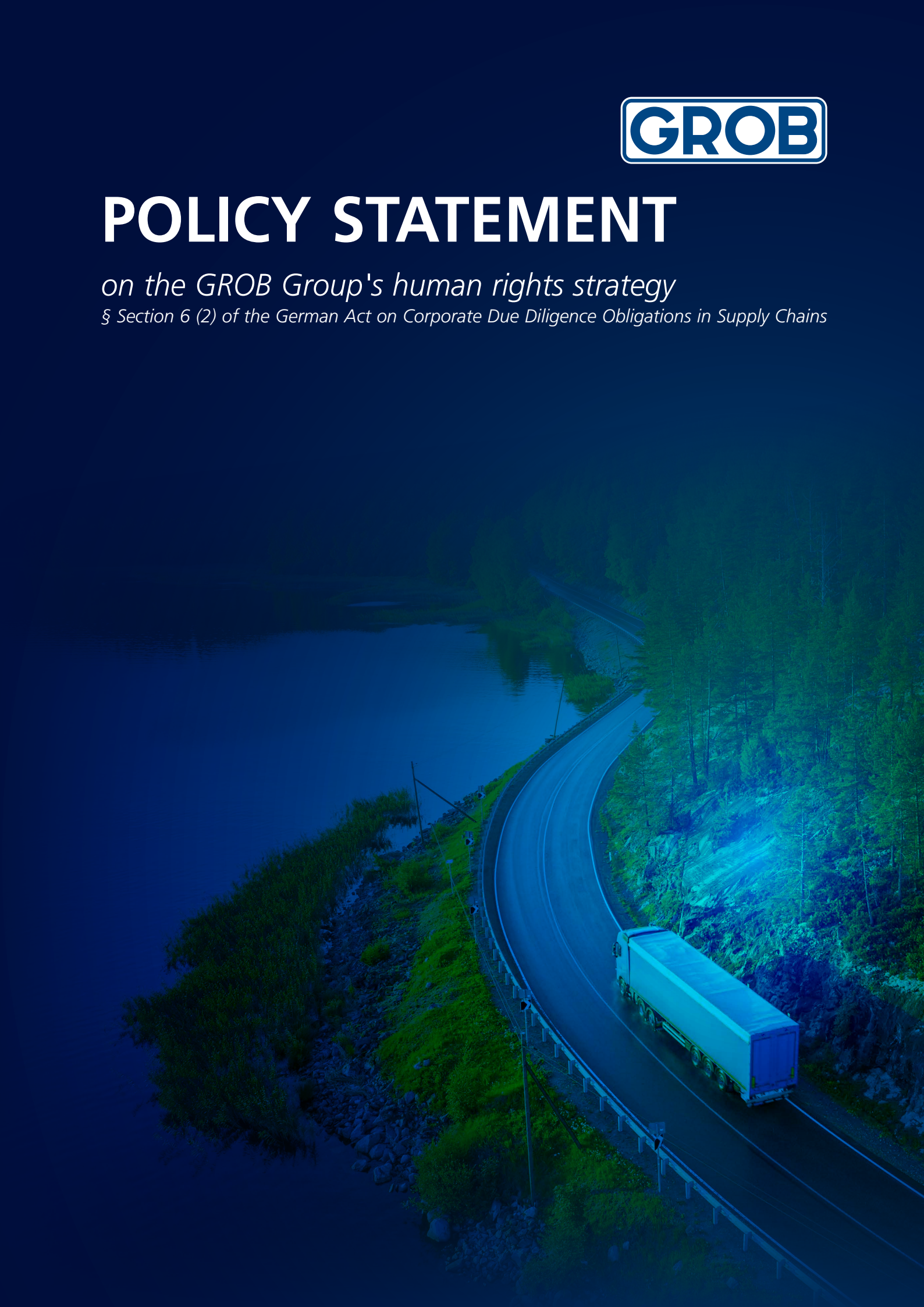




# POLICY STATEMENT

*on the GROB Group's human rights strategy*

*§ Section 6 (2) of the German Act on Corporate Due Diligence Obligations in Supply Chains*



# *GROB declaration of principles*

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# PREAMBLE

*As an internationally active family business, we are proud to be a pace-setting pioneer in the construction of highly innovative production and automation systems and want to remain so in increasingly fast-moving times, characterized by technological change and political uncertainties. Sustainability-oriented and solidarity-based action has been the foundation of our economic success for four generations now and has been firmly anchored in our corporate strategy from the very beginning.*

*With this declaration of principles, we therefore not only want to meet the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains, which came into force on 1.1.2023, which aims to improve the international human rights situation and the protection of the environment through the responsible design of supply chains; as a responsible employer and globally positioned company, it is also part of our corporate culture to take responsibility for our actions by respecting internationally recognized human and environmental rights and preventing, minimizing and, where necessary, remedying human rights and environmental violations. We want to reaffirm this attitude with this policy statement on the GROB Group's human rights strategy.*

## 1. SCOPE OF APPLICATION



As a company directly bound by the German Act on Corporate Due Diligence Obligations in Supply Chains, our commitment to respecting human and environmental rights applies to both our own and external business area of GROB-WERKE GmbH & Co KG in Mindelheim and equally includes all other production sites belonging to the GROB Group as well as service companies abroad (hereinafter referred to "GROB" or also "GROB Group"). Every GROB Group company is therefore obliged to adhere to this Policy Statement.

## 2. COMMITMENT TO THE HUMAN RIGHTS STRATEGY



The declaration of principles on the GROB Group's human rights strategy is not only an expression of the values we live by. At the same time, it supplements our central rules of conduct, which

we already set out in writing in 2018 in the form of a compliance guideline and over the years into a Code of Conduct, which we will republish in the first half of 2024. It will thus become the basis for all internal company guidelines and regulations and set binding guidelines that convey our basic ethical principles in addition to the authoritative legal framework. Our Code of Conduct will apply to all GROB Group companies, i.e. all subsidiaries of GROB-WERKE GmbH & Co KG, and is aimed equally at our executive bodies and our employees.

Beyond its own factory gates, GROB attaches great importance to sustainable business relationships and respectful interaction with one another. Initially in the form of Supplier Sustainability Standards, which will be developed into a comprehensive Code of Conduct for Business Partners in the future, GROB addresses its business partners directly, who must fulfill their responsibilities within the supply chain. While our Supplier Sustainability Standards focused primarily on our suppliers, we are now taking a holistic approach with our Code of Conduct for Business Partners and also want to address our customers and investors as well as the media, society, non-governmental organizations ("NGOs") and politics. In particular, the increasing requirements in the area of sustainability make it necessary for us to rethink traditional structures and expand our stakeholder group. We are committed to a partnership-based dialog on an equal footing with all our stakeholders.

Building on this, our commitment to respecting human and environmental rights includes appropriate compliance with human rights and environmental due diligence obligations to protect the prohibition of

- ⊕ from all forms of child labor  
(cf. §2 para. 2 nos. 1 and 2 German Act on Corporate Due Diligence Obligations in Supply Chains);
- ⊕ forced labor and all forms of slavery  
(cf. Section 2 para. 2 nos. 3 and 4 German Act on Corporate Due Diligence Obligations in Supply Chains);
- ⊕ disregard for occupational health and safety and work-related health hazards  
(cf. Section 2 (2) no. 5 German Act on Corporate Due Diligence Obligations in Supply Chains);
- ⊕ disregard for freedom of association –  
freedom of association and the right to collective bargaining  
(cf. § 2 para. 2 no. 6 German Act on Corporate Due Diligence Obligations in Supply Chains);
- ⊕ unequal treatment in employment  
(cf. Section 2 (2) no. 7 German Act on Corporate Due Diligence Obligations in Supply Chains);
- ⊕ withholding an appropriate wage  
(cf. Section 2 (2) no. 8 German Act on Corporate Due Diligence Obligations in Supply Chains);
- ⊕ the destruction of the natural basis of life through environmental pollution  
(cf. § 2 para. 2 no. 9 German Act on Corporate Due Diligence Obligations in Supply Chains);
- ⊕ unlawful infringement of land rights  
(cf. 2 para. 2 no. 10 German Act on Corporate Due Diligence Obligations in Supply Chains);

- ⊕ the commissioning or use of private/public security forces that can lead to impairments due to a lack of instruction or control (cf. § 2 para. 2 no. 11 German Act on Corporate Due Diligence Obligations in Supply Chains);
- ⊕ an act or omission in breach of duty which is directly capable of impairing a protected legal position in a particularly serious manner and the unlawfulness of which is obvious on a reasonable assessment of all the circumstances in question (cf. § 2 para. 2 no. 12 German Act on Corporate Due Diligence Obligations in Supply Chains);
- ⊕ the prohibited production, use and/or disposal of mercury (Minamata Convention) (cf. Section 2 (3) nos. 1, 2 and 3 German Act on Corporate Due Diligence Obligations in Supply Chains);
- ⊕ the prohibited production and/or use of substances within the scope of the Stockholm Convention (persistent organic pollutants, POPs) and the environmentally unsound handling of waste containing POPs, and (cf. § 2 para. 3 no. 4 and 5 German Act on Corporate Due Diligence Obligations in Supply Chains);
- ⊕ the prohibited import/export of hazardous waste within the meaning of the Basel Convention (cf. § 2 para. 3 nos. 6, 7 and 8 German Act on Corporate Due Diligence Obligations in Supply Chains).

GROB is aware of the risk that its business activities and global supply and value chains may cause or contribute to potentially adverse impacts on the aforementioned human and environmental rights. GROB is therefore committed to respecting these internationally recognized human and environmental rights and has set itself the task of continuously reviewing and improving its human rights and environmental due diligence processes. We want to live up to our corporate responsibility and avoid adverse effects on the international human rights situation and environmental concerns caused by our actions by organizing our supply chain and value chain management responsibly and sustainably.

## 3. EXPECTATIONS

We at GROB not only have high expectations of our executive bodies and employees, but also of our business partners. Their unreserved commitment to and support of these aforementioned, internationally recognized human and environmental rights is the cornerstone of any cooperation with GROB.

We do not demand the impossible. We expect our employees and suppliers to provide us with the best possible support in terms of the German Act on Corporate Due Diligence Obligations in Supply Chains in order to adequately prevent the human rights and environmental risks addressed by the German Act on Corporate Due Diligence Obligations in Supply Chains and, if necessary, to eliminate or minimize them. In this respect, we require employees and suppliers to make an appropriate contribution in connection with





- ⊕ the development and operation of risk management at GROB,
  - ⊕ the implementation of regular and event-driven risk analyses by GROB,
  - ⊕ the implementation of preventive and remedial measures by GROB and
  - ⊕ the operation of the GROB complaints procedure
- perform.

In this context, we expect our employees in particular to act as role models for legally impeccable and ethically sound behavior in society and in the workplace in accordance with our Code of Conduct and to actively support our efforts to respect human and environmental rights, particularly in their own business areas in line with the German Act on Corporate Due Diligence Obligations in Supply Chains.

We expect our suppliers in particular to commit to establishing and complying with appropriate due diligence processes based on our Code of Conduct for Business Partners, especially if they themselves are subject to the German Act on Corporate Due Diligence Obligations in Supply Chains, and to pass this commitment on to their own suppliers. However, we also expect suppliers who are not themselves bound by the German Act on Corporate Due Diligence Obligations in Supply Chains to take appropriate measures on their behalf in order to implement their commitment to respecting human and environmental rights in the best possible way.

## 4. PRIORITY RISKS

At GROB, we take a holistic approach to dealing with potential risks and possible violations in our own business area on the one hand and within our global supply chains on the other. We have set out to develop a multi-stage process with the help of which we systematically identify adverse human rights and environmental impacts. As required by law we carry out risk analysis once a year as well as on ad hoc basis if we must expect a significantly changed or significantly expanded risk situation in the supply chain. On this basis we derive the necessary preventive and remedial measures. Our risk management with regard to human rights and environmental due diligence is described in detail under 5. We see this as an ongoing process that we will continue to develop step by step on the basis of new findings.

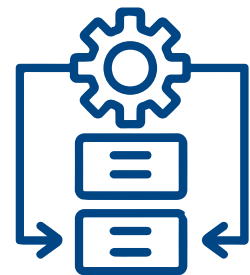
At the moment, our priority challenge is to systematically record the GROB Group's global supply chains and to penetrate them in the required depth in accordance with the legal requirements. In particular, the entry into electromobility a few years ago has led to a high level of complexity and diversity in our supply structures. In addition to a fundamental industry risk inherent to mechanical engineering per se, we are also confronted with structural country risks due to our global involvement, some of which are beyond our control. We will gradually minimize the risks identified in terms of their severity, reversibility and we prioritize those risks that are more likely to have a greater impact and that we can influence or even contribute to.



In order to be as effective as possible in this regard, our priority is to enter into dialog with our suppliers and to motivate as many as possible to work together more closely to protect and improve human and environmental rights and to convince them of our shared commitment.

## 5. PROCEDURE

### 5.1. Organization and responsibility – Risk management



The management of GROB-WERKE GmbH & Co. KG is primarily responsible for the implementation of and compliance with human rights and environmental due diligence. An effective risk management system has been established for this purpose, which is anchored in all relevant business processes through appropriate measures. The requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains are woven into this in terms of personnel, processes and documentation. Our risk management makes it possible to identify and minimize human rights and environmental risks and to prevent, stop or minimize the extent of violations if we have caused or contributed to them in the supply chain.

Operational implementation in our own business area is carried out by the Sustainability Officer of GROB-WERKE GmbH & Co KG, who is part of the Legal & Compliance organizational unit below the CFO of GROB-WERKE GmbH & Co KG. The Sustainability Officer is responsible both for carrying out risk analyses and for coordinating preventive and remedial measures based on these analyses within the GROB Group's own business activities. To this end, he has the necessary contacts both at the Mindelheim site and at all subsidiaries. In the external business area, operational implementation is carried out by Strategic Purchasing, which is also assigned to the CFO. A project team has been formed within Strategic Purchasing, which is entrusted with this task centrally and – where necessary – is in close contact with the respective local purchasing managers at all foreign production plants. With regard to legal issues, both units are supported by the Legal and Compliance organizational unit.

In accordance with legal requirements, the management of GROB-WERKE GmbH & Co KG has also appointed a person who is responsible for monitoring human rights and environmental risk management. This function is performed by the Compliance Officer of GROB-Werke GmbH & Co KG, who is part of the Legal & Compliance organizational unit and, as an in-house lawyer, has the necessary expertise and objectivity. In this function, the Compliance Officer is responsible, among other things, for ensuring that training courses and audits are prepared and, if necessary external reporting on human rights due diligence is carried out and that the risk management implemented to ensure human rights and environmental due diligence is continuously reviewed and improved where necessary. The management is informed by this person at least once a year, or on an ad hoc basis if necessary.

## 5.2. Risk analyses

Annual and ad hoc risk analyses are carried out in our own business area and in the supply chain in accordance with legal requirements and the results are appropriately weighted and prioritized.

We review our suppliers with the support of EcoVadis, whereby we first determine the potential human rights and environmental risk that arises for a supplier based solely on its industry and the country in which it is based (EcoVadis IQ Plus). Building on this, all those suppliers for whom a relevant risk level was identified in this abstract risk analysis are subjected to a concrete risk analysis based on an EcoVadis rating or comparable sustainability certifications. The findings and potential risks are then assessed according to their severity and probability of occurrence. When prioritizing the preventive and remedial measures to be initiated in individual cases, we also take into account any contribution to causation and our ability to influence the respective supplier.

In particular, we include indirect suppliers in the aforementioned analyses and measures if we have factual indications that a violation of a human rights or environmental obligation by an indirect supplier appears possible (substantiated knowledge).

In our own division, we carry out risk analyses on the basis of well-founded questionnaires that explicitly address human rights and environmental risks. The Sustainability Officer at the Mindelheim site works with the Human Resources, Occupational Safety, Engineering and Environmental Management departments in particular to answer these questions. In our subsidiaries, this structured inquiry is carried out by the respective contact persons of the sustainability officer on site.

We communicate the results of our risk analysis to the relevant decision-makers and take them into account appropriately.

## 5.3. Prevention and Remedial measures

Based on the results of the risk analysis described above, we assign appropriate preventive and remedial measures to the weighted and prioritized risks in accordance with the law, the effectiveness of which is reviewed annually and on an ad hoc basis. If necessary, we make appropriate adjustments.

### ► Preventive measures

In particular, we see our Policy Statement on the GROB Group's human rights strategy as a preventive measure and an important first step in which we recognize our corporate due diligence obligations with regard to human and environmental rights and concretize them both



towards ourselves and towards business partners. By publishing this declaration of principles on the GROB website and with the help of targeted communication measures, we are making an important contribution to raising the awareness of both our employees and our business partners for sustainable supply chain and value chain management.

In order to avoid or mitigate identified risks, we have introduced various preventative measures in our own business division, the effectiveness of which we monitor on an ongoing basis and adjust as necessary. Our own regulations, first and foremost our Code of Conduct and our Code of Conduct for Business Partners, which will come into force shortly, reflect our commitment to the aforementioned international human and environmental rights. These are a binding framework of action for all our employees and suppliers. In addition, we have a large number of internal procedural instructions that we are gradually reviewing with regard to our human rights and environmental due diligence processes and adapting them accordingly if necessary.

We actively work towards compliance with and implementation of these standards along the supply chain. The commitment of our direct suppliers to comply with these standards is an indispensable prerequisite for long-term business relationships and compliance with the standards and due diligence with regard to human rights and environmental risks of the German Act on Corporate Due Diligence Obligations in Supply Chains is an important evaluation criterion when selecting our direct suppliers.

Our new Code of Conduct for Business Partners will become part of our supplier onboarding process as well as our standard procurement contracts and General Terms and Conditions of Purchase. As part of our holistic sales process, we review the impact of customer orders on human rights before accepting them.

Our revised contracts and general terms and conditions also provide for the possibility of internal on-site audits and external audits to check compliance with the standards set out in our Code of Conduct for Business Partners and this policy statement. In addition we also oblige our direct suppliers to demand that their respective suppliers comply with human rights. We reserve the right to terminate the business relationship in the event of non-compliance or significant violations.

We also have the opportunity to offer our direct suppliers training courses via EcoVadis, in which participants are made aware of human rights and labor standards. However, these training courses are also available to our employees who are involved in implementing the German Act on Corporate Due Diligence Obligations in Supply Chains. Further in-house training measures with an extended group of participants are currently being planned.

We also endeavor to ensure compliance with the standards with regard to indirect suppliers. If we obtain substantiated knowledge of a (possible) violation at an indirect supplier, we carry out a risk analysis and take appropriate preventive and remedial measures.

## ► Remedial measures

If we identify imminent or even existing violations of a human rights or environmental obligation in our own business area, we will immediately prevent, stop or minimize them.

The same applies – where possible – to breaches at one of our direct suppliers. If a breach at such a supplier is of such a nature that we cannot prevent it or end it in the foreseeable future, we will immediately implement a minimization concept. Depending on the severity of the breach, this may include appropriate responses ranging from a request to remedy the breach immediately to legal action or termination of the business relationship.

## 6. COMPLAINTS PROCEDURE/ WHISTLEBLOWER SYSTEM



GROB rejects all forms of human rights and environmental violations. We therefore consider appropriate and effective complaints management to be an important part of our human rights and environmental due diligence processes.

We therefore expressly encourage all employees of the GROB Group as well as third parties to report information on human rights and environmental risks as well as violations of human rights or environmental obligations caused by the business activities of the GROB Group in its own business area or our direct and indirect suppliers. The same applies to violations of our Code of Conduct or other violations of the law in a professional context.

A report can be made at any time either directly to the Compliance Officer of GROB-WERKE GmbH & Co KG ([compliance@grobgroup.com](mailto:compliance@grobgroup.com)) or via the GROB Group's digital whistleblower system. This can be accessed via the GROB website (<https://www.grobgroup.com/unternehmen/compliance/>) and also allows anonymous reports.

All incoming reports are processed exclusively by the Legal & Compliance organizational unit and, if necessary, targeted measures are coordinated from there in consultation with the respective departments concerned. Further information can be found on the GROB website and in the rules of procedure available there.

## 7. DOCUMENTATION AND REPORTING



We will report regularly on the implementation of the legal requirements and the progress of our human rights and environmental due diligence processes in accordance with the legal requirements.

## 8. FURTHER DEVELOPMENT



Like our Code of Conduct and our Code of Conduct for Business Partners, we see our Policy Statement on Respect for Human Rights of the GROB Group as a "living document" that we will continuously review and update based on future findings and the resulting need to adapt our measures.

A handwritten signature in blue ink, appearing to read 'G. Wankmiller'.

German Wankmiller  
Chairman of the Board & CEO

A handwritten signature in blue ink, appearing to read 'W. Weber'.

Wolfram Weber  
Vice Chairman of the Board & CFO

A handwritten signature in blue ink, appearing to read 'Christian Müller'.

Christian Müller  
Member of the Board & CSO