

Modern Slavery Act

Statement for Financial Year 2019

This statement is made pursuant to s.54 of the Modern Slavery Act 2015.

It sets out the steps that DMG MORI UK LIMITED as part of the DMG MORI Group of companies (DMG MORI) in general have undertaken - and are continuing to take - to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

Modern slavery encompasses slavery, servitude, human trafficking and forced labor. We have a zero tolerance approach to any form of modern slavery. DMG MORI is committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or our supply chain.

Our organization

DMG MORI AKTIENGESELLSCHAFT is a worldwide leading manufacturer of machine tools with sales revenues of more than € 2.7 billion and more than 7,300 employees. As “Global One Company” – together with DMG MORI COMPANY LIMITED – we reach sales revenues of around € 4 billion.

With dynamic and excellence we advance future technologies. Our portfolio comprises turning and milling machines, the Advanced Technologies, Ultrasonic, Lasertec and Additive Manufacturing as well as consistent automation and digitization solutions. Our modular products allow quick, easy and scalable access to digital manufacturing and end-to-end digitization along the entire process chain – from planning and preparatory work to production and monitoring to service.

Our technology excellence is bundled within the main sectors of “Aerospace”, “Automotive”, “Die & Mold”, and “Medical”. Our partner program “DMG MORI Qualified Products” (DMQP) allows us to offer perfectly matched peripheral products from a single source. Our customer-focused services covering the entire life cycle of a machine tool include training, repair, maintenance and spare parts service. The modern customer portal, “my DMG MORI” digitizes service processes.

More than 12,000 employees work for “Global One Company”. With 154 sales and service locations – including 14 production plants – we are present worldwide and deliver to more than 100,000 customers from 42 industries in 79 countries.



Our policies and procedures

DMG MORI operates a number of internal policies and procedures to ensure that we are conducting business in an ethical and transparent manner. These include:

- [Code of Conduct](#). The Code of Conduct forms the basis for dealing with all DMG MORI's stakeholders and sets out targets and rules that reflect our undertaking to act in a responsible, ethically impeccable and lawful way. To confirm this DMG MORI has a department called "Responsibility" comprising the fields of Sustainability and Compliance.
- German [Corporate Governance Report](#) and [Corporate Governance Declaration](#) give an insight to some of the most relevant governance indicators at DMG MORI.
- [Sustainability Report](#) – The Report covers – without being limited to – human rights including child and forced labour.
- Anti-slavery and human trafficking policy for DMG MORI UK – To set out their position on opposing modern slavery and human trafficking as part of DMG MORI's business and supply chain.
- Recruitment – inter alia, DMG MORI has a structured, digital and group-wide approval process.
- Leading Principles – These form the basis of our modern corporate and management culture.
- Whistleblowing – DMG MORI ensures that all employees know they can raise concerns about how colleagues are being treated, or practices within our business or supply chain, without fear of reprisals. We have several internal and external contact persons in place. Our business partners can also raise concerns inter alia via our external independent legal counsel.
- Responsibility Risk-Assessment for all operative DMG MORI entities – The assessment covers the probability of occurrence and the extent of damage in the areas of compliance and sustainability for key scenarios, including human rights.
- Commitment to diversity: We support an appreciative and unprejudiced organizational culture. In the reporting year, we have voluntarily committed ourselves to this by signing the German Diversity Charter

Our suppliers

A supplier assessment must be carried out at DMG MORI for potential suppliers. This is based on standard assessment criteria throughout the group. Suppliers will also receive the Code of Conduct. DMG MORI expects its suppliers to respect and comply with the principles and values of this code.

Our partner and supplier management ensures that all parties involved follow our voluntary commitment to sustainability and pass the requirements on along the supply chain. Potential suppliers who have confirmed in writing and with binding effect that they comply with our ethical and fundamental requirements qualify for our IT-supported selection process. "Integrity Next" supplements our existing systems and further develops our management approach. By means of digital questionnaires, it enables a transparent examination of possible risk factors, such as inter alia social requirements. As at the end of 2019, already 67 % of our TOP 100 suppliers filled out the

questionnaires completely or partly. In the next step, we will use these responses to initiate targeted measures to consistently further develop our suppliers. If our requirements are met, the chances of winning tenders on our SAP Ariba purchasing platform increase. This process applies in particular to new suppliers: Only when our requirements have been confirmed in SAP Ariba, we can start working together. This procedure is an essential part of our purchasing guidelines. In the event of a rejection or suspicion of a breach of one of the ethical or principal requirements, an escalation process is defined. This regulates the further procedure in the partnership, either to define joint supplier development measures or to terminate the cooperation.

We monitor and evaluate our existing suppliers using an IT-based early warning system. Our supplier due diligence and supply chain management is further explained in our [Sustainability Report](#). Our current business partners (including suppliers) are checked against the EU Sanction List on a regular basis and further investigation is carried out if required.

Training

Every employee at DMG MORI is required to complete our e-Learning training course “Compliance Basics” This course is essentially based on our Code of Conduct and includes slavery and human rights aspects.

The Compliance department also includes anti-slavery and human rights aspects in their training for all Managing Directors.

For further information about our training concept as well as further information in general please see our [Sustainability Report](#).

This statement was approved by the Chairman of the Executive Board of DMG MORI AKTIENGESELLSCHAFT and the Managing Director of DMG MORI UK LIMITED April 2020.

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DMG MORI AKTIENGESELLSCHAFT

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