



Kurtz Ersa Group

POLICY STATEMENT.

GLOBAL. AHEAD. SUSTAINABLE.

EDITORIAL

As a globally-active machine engineering company, owner managed by the Kurtz family and now operating in its seventh generation, and with a 250-year-old company tradition, Kurtz Ersa is conscious of its corporate responsibility for the observance of human rights and the preservation of the environment within the global flow of commodities and services. All our actions are guided by an awareness that cross-generational prosperity and successful corporate activity are only possible when our business practices remain in harmony with human life and the natural environment.

Our commitment to the ESG objectives is clearly expressed in both our vision, “The No. 1 team for sustainable manufacturing solutions” and our mission statement, “We live sustainability”, as well as in our purpose statement, “Global. Ahead. Sustainable.”

Within the framework of our Policy Statement, we, the Kurtz Ersa Group, commit to:

- Assuming responsibility in both our own business area and in our global supply chain
- Recognising the rights of our staff and their representative bodies
- Observing, protecting and complying
- Protecting the environment.

Our Policy Statement is based on our Kurtz Ersa Code of Conduct and its central requirements, values and goals, and provides a deeper understanding of our human rights and environment agenda. The [Code of Conduct](#) has mandatory application for our shareholders, our Advisory Board, our Management Board, our senior management

and our staff in all national and international companies, as well as for all business partners of the Kurtz Ersa Group.

The observance of due diligence with regards to human rights and environmental



issues and our orientation towards internationally-recognised human rights agreements and general compliance with relevant legislation are already firmly anchored in our corporate strategy. This relevance is also evidenced by the GoGreen250 sustainability initiative launched in 2020.

This takes a holistic approach and encompasses all topics relating to environmental protection, social issues and corporate ethics (ESG: Environmental, Social and Governance). So, for example, we have had membership of the UN Global Compact since 2022 and have set ourselves ambitious ESG goals going beyond the statutory requirements.



United Nations
Global Compact



Due to the manifest relevance for all companies of the Kurtz Ersa Group, implementation is anchored within the most senior and international Management Board, known as the Global Board. This ensures that the Board receives information on both a regular basis and as the occasion arises, for example on notification received, on the achievement of goals or on potential risks.

Thank you for your support!

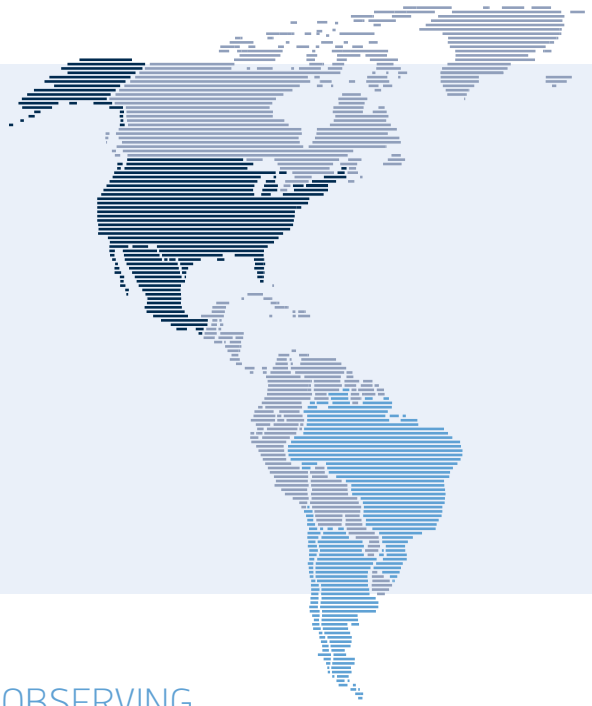
Thomas Mühleck
CFO and CEO a.i. of the Kurtz Ersa Group
on behalf of the Global Board

Publication of this declaration is already a significant step in the right direction. Even greater importance, however, adheres to living out the content in practice and actively participating in its observance and implementation. And this is where we rely on all of you. Your commitment and our joint cooperation are decisive if we are to affect positive change and shape a sustainable future together.



GLOBAL.

- Our own sales/service subsidiaries
- Local representatives
- Other presence

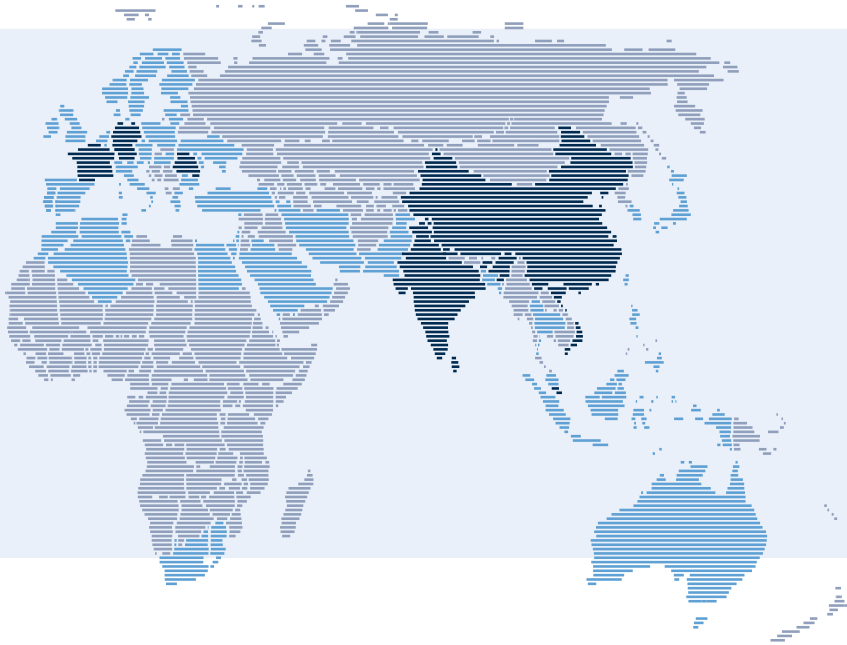


OUR COMMITMENT TO OBSERVING HUMAN RIGHTS AND ENVIRONMENTAL STANDARDS

Our global presence means that we maintain business relationships with international commercial partners. In our business activities and relationships, we are consistently at pains to ensure the observance of internationally-recognised human rights and environmental standards.

In doing so, we are guided by (in alphabetical order):

- The 10 principles of the UN Global Compact (UNGC)
- The United Nations Universal Declaration of Human Rights (UDHR)
- The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal
- Conventions and recommendations of the International Labour Organisation (ILO) on labour and social standards
- United Nations Guiding Principles on Business and Human Rights (UNGP)
- OECD Guidelines for Multinational Enterprises
- Stockholm Convention on Persistent Organic Pollutants (POP)
- Minimata Convention on Mercury.



This Policy Statement is based on the stipulations of the German Supply Chain Due Diligence Act (SCDDA) as well as the human rights and environmental protection standards shown here.

Our Policy Statement applies across all hierarchical levels – for our shareholders, the Advisory Board, the Management Board, all senior management and for every staff member in all national and international companies in the Kurtz Ersa Group.

In addition, we also agree the observance of the principles defined in the Policy Statement with our direct suppliers and service providers as well as with further business partners, for example our sales representatives, and provide the necessary support.

Only through a cooperative, sustainable and long-term approach, paired with open dialogue, can we advance the observance of human rights and the protection of the environment. Transparency is imperative in this context and we safeguard it appropriately through our reporting.

Furthermore, we remain actively involved and in constant dialogue with external stakeholders, for example through our industry association VDMA, and with associated companies.

RESPONSIBILITY / GOVERNANCE

In order to effectively observe our due diligence obligations, both within the enterprise and externally, responsibility and accountability have been clearly assigned throughout the entire Kurtz Ersa Group.

The Global Board of the Kurtz Ersa Group is responsible for the supervision and management of the principles relating to human rights and environmental protection laid down in this Policy Statement and is regularly informed via the ESG-/CMS-/SCDDA Steering Group on operative implementation in the supply chain and in our own business area.

In this, strategic decision making, budget approval and monitoring of the operative implementation fall to the Global Board.

The annual documentation and reports are also proactively submitted to the Global Board.

Due to the complex nature of the matter, we have allocated the task of monitoring human-rights and environmental risks to a number of bodies in the Group. The coordinating role here is assumed by the Human Rights Officer (assigned to the central ESG unit as CEO management support), who looks after the exchange with the Global Board, both on a regular basis and as required, on the one hand, and with the individual stakeholders (e.g. operative units or central departments and individual departments, on the other). The Central Procurement Department bears responsibility for due diligence in the supply chain of the Kurtz Ersa Group, e.g. monitoring, communication with suppliers, agreement of measures, etc.

RISK ANALYSIS

In order to prevent or reduce negative impacts resulting from our business activities, Kurtz Ersa has set up an appropriate and effective risk analysis process. We focus primarily on the topics where we have identified as harbouring the most significant human rights and environmental risks. We examine these annually, or as the need arises, both for our own business area and for the supply chain, particularly when major changes of the company profile or the business activities occur, or where we have substantiated evidence of a human rights or environmental

infringement* on the part of our (in)direct suppliers.

Our assessment includes, for example, the following risk areas at national or branch level:

- Fair business practices
- Human rights and ethical considerations
- Labour law and
- Environment.

Until such time as the outstanding risk analysis has been carried out, we assess the following risk areas in more detail, regardless of their influence:

- Prohibition of child labour
- Prohibition of forced labour
- Freedom of association and the right to collective wage bargaining
- Protection from discrimination and equal rights
- Right to health and safety at the workplace
- Right to fair remuneration
- Right to fair working hours
- Handling of hazardous raw materials
- Protection of personal data
- Prevention of corruption
- Environmental protection
- Other individual risks

In our endeavours to respect human rights, we focus on the following groups as their human rights are potentially endangered by business activities along our global supply and value chain:

- Our own staff at national and international sites including trainees and interns
- Staff of service providers, business partners and joint venture partners
- People living and working close to our sites
- People living and working close to our business partners

Our aim is to be able to recognise, analyse and eliminate the potential and actual impacts of our actions on people and the environment (in the supply chain and in our own business area) in good time, where possible, before they occur.

In the first step in the abstract risk analysis, publicly-available data and index of country-specific and sector-specific risks are evaluated before being rated and prioritised by gravity and likelihood of occurrence according to a defined procedure. We proceed in accordance with the SCDDA criteria of adequacy:

- Type and scope of the business activity
- Capacity to influence the direct originator of the risk or the infringement
- Gravity of the infringement taking the reversibility and the likelihood of occurrence into account
- Our share of causation

In the second phase, in the course of the specific risk analysis, only those risks categorised as higher will be assessed in detail and, where applicable, measures provided.

We manage these processes using a secure SCDDA documentation tool, which also supplies us with relevant news from press sources.

The results of the risk analyses are communicated internally to the Global Board as the leading decision-making body.



PRECAUTIONARY AND REMEDIAL MEASURES – GENERAL

Processes have been defined for the event of the Kurtz Ersa Group becoming aware of a human rights or environment-related infringement of the due diligence obligation.

These each take a risk-based approach and regulate the measures which may be suitable and how we can prioritise them.

PRECAUTIONARY MEASURES

The aim is to avoid or minimise the risks for people and the environment. The risk rating is therefore decisive and defines, among other things, the speed or priority of implementation and whether a measure must or can be implemented on a mandatory or voluntary basis.



The precautionary measures will be applied both in our own business area and externally in our supply chain. These include, among others:

- We publish our Policy Statement and proactively communicate the content – both internally and externally.
- In order to ensure international implementation of the observance of human rights and environment-related due diligence obligations, Kurtz Ersa runs a worldwide training programme and liaises closely with its suppliers regarding human rights and the environment.
- We take human rights and environment-related requirements into account in selecting our suppliers and in our procurement strategy. We design our procurement practices in a way which ensures that they do not contribute to human rights or environment-related risks or infringements.
- We endeavour to enter into contractual agreements on the respecting of human rights and the environment (including the right to audit and the right to cooperation with regards to schedules of measures) with all our direct suppliers and demand that they appropriately address these issues with their own business partners.
- Together with our direct suppliers, we draw up risk-based measures and monitor their implementation and efficacy.

REMEDIAL MEASURES

Through the use of suitable measures, we are at pains to prevent, end or reduce already-identified or imminent infringements relating to human rights or the environment.

In this context, it is important to differentiate between infringements in our own business area and those in our supply chain (direct/indirect suppliers). We carry out an “event-related” risk analysis to evaluate substantiated evidence.

In each case, the careful execution and documentation lies within the sphere of responsibility of the defined officer who, on request, receives support from the Compliance Department. Any changes which impact on the execution of the defined measures are to be reported proactively to the Human Rights Officer and the Compliance Department.

As a matter of principle, we reach a contractual agreement with our business partners that they will support us in the resolution of the issue and cooperate in full within a reasonable time frame. We subsequently examine the efficacy by means of suitable inspection measures. In implementing the prevention and remedial measures, we place great importance on working in cooperation with our suppliers. However, in the event of serious violations, we reserve the right to impose appropriate sanctions or – as a last resort – terminate the contract or the business relationship.



COMPLAINTS MANAGEMENT / COMPLAINTS PROCESS

Appropriate and effective complaints management is an important element of our due diligence processes, in order to effectively prevent possible negative human rights and environment-related impacts by our company and our business activities, and to find effective remedies.

To supplement the risk management processes, we therefore maintain a complaints and whistleblower system along with the relevant documentation and reporting.

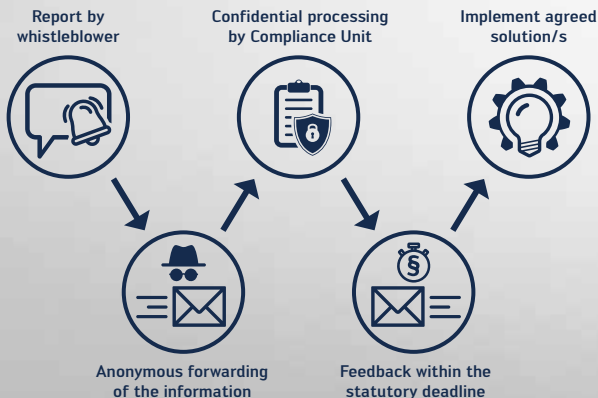
Kurtz Erska runs its complaints system via an external software solution. This can be used by both staff members and third parties to submit complaints. The system is multilingual. It can be accessed "24/7" via our website and offers the option of anonymous or confidential reporting. It is updated regularly and as the need arises, based on the latest findings.

Here, infringements relating to our own business area as well as to our supply chain or suppliers can be reported. The system and

the defined processes meet the requirements of the Supply Chain Due Diligence Act and the Whistleblower Protection Act.

When a possible infringement is reported, it is initially forwarded to the Central Compliance Unit of the Kurtz Erska Group. If the matter relates to our own business area, it is dealt with by staff from the Compliance Unit. If, on the other hand, is related to our supply chain, it is passed on to be dealt with by the Procurement Department and the respective responsible procurement manager.

If the reported suspected human rights or environment-related risk or infringement is confirmed, the necessary preventative or remedial measures are drawn up and their efficacy examined. Our publicly-accessible code of procedure describes our [complaints procedure](#) in greater detail.



EFFECTIVENESS AUDIT

The efficacy of the defined processes and measures in our own business area and in the supply chain are examined at least once a year and as the occasion arises. We define suitable KPIs and use the existing procedural structures of our integrated management system (consisting of ISO 9001, ISO 14001, ISO 45001 and ISO 50001).



ONGOING IMPROVEMENT

To enable us to meet our due diligence obligations, we live out an ongoing improvement process. For example, we regularly check whether changing framework conditions or findings resulting from information received

impact on our processes. The ongoing improvement too, is in line with the procedural structures of our integrated management system.

REPORTING AND ENTRY INTO FORCE

All current information on strategic decisions, processes and measures relating to the principles laid down in this Policy Statement are published in the annual edition of the nonfinancial report and on the Kurtz Ersa's company website.

the Advisory Board, the Management Board, our senior management and our staff at all national and international companies in the Kurtz Ersa Group as well as external supplier networks (Code of Conduct for Staff and Business Partners).

This Policy Statement on the observance of human rights and environment related due diligence obligations comes into effect on the day it is signed and augments existing codes of conduct for shareholders,

In the case of interpretive problems in different language versions, the German version shall apply.

GLOBAL. AHEAD. SUSTAINABLE.



Kurtz Ersa Group

Kurtz Holding GmbH & Co. Beteiligungs KG

Frankenstr. 2

97892 Kreuzwertheim

Tel. +49 9342 807-0

info@kurtzrsa.de

www.kurtzrsa.de