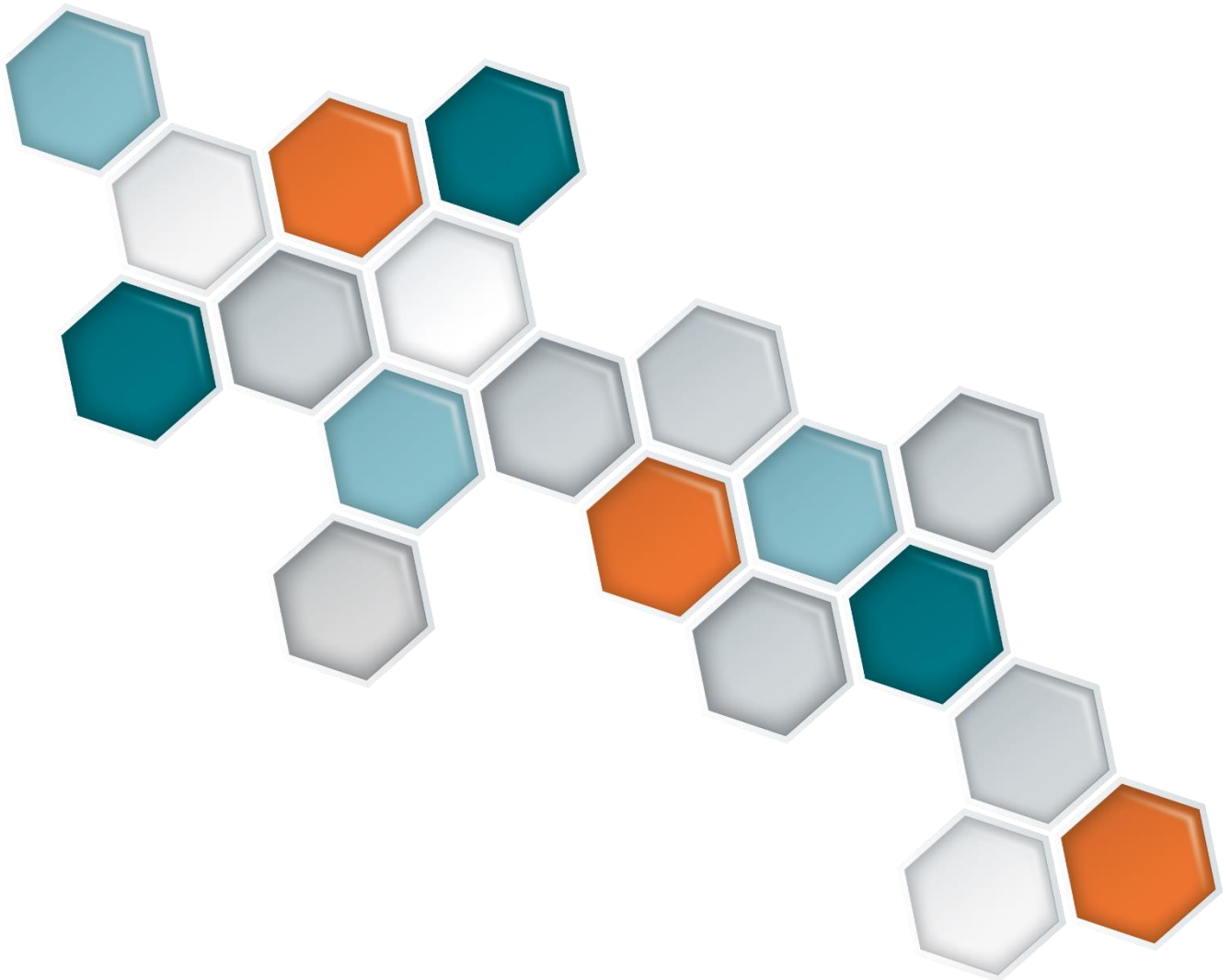




# DECLARATION OF PRINCIPLES

ON RESPECT FOR HUMAN RIGHTS IN ACCORDANCE WITH SECTION 6 PARA. 2  
SUPPLY CHAIN DUE DILIGENCE ACT (LKSG)



## OUR COMMITMENT TO RESPECT HUMAN RIGHTS

At Mühlbauer, we are aware of our social responsibility to respect human rights and the associated duty to protect the environment. We respect human rights not only in our own business area, but also work towards compliance with these rights in our global supply and value chains. Our business activities are guided by the principles of ethical conduct and social responsibility to ensure that we promote a sustainable, fair and responsible supply chain.

We are bound by the Universal Declaration of Human Rights to support and respect the adherence to human rights and neither participate in nor condone human rights violations. We act in accordance with the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

The implementation of this Declaration of Principles is overseen by the CEO of the Group and the managing directors of all business lines. This ensures that every area at Mühlbauer acknowledges its own responsibility for the respect of human rights and their daily implementation. The starting point for the practical implementation of this Declaration of Principles is to promptly identify and avoid risks and potentially negative effects of our business activities on human rights and our environment. This risk-based approach is applied both in our supply chain and in all companies within the Group.

We are committed to continuously reviewing our approach to human rights and our implementation of due diligence obligations both now and in the future so that we can always take account of changing conditions and developments.

## SCOPE OF APPLICATION

This Declaration of Principles covers the Mühlbauer Group's own business area, including all companies within the Group over which the parent company Mühlbauer Holding AG can exert a decisive influence, as well as employees and business partners along our entire supply chain.

## OUR HUMAN RIGHTS STRATEGY

Our human rights strategy reflects our commitment to respecting human rights. This human rights strategy serves as a corporate plan to ensure adherence to human rights and environmental obligations.

### 1. HUMAN RIGHTS AND ENVIRONMENTAL RISKS

#### **Prohibition of child labor, forced labor and slavery**

We strictly reject all forms of child labor, forced labor and slavery. The Mühlbauer Group advocates that the development of children is not to be restricted through gainful employment. Their safety and health must be protected and they must be able to concentrate fully on their education. In accordance with the ILO core labor standards, we comply with the minimum age for employment pursuant to the applicable national regulations. We thus verify whether applicants and employees have reached the minimum age for employment and which tasks under 18-year-olds are allowed to perform.

We do not condone any form of forced labor or slavery. This includes all forms of modern slavery and human trafficking. All employment relationships are always voluntary and can be terminated subject to the statutory notice period. In accordance with the ILO core labor standards, we strictly reject the aforementioned forms of labor.

#### **Right to appropriate remuneration**

Mühlbauer adheres to international standards, such as the principle of equal pay for work of equal value. In particular, we are committed to an appropriate wage that complies with the locally applicable statutory minimum standards and minimum wages. Furthermore, the cost of living and social security benefits in the respective country are taken into account when calculating wages. We also ensure that wages or expenses to be reimbursed are paid on time, in full and in a recognized currency.

#### **Right to freedom of association**

At Mühlbauer, we attach particular importance to regular dialog between employees and management. The foundation, joining or affiliation of a labor union recognized under the applicable law must not be used as a reason for unjustified unequal treatment or retaliation. We strive for a fair balance between the economic interests of the company and the interests of our employees.

#### **Equal opportunities and protection against discrimination**

Given our activities around the world, international cooperation is particularly important to us. As part of our diversity concept, we actively promote diversity within the company and an open, inclusive corporate culture. Equal treatment is therefore a fundamental guiding principle of our corporate policy. We do not tolerate discrimination or unequal treatment on the basis of ethnic origin, gender, religion, ideology, disability, age, sexual identity, nationality, political opinion or any other characteristic protected by local law. We do not condone sexual or other personal harassment, insults, coercion, bullying or violence of any kind or the threat thereof. The Mühlbauer Group is moreover committed to equal opportunities for all employees.

#### **Right to health and safety at work**

The health and safety of our employees are the basis for a successful cooperation with our employees. For this reason, occupational health and safety laws are consistently complied with at our sites worldwide and certification standards such as ISO 45001 are applied. This enables us to guarantee improvements in occupational safety at all times. It is also essential for us to ensure the well-being of employees in the supply chain.

#### **Right to working time compliance**

The Mühlbauer Group follows the ILO core labor standards and complies with the applicable national working time regulations. This guarantees that employees are compensated for their overtime in the form of time off or appropriate remuneration.

#### **Assignment of security personnel**

We do not tolerate any unlawful behavior on the part of security personnel towards employees or third parties. The security personnel we employ must uphold all internationally recognized human rights and ensure that our service providers are trained accordingly.

## Environment

We as the Mühlbauer Group are committed to our responsibility to protect the environment and are aware of the potential impact of our products, production and purchasing processes on the environment and people. We contribute to reducing the impact on people and the environment to a minimum through the responsible use of natural resources. In order to prevent possible environmental damage or to avert it at an early stage, sensitized employees ensure compliance with all relevant and applicable environmental regulations when handling hazardous substances, and we expect the same from our suppliers. Waste materials are systematically reduced by the avoidance of waste or are recycled for reuse. In addition, the headquarters in Roding is certified under the ISO 50001 energy management system and the ISO 14001 environmental management system. The Group is thus continuously reviewing energy-saving measures and improving performance, thereby ensuring its contribution to environmental and climate protection. We operate in accordance with the Minamata Convention on Mercury, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal and the Stockholm Convention on Persistent Organic Pollutants.

## 2. PROCEDURAL DESCRIPTIONS AND MEASURES RELATING TO DUE DILIGENCE OBLIGATIONS

### RISK MANAGEMENT

Our risk management is intended to identify, prevent and eliminate risks and violations relating to human rights and the environment along our global supply chain. Our aim thereby is to improve the human rights situation within our supply chain.

Mühlbauer identifies the following groups of people as particularly affected and potentially at risk with regard to human rights and environmental rights:

- Our own employees
- Employees of our direct and indirect suppliers
- All other groups of people with an indirect connection to our supply chain

### RISK ANALYSIS

The cornerstone of our actions within the scope of our corporate due diligence obligations is a comprehensive risk analysis. We examine human rights and environmental risks as well as any impacts arising from our own business activities and along the global supply chain on a regular and ad hoc basis. Reasons for an immediate update of the risk analysis may include a significant change or expansion of our own business activities or if we receive substantial information about a possible violation of a human rights or environmental obligation. We resort to digitalized risk data and AI-supported analysis processes. We carry out a regular analysis in our own business area of the Mühlbauer Group, for all direct suppliers and our other business partners as follows:

#### Risk identification

Risks in our supply chain are primarily determined on the basis of external data sources both on country risks and product group risks. The identification of risks in our own business area is essentially based on an abstract risk analysis broken down by country risk and an evaluation of publicly available material as well as internal surveys. Insights obtained as part of the LkSG complaints procedure are gradually incorporated into risk identification through continuous improvement of processes.

### **Risk assessment and prioritization**

Identified risks are evaluated and assessed. The risk assessment is based on the legally stipulated appropriateness criteria: Severity of breach and probability of occurrence. The appropriateness criteria are used for subsequent prioritization: Influence capacity and contribution to causation. We can therefore prioritize the most serious risks and derive preventive and remedial measures on this basis.

### **PREVENTIVE AND REMEDIAL MEASURES**

In order to meet our responsibility to respect human rights and protect the environment, we take appropriate measures, which we derive from the results of the risk analysis and prioritize accordingly. Our aim is to protect potentially or actually affected persons from negative human rights and environmental impacts or to at least reduce them.

#### **Preventive measures**

Our preventive measures seek to reduce the probability of an incident occurring in order to prevent a breach of a human rights or environmental obligation. If a risk is identified, we immediately implement the legally required preventive measures in our own business area or at a direct supplier. We implement preventive measures for indirect suppliers as soon as we obtain substantiated information of a human rights or environmental risk.

#### **Remedial measures**

The aim of our remedial measures is to prevent, put to an end or minimize the extent of existing and imminent violations of a human rights or environmental obligation. If we determine that human rights and/or related environmental rights are being violated within the Mühlbauer Group or at one of our direct suppliers, or that a violation is imminent, we immediately initiate remedial measures. In the case of indirect suppliers, we implement remedial measures in the form of an action plan upon obtaining substantiated information of a violation of human rights or environmental regulations.

### **COMPLAINTS PROCEDURE**

An appropriate and effective grievance procedure is essential to our due diligence processes in order to effectively prevent and remedy potential detrimental impacts caused by our company and our business activities.

Internal and external stakeholders as well as all potentially affected persons and groups of persons can anonymously report information and complaints about human rights and environmental risks or breaches of duty. The complaints office is independent, works autonomously and is subject to the strictest confidentiality regarding the content of the report and the identity of the reporter. All reported information and well-founded suspicions of possible human rights and environmental violations are processed as part of a transparent, fair and reliable process for all parties involved.

Our systematic handling of complaints and the knowledge gathered from them enables us to continuously improve our human rights and environmental due diligence processes. We review the effectiveness of this complaints procedure annually and on an ad hoc basis.

Complaints and comments can be submitted via the following link:

<https://prod.osapiens.cloud/portal/portal/webbundle/supplier-os-hub/supplier-os-hub/public-access-app/complaint.html#/public/hub/muehlbauer/DEFAULT/complaint/new>

### **DOCUMENTATION AND REPORTING OBLIGATIONS**

As of the 2024 financial year, we will report on the fulfillment of our due diligence obligations to the Federal Office of Economics and Export Control (BAFA). This report will be available on our website annually from April 30, 2025.

### **3. EXPECTATIONS OF EMPLOYEES AND SUPPLIERS**

We are convinced that actively assuming responsibility for the upholding human rights and a comprehensive environmental protection is an important factor for the long-term success of our company and therefore expect all our employees, suppliers and all other business partners to comply with these principles. We expect our suppliers not only to comply with ecological and social standards, but also to strengthen compliance with human rights and environmental standards vis-à-vis their suppliers and business partners.

In order to meet this requirement, there are group-wide guidelines that form the basis of our daily actions. These include the Mühlbauer Code of Conduct, which provides all employees of the Mühlbauer Group with orientation for responsible behavior. In order to ensure sustainable management in our entire supply chain, our requirements for our suppliers are set out in our Code of Conduct for Suppliers (<https://muehlbauer.de/company/code-of-conduct/>).

### **UPDATING THE DECLARATION OF PRINCIPLES**

This Declaration of Principles is reviewed both annually and on an ad hoc basis and adapted to the changed or expanded risk situation.