take appropriate animal welfare measures and, as far as possible, to refrain from animal testing. At a minimum, however, the legal and official requirements regarding animal welfare and animal testing must be complied with.

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[1] KraussMaffei Group refers to KraussMaffei Group GmbH and all subsidiaries controlled by it.

[2] In particular, also the Minamata Convention on Mercury of October 10, 2013, the Stockholm Convention on Persistent Organic Pollutants of May 23, 2001, and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of March 22, 1989, each as amended.

All suppliers are expected to strive to prevent waste and recycle materials wherever possible. Similarly, all suppliers are expected to classify, monitor, inspect and, if necessary, treat wastewater from operations, manufacturing processes and sanitary facilities prior to discharge or disposal, and to strive to avoid wastewater. The supplier commits to disposing of any waste or wastewater generated at a minimum in a manner that complies with the legal and regulatory requirements for handling this waste and wastewater.

The supplier also commits to handling chemicals and hazardous substances responsibly and to dispose of them properly. Chemicals and hazardous substances with the potential to endanger the environment have to be listed and monitored as part of a chemicals management system and, if possible, replaced by more environmentally friendly alternatives. In addition, the supplier commits to complying in particular with the requirements of the EU Chemicals Regulation (EC) No. 1907/2006 "REACH" (Registration, Evaluation, Authorization and Restriction of CHemicals), as amended.

It is also expected that each supplier works on the continuous improvement of its energy and environmentally relevant processes and products, ideally by providing evidence of suitable management systems for environmental protection and energy management (e.g. according to DIN EN ISO 14001 or EMAS and / or ISO 50001).

Human rights, occupational health and safety, quality assurance

The supplier commits to complying with human rights in accordance with the "Universal Declaration of Human Rights" of the United Nations as well as the ten principles of the United Nations Global Compact Initiative (available at www.unglobalcompact.org). These require companies to recognize, support and put into practice a set of core values within their sphere of influence.

KraussMaffei expects its suppliers to comply with the respective applicable national labor rights and to recognize and implement the core labor standards of the International Labor Organization (ILO)[3] as well as the rights established by the Organization for Economic Cooperation and Development (OECD). In addition, suppliers must observe employee rights with regard to freedom of association as well as nationally applicable standards and guidelines with regard to remuneration and working hours.

The supplier shall comply with the nationally applicable rules on occupational safety and health protection. In the course of this, the supplier must take measures - for example in the form of training - to improve occupational safety, prevent occupational illnesses and minimize health and accident risks.

The supplier will ensure that the items delivered or services rendered by him are of the contractually agreed quality and comply with all applicable statutory and official regulations.

Protection against forced eviction and deprivation of land, rights of local communities, contracting and use of security forces

The supplier agrees not to engage in unlawful evictions, nor to unlawfully take land, forests or waters when acquiring, developing or otherwise using the same. All suppliers are expected to respect the rights

[3] Core ILO labor standards are currently the following conventions: Conventions Nos. 29, 87, 98, 100, 105, 111, 138, 155, 182, 187 and the Protocol of June 11, 2014 to ILO Convention No. 29.

of local communities and indigenous peoples and to strive to ensure that their operations do not adversely affect local people, their livelihoods, culture, religion, customs and way of life.

Furthermore, the supplier commits to not commissioning or use private or public security forces if, due to a lack of instruction or control on the part of the company, there is a risk that the use of the security forces will violate the prohibition of torture and cruel, inhuman or degrading treatment, injure life or limb or impair the freedom of association and freedom of labor.

Conflict minerals management

KraussMaffei is committed to the responsible sourcing of the minerals contained in our products. To this purpose, we have adopted a conflict minerals policy regarding the origin of certain minerals from the Democratic Republic of Congo and surrounding countries that have been linked to human rights abuses through the funding of illegal armed groups. We strive to source parts, components and materials from suppliers classified as DRC conflict-free when conflict minerals are present in our supply chain.

KraussMaffei expects its suppliers to comply with any reporting obligations to the European Union / SEC under the Dodd-Frank Act and to comply with their due diligence obligations with respect to their own inquiries into countries of origin. All suppliers are also expected to establish appropriate due diligence processes for the conflict minerals tin, tungsten, tantalum and gold, as well as ores and metals containing or consisting of these conflict minerals. Measures shall be in accordance with the Organization for Economic Co-operation and Development (OECD) Guiding Principles on Due Diligence to Promote Responsible Supply Chains for Minerals from Conflict and High-Risk Areas, and they shall exclude smelters and refiners without an appropriate and audited due diligence process as a source for these conflict minerals or ores and metals.
The supplier commits to providing KraussMaffei, without being requested to do so, with information as to whether its products delivered to KraussMaffei contain these conflict minerals or ores and metals. In addition, the supplier commits, upon KraussMaffei's request, to immediately provide information about its supply chain with regard to these conflict minerals or ores and metals; this also includes information about the origin of the material.

Dealing with employees

1. Child labor

KraussMaffei does not employ any children and, as a matter of principle, also requires its suppliers, subcontractors and business partners to refrain from any kind of child labor within the meaning of the relevant ILO core labor standards.[4] The supplier commits to ensuring in any case that no employees are employed who cannot prove a minimum age of 15 years. Countries which, according to ILO Convention No. 138, fall under developing countries, represent an exception with regard to the lower age limit. In these countries the minimum age can be reduced to 14 years. Furthermore, the supplier shall ensure that no employees are deployed for hazardous work who cannot demonstrate a minimum age of 18 years in accordance with ILO Convention No. 182. Furthermore, the supplier shall in any case observe and comply with all national regulations and guidelines applicable in this respect.

[4] ILO Conventions Nos. 138 and 182.

2. Forced labor

Furthermore, the supplier commits to not to allow any form of forced labor, slavery, modern slave labor or forced labor, servitude, debt bondage or comparable measures that deprive the supplier or his subcontractors or business partners of their freedom[5]. All work must be voluntary and it must be possible to terminate the employment relationship.

3. Equal opportunities and discrimination

We expect our suppliers to promote equal opportunities, diversity and equal treatment and to prevent any discrimination, particularly in the recruitment and hiring of employees and in the promotion or granting of training and development measures.[6] No employee should be discriminated against on the basis of gender, nationality, age, skin color, culture, ethnic, national or social origin, sexual orientation or identity, health status or disability, religious affiliation or belief, political opinion, social or trade union activity or any other personal characteristic.

4. Freedom of association and collective bargaining

KraussMaffei expects its suppliers to respect the rights of employees in accordance with national legislation and to respect the right of employees to freedom of association, collective bargaining to regulate working conditions and the right to strike.[7]

5. Compensation and working hours

The supplier agrees to comply with the respective applicable national legislation on working hours, breaks and vacations. Furthermore, it is expected that the supplier's employees will receive appropriate remuneration, the amount of which will at least reach the minimum wage set by applicable law and which will also otherwise be in accordance with the respective applicable national laws as well as any existing, binding collective bargaining agreements. KraussMaffei also expects its suppliers to implement the principle of "equal pay for work of equal value" without regard to gender or other discriminatory distinctions.8

Conduct in the business environment

1. Antitrust and competition law, free competition

KraussMaffei expects its suppliers to behave fairly in competition and to comply with the applicable national and international antitrust and competition laws. Suppliers neither participate in agreements with competitors that violate antitrust law nor do they abuse a possibly existing dominant position.

2. Anti-corruption

KraussMaffei opposes any form of corruption or bribery and does not tolerate any violations. Accordingly, KraussMaffei also expects its suppliers not to tolerate or engage in any form of corruption

[5] ILO Converntions Nos 29 and 105 and the Protocol of June 11, 2014 to ILO Convention No. 29.
[6] ILO Conventions Nos. 100 and 111.
[7] ILO Conventions Nos 87 and 98.
[8] ILO Conventions Nos. 100 and 111.

or bribery, including unlawful offers of payment or similar inducements to influence decision-making or to obtain other improper advantages.

3. Avoidance of conflicts of interest

KraussMaffei makes any business-related decisions on the basis of factual criteria and not on the basis of private interests or relationships. The same is expected from its suppliers.

4. Grants and invitations

KraussMaffei asks its suppliers and business partners to refrain from making donations and gifts (e.g. "Christmas gifts") to its employees. Furthermore, meal invitations are to be kept within an appropriate and transparent framework. The supplier or his agent may not offer, promise or grant any personal advantages (invitations, gifts and other benefits) to KraussMaffei employees which, according to objective assessment, are likely to have an unfair influence on business conduct. Even the appearance of such dishonesty must be avoided.

5. Money Laundering Prevention

KraussMaffei expects its suppliers to comply with the relevant legal obligations for money laundering prevention and not to participate in money laundering activities.

6. Protection of Intellectual Property

KraussMaffei expects its suppliers to comply with the applicable national and international regulations on intellectual property protection.

7. Export control

KraussMaffei expects its suppliers to comply with the applicable national and international regulations on export control.

8. Data protection and right to informational self-determination, protection of confidential information

The supplier shall ensure that the statutory provisions on data protection are complied with by it and all its employees and other third parties used to provide the service. In particular, personal data must only be processed in accordance with the statutory requirements of the respective country in which the personal data is processed and in which the respective KraussMaffei Group company has its registered office. Prior to the commencement of the provision of services, the supplier shall inform these employees and other third parties about the legal requirements and shall undertake an obligation of these persons to maintain data secrecy as required by data protection law. Furthermore, the supplier agrees, within the scope of applicable laws, to ensure the right to informational self-determination and the protection of all personal data and business information.

Furthermore, the supplier shall treat the confidential information provided to it or otherwise obtained by it as strictly confidential and use it only for the agreed business purposes and, in addition, take appropriate measures to protect such confidential information from unauthorized access by third parties.

Supplier Relations

KraussMaffei expects its suppliers to comply with the human rights-related and environmental requirements of the German Act on Corporate Due Diligence in Supply Chains of July 16, 2021 (LkSG),

as amended, and to address them appropriately along the supply chain; this applies with regard to Section 6 (4) No. 2 LkSG even if the suppliers are not already obligated to comply with them themselves under the LkSG.

It is KraussMaffei's goal to work with its suppliers to ensure that applicable laws are complied with and that this Code is implemented sustainably throughout the entire supply chain. KraussMaffei therefore expects its suppliers to implement applicable laws and the principles and requirements of the Code in their companies and to continuously monitor their implementation by means of suitable management systems. The supplier will participate in training and further education offered by KraussMaffei in this context at its own expense. Furthermore, the supplier is expected to contractually pass on the obligation to comply with and implement applicable laws and the principles and requirements of this Code to sub-suppliers, subcontractors and other business partners of the supplier and to emphatically work towards compliance with the contents agreed therein, to promote and to monitor these.

If the supplier has violated this Code, it will immediately inform KraussMaffei of this and of the clarification and remedial measures planned and implemented in this regard. KraussMaffei reserves the right to verify compliance with the Code by appropriate means, including the involvement of external third parties, on an annual basis as well as on an ad hoc basis in the event of suspected violations of the principles and requirements of this Code (e.g. negative media reports, information from employees, etc.) or for the purpose of certifications. For this purpose, KraussMaffei shall in particular be entitled to request more detailed information on relevant facts and, if necessary, to conduct audits, including on-site inspections, in order to rule out any suspicion or to initiate any necessary measures. In doing so, the supplier agrees to allow KraussMaffei's auditors to conduct confidential interviews with its employees, if necessary. Within a reasonable period of time, the supplier shall answer KraussMaffei's requests for information within the scope of what is legally permissible and enable audits, including on-site inspections. Furthermore, the supplier shall work towards ensuring that the sub-suppliers, subcontractors and other business partners of the supplier grant KraussMaffei comparable rights or at least enable a corresponding review by the supplier with the cooperation of KraussMaffei.

If a suspicion of a violation of the Code is substantiated or confirmed, the supplier must implement suitable remedial or improvement measures in coordination with KraussMaffei within a reasonable period of time. Violations of human rights-related or environmental obligations must be stopped immediately. If this is not possible in the foreseeable future, the supplier shall agree to immediately prepare and implement a concept for the termination or minimization. The concept must contain a precise time schedule. The supplier is obligated to document measures introduced, to review their effectiveness at least once a year and on an ad hoc basis, and to inform KraussMaffei about these measures and their effectiveness on an ongoing basis.

If the implementation of such measures does not take place within the agreed period, or if the supplier generally does not comply with regulations of this Code, this will be considered by KraussMaffei to be a significant impairment of the contractual relationship and the basis of the contract. In such cases, KraussMaffei Group reserves the right to terminate the contract agreed with the supplier without notice. In cases of culpable violation of the provisions of this Code resulting in damage, KraussMaffei also reserves the right to claim damages from the supplier.

Whistleblower system

KraussMaffei encourages not only its employees, but also its suppliers, business partners and other external third parties to report any indications of criminal acts or serious misconduct that may have an impact on KraussMaffei as well as any indications of violations of this Code.

The contact details for reporting such occurrences at KraussMaffei can be found on the company homepage at:

https://www.kraussmaffei.com/de/ueber-kraussmaffei/werte-2

Neither KraussMaffei nor its suppliers and business partners accept any form of discrimination against persons who, to the best of their knowledge and belief, have addressed a justified grievance to KraussMaffei.

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