

As one of the world's leading machine manufacturers for plastics processing, ARBURG is aware of its responsibility towards its employees and the entire supply chain. Compliance with all applicable laws and the associated respect for human rights have always been important pillars of ARBURG's own corporate culture and are emphasised once again by this policy statement.

## **1. Communication**

ARBURG shall communicate this policy statement to employees, the works council, direct suppliers and the general public.

The ARBURG Code of Conduct, which is also publicly accessible, serves as a guideline for our employees and expresses our expectations towards our business partners. Among others, it explicitly emphasises the respect for, compliance with and promotion of the globally applicable regulations for the protection of human rights as fundamental and general standards.

## **2. Risk management in the context of the Supply Chain Act**

Our comprehensive risk management for analysing and assessing risks related to human rights and the environment as well as compliance with due diligence obligations pursuant to § 3 (1) of the Supply Chain Act along our supply chains enables us to identify potential risks at an early stage and initiate preventive measures and, if necessary, remedial measures.

Possible violations of due diligence obligations relating to human rights or the environment in the company's own business division are analysed by means of regular queries in the relevant departments. The analysis shall also be conducted if ARBURG must expect a significantly changed or significantly expanded risk situation in the supply chains. In order to analyse potential risks related to human rights or the environment along its supply chains, ARBURG pursues a risk-oriented approach in which the risks are appropriately assessed and prioritised. In this process, suppliers are reviewed and evaluated on an ongoing basis with regard to their country of origin and their order volume at ARBURG. This way, it is ensured that risks are identified, minimised and prevented to the best possible extent.

Our fundamental decision "We produce centrally" contributes to short, reliable and flexible supply chains thanks to a high proportion of in-house production of around 60 per cent and a largely nationally and regionally oriented supplier structure (a supply share of 72 per cent comes from Germany and 66 per cent of that from Baden-Wuerttemberg). "Made by ARBURG" stands for "Made in Germany" and thus constitutes a decisive advantage with regard to ensuring legal compliance along our supply chains.

Our efforts in the field of sustainability are also impressively reflected in the "arburgGREENworld" programme, which was developed several years ago. "arburgGREENworld" bundles all of ARBURG's activities for greater production and resource efficiency and a more circular economy. Certifications such as ISO 14001 and ISO 50001, as well as company ratings such as the CDP rating "B" (Carbon Disclosure Project) and the "silver medal" achieved at the first attempt in the EcoVadis sustainability ranking, substantiate the importance that has always been placed on the topic of sustainability at ARBURG. Strategic developments, current figures and objectives are published transparently each year in the ARBURG sustainability report.

ARBURG ensures that the elements of the risk management system are constantly monitored. In addition to the measures already mentioned, this is also ensured by appointing a human rights officer. The Management regularly informs itself about the work of the human rights officer.

When establishing and implementing the risk management system, due consideration is given to the interests of our employees and those who are affected by ARBURG's economic activities in a protected legal position.

### **3. Preventive measures**

ARBURG shall ensure that this policy statement is implemented in the respective business divisions. In order to assure this, employees are trained accordingly.

Risk-based control measures are regularly conducted in the individual business divisions.

To ensure legal compliance along our entire supply chains, we request contractual assurances from our business partners regarding compliance with all applicable laws and we also conduct supplier assessments prior to engaging new suppliers.

The effectiveness of the preventive measures is reviewed both regularly and on an ad hoc basis if a significantly changed or significantly expanded risk situation is to be expected.

## 4. Documentation

ARBURG shall ensure that the compliance with the due diligence obligations pursuant to § 3 of the Supply Chain Act is documented and that this documentation is retained for seven years. In addition, an annual report on the compliance with due diligence obligations shall be prepared and made available to the public on the website of ARBURG.

## 5. Reporting procedure

Notifications of possible violations of due diligence obligations relating to human rights or the environment as well as other suspected cases of compliance violations can be reported via the ARBURG reporting procedure at "compliance@arburg.com". The reported cases are analysed and evaluated by an independent body in consultation with the human rights officer and remedial measures are initiated if necessary. The persons involved are bound to secrecy.

Risks and violations involving indirect suppliers can also be reported via the reporting procedure in accordance with (1). The effectiveness of the procedure is reviewed both regularly and on an ad hoc basis if a significantly changed or significantly expanded risk situation is to be expected.

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