

Policy Statement of HOERBIGER Deutschland Holding GmbH in accordance with §6(2) the German Act on Corporate Due Diligence Obligations in the Supply Chain (Lieferkettensorgfaltspflichtengesetz - LkSG)

HOERBIGER is active worldwide in 45 countries on all continents. 6,000 employees at 125 locations - including 25 production plants - deliver reliable solutions for more performance, more safety, and fewer emissions. For renowned customers from the energy sector, the process industry, the automotive industry, the mechanical engineering industry, safety technology and the electrical industry, performance-determining products, and services from HOERBIGER make the difference. With innovations for decarbonization and the energy transition, HOERBIGER is already enabling change today for a better tomorrow. As the majority owner, the HOERBIGER Foundation preserves the 128-year-old entrepreneurial heritage and guarantees stability, independence, and a future-oriented strategy.

Respect for human dignity and the recognition of human rights are fundamental to HOERBIGER's culture and all business activities. We respect and support the objectives of relevant international conventions such as:

- Universal Declaration of Human Rights of the United Nations (UN) of 1948
- Core Labour Standards of the International Labour Organization (ILO)
- OECD Guidelines for Multinational Enterprises
- United Nations Global Compact

The HOERBIGER Code of Conduct and other corporate guidelines reflect the relevant international standards and guidelines. An essential anchor point is respect for human dignity. We reject all forms of human trafficking, forced labour, child labour and modern slavery. We do not tolerate discrimination based on skin colour, gender, origin, ideology, or any other characteristic that constitutes the personality of every human being. We value respectful cooperation within the company and with our customers and suppliers all over the world.

HOERBIGER pursues a sustainable corporate strategy. The protection of the environment and continuous reduction of CO₂ emissions are a significant part of our strategy.

We strictly reject corruption and anti-competitive business practices.

Compliance with ethical standards and laws is the basis of our work. We train our employees so that they can make the right decisions in everyday business. And a

qualified compliance team provides support in solving problems. Our bonus and incentive systems are linked to compliance with laws and our corporate guidelines.

We see the challenges of realizing human rights and protecting the environment worldwide. That is why we are working with our partners in the supply chains to move closer to this goal.

Implementation of the German Act on Corporate Due Diligence Obligations

HOERBIGER Deutschland Holding GmbH and its subsidiaries are subject to the LkSG. They implement the statutory due diligence requirements. The implementation considers the specific business activities and risks of the companies.

Operational responsibilities

HOERBIGER companies subject to the LkSG have appointed coordinators and persons with specialist responsibility for the implementation of the due diligence obligations. HOERBIGER Deutschland Holding monitors the implementation of risk management and other duties of care.

Risk analysis in the own business area

HOERBIGER companies subject to the LkSG conduct annual or ad hoc risk analyses in their own business areas. These are integrated into the existing business processes. Some companies are certified (e.g., IATF16949, ISO9001, ISO 14001, ISO45001) according to relevant standards for environment, occupational safety, IT security, etc.

The risk analysis in the own business unit includes, among other things, the evaluation of greenhouse gas emissions, water consumption and occupational safety. In addition, relevant departments such as human resources and occupational safety are consulted on defined focus topics such as human rights, the environment or occupational safety.

Risk analysis in the supply chain

HOERBIGER companies subject to the LkSG conduct a multi-level risk analysis of their supply chains on an annual basis and as required. With this analysis HOERBIGER intends to identify human rights-related and environmental risks at an early stage. The analysis includes qualitative as well as quantitative analysis criteria. In the first stage, all direct suppliers are analyzed according to the nature and scope of their business activities. Suppliers, who could pose increased risks to human rights, or the environment based on the nature of their business activities are identified regardless of the procurement volume.

In the second stage, the direct suppliers are classified according to purchasing volume.

In the third stage, sourcing countries are categorized according to the Transparency Index, ITUC Global Rights Index and Environmental Index.

In the last step, an additional risk assessment of the suppliers is carried out, considering the group affiliation, the existence of certified environmental, occupational safety or other management systems, as well as our ability to influence the suppliers.

For suppliers where increased risks for human rights or the environment have been identified, risk-oriented measures are defined. In individual cases, these may include in-depth research, confirmation of the HOERBIGER "Supplier Code of Conduct" or obtaining more detailed information on the environment, human rights, business ethics and occupational health and safety. An on-site supplier audit is also possible.

As part of the supplier approval process, HOERBIGER requires potential future suppliers to complete a self-assessment on sustainability based on the HOERBIGER "Supplier Code of Conduct". In addition, the basic principles of the Supplier Code of Conduct have been incorporated into the purchasing conditions.

Reporting channel for compliance violations

The electronic reporting system HOERBIGER Integrity Line (<https://hoerbiger.integrityline.org/>) is available for employees and business partners. This can be used to report violations of laws or internal guidelines. Anonymous reports are possible. The topics of human rights and the environment are defined as separate reporting categories. Reports are handled confidentially and professionally by the Compliance Department. The processing is regulated in a procedural Regulation.

Reporting

The management of HOERBIGER Deutschland Holding is regularly informed about the implementation status of the due diligence obligations in the subsidiaries. Reporting and further exchange also ensure that new business developments are included in risk management.

Schongau, October 2023