

Policy Statement regarding human rights and the environment

Financial year 2023

OUR COMMITMENT

At DMG MORI, corporate success and responsibility for people, society and the environment are in harmony. We comprehensively acknowledge our responsibility towards human rights and our environment and also assume this holistically along the entire value chain. Our goal is to avoid negative impacts on the environment, people and society, to prevent violations and to make a positive contribution to promoting these issues.

DMG MORI is subject to a wide range of local and international regulations and legal requirements as a result of its global business activities. We are guided by ethical values and principles, in particular integrity and compliance as well as respect for human dignity, as set out in the principles of the United Nations Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the core labor standards of the International Labor Organization (ILO) as well as the United Nations Guiding Principles on Business and Human Rights.

We are committed to a responsible approach to our environment and undertake to respect human rights and promote fair working conditions – this applies in particular to dealings in our own business area and with our direct suppliers. We are also committed, within the scope of our possibilities, to implementing our principles and value standards with indirect suppliers and business partners along the entire value chain.

On this basis, we have drawn up this Policy Statement for DMG MORI AKTIENGESELLSCHAFT and its dependent companies in accordance with Section 6 (2) of the German Corporate Due Diligence Act (Gesetz über die unternehmerischen Sorgfaltspflichten – LkSG) on the prevention of human rights violations in supply chains.

COMPANY PROFILE

DMG MORI is a worldwide leading manufacturer of high-precision machine tools and sustainable technologies that are at the center of global value chains. At DMG MORI AKTIENGESELLSCHAFT around 6,800 employees generate sales revenues of over € 2.3 billion.

Together with DMG MORI COMPANY LIMITED, sales revenues amount to around € 3.4 billion. In the “Global One Company”*, more than 12,000 employees are in direct contact with over 100,000 customers from 57 sectors. DMG MORI is present in 88 countries worldwide with 16 production plants, 113 sales and service locations.

* There are two companies using the name “DMG MORI” : DMG MORI AKTIENGESELLSCHAFT with registered office in Bielefeld, Germany, and DMG MORI COMPANY LIMITED with registered office in Tokyo, Japan. DMG MORI AKTIENGESELLSCHAFT is (indirectly) controlled by DMG MORI COMPANY LIMITED. This Policy Statement refers exclusively to DMG MORI AKTIENGESELLSCHAFT. If reference is made in this report to “DMG MORI” , this refers exclusively to DMG MORI AKTIENGESELLSCHAFT and its controlled companies within the meaning of Section 17 of the German Stock Corporate Act (Aktiengesetz - AktG). If reference is made to “Global One Company” , this refers to the joint activities of DMG MORI COMPANY LIMITED and DMG MORI AKTIENGESELLSCHAFT including all subsidiary companies.

The strategic fit of automation, digitization and sustainability is a perfect match with our vision-mission statement: We empower our customers in manufacturing and digitization! We want to be the most attractive global machine tool manufacturer with digitized and sustainable products!

Integrated automation and end-to-end digitization solutions extend our core business with turning and milling machines, Ultrasonic, Lasertec and Additive Manufacturing. We bundle our entire manufacturing know-how of more than 152 years into technology excellence for the focus sectors Aerospace, Automotive, Die & Mold as well as Medical and Semiconductor. Our customer-oriented services cover the entire life cycle of a machine tool – including training, repair, maintenance and spare parts service.

DMG MORI is one of the most sustainable industrial companies worldwide. Our innovative solutions make a decisive contribution to the benefit of the people and the environment. The combination of machines, technologies, users, automation and digitization enables a high degree of process integration for resource-saving and efficient production. True to our motto: *dynamic* . Excellence.

ORGANIZATION AND RESPONSIBILITIES

Responsibility for human rights and environmental due diligence lies with the Executive Board of DMG MORI AKTIENGESELLSCHAFT. The Corporate Risk and Responsibility department is responsible for implementing due diligence. It bundles the topics of risk management, sustainability and compliance as well as the internal control system and reports directly to the Executive Board.

We anchor our human rights and environmental due diligence in our existing management systems (Sustainability management system and Compliance management system) through the sub-areas "Human Rights", "Climate and Environment", and "Supplier and Partner Management". The head of the Corporate Risk and Responsibility department is responsible for conducting and monitoring the human rights and environmental risk analysis (Human Rights Impact Assessments). In addition, various specialist departments provide support in the coordination and handling of human rights and environmental issues.

RISK MANAGEMENT AND PERFORMANCE OF ANNUAL RISK ANALYSES

DMG MORI is exposed to potential human rights and environmental risks through its business operations and international supply chains. We analyze potential negative impacts of our business activities on human rights and the environment for our own business and for our supply chain on an annual basis and as required. For this purpose, we have added human rights and environmental issues to our group-wide risk and supplier management system. The findings from this risk analysis serve as a basis for us to define effective preventive and remedial measures.

In our annual risk analysis, we place the current focus of our due diligence processes in particular on 16 human rights and environmental topics. In the following topics, DMG MORI sees the priority potential risks that are directly or indirectly related to our business activities or our global supply chains:

Medium priority:

- + Climate and energy
- + Water consumption and availability
- + Air pollution
- + Soil pollution
- + Environment and waste
- + Freedom of association and right to collective bargaining
- + Equal opportunities and promotion of diversity
- + Land use and property rights

Higher priority:

- + Forced labor
- + Child labor and young workers
- + Working conditions
- + Wages and remuneration
- + Occupational health and safety
- + Government influence
- + Conflicts and security
- + Impact on the local community

In our risk analysis, we focus in particular on the following groups of people:

- + Employees in own business area
- + Employees in our supply chain
- + Members of local communities

Within these groups of people, we take into account particularly vulnerable individuals who are subject to a higher risk of adverse human rights and environmental impacts and are thus increasingly threatened in their rights. These potentially affected persons occupy a separate position within our due diligence processes. These are groups of people who have special needs, are socially excluded, or who find it difficult to have their concerns heard publicly. Vulnerable persons affected in the supply chain of our industries include in particular:

- + Women
- + Young and older people
- + People with physical and/or mental impairment
- + Ethnic minorities
- + Religious minorities
- + Homosexual, bi-sexual, intersexual, transgender, queer and non-binary people
- + People with low educational level or limited access to education
- + Groups in weak or unregulated environments
- + Precarious or informal workers

MEASURES TO IMPLEMENT OUR DUTIES OF CARE

In order to avoid or reduce human rights and environmental risks, we implement preventive and remedial measures in our own business operations and in the supply chain, which are subject to constant review and ongoing development. For DMG MORI, the implementation of human rights and environmental due diligence is a continuous process.

Prevention measures

In order to fulfill our responsibility to respect human rights and the environment, DMG MORI relies on the interaction of a wide range of preventive measures.

Code of Conduct

Our Code of Conduct describes standards for all our business activities, for contact with our suppliers and business partners, and for our interactions with society and the environment. Here we define our human rights and environmental expectations of our stakeholders. The Code of Conduct can be found online at [DMG MORI Corporate Responsibility Strategy \(dmgmori-ag.com\)](https://www.dmgmori-ag.com).

The principles of conduct described therein are addressed worldwide to all our employees, management as well as the Executive Board and Supervisory Board. The Code of Conduct is a binding component of every employment relationship at DMG MORI.

Likewise, the Code of Conduct is an integral and binding part of the business relationship with our direct suppliers and thus a precondition for cooperation.

Just as we commit ourselves to clear principles towards our employees, customers, suppliers and other business partners – we also expect our business partners to act in accordance with the principles of this Code of Conduct at all sites and business units. We also encourage our business partners to pass on the contents and requirements along their supply chain.

Guideline on respect for human rights and working conditions

The guideline on respect for human rights and working conditions forms the group-wide basis for the implementation of human rights and environmental due diligence at DMG MORI. It documents in detail the processes and minimum standards applicable to all group companies.

Communication and awareness

We inform, sensitize and train our employees on our principles and values.

Our training content ensures that our high standards are observed and applied within DMG MORI worldwide. Training on human rights and environmental topics is already part of our onboarding process for new employees. Likewise, all employees at DMG MORI receive regular refresher training to continuously raise awareness of human rights and environmental risks. We also regularly train our purchasers in compliance-relevant and sustainability-related topics.

Minimum human rights and environmental requirements

We have defined minimum human rights and environmental requirements for our group-wide business activities and for our direct supply chain. With these minimum requirements, our human rights and environmental due diligence obligations are designed in such a way that they are suitable for minimizing, preventing or ending all the risks identified in the annual Human Rights Impact Assessment - thus improving the situation of potentially affected groups of people. In order to be able to identify potential grievances at an early stage and respond accordingly, we regularly conduct anonymous employee surveys. In addition, DMG MORI provides all stakeholders with unrestricted access to fair and transparent grievance procedures. In order to review the effectiveness of our preventive measures, we conduct regular and ad hoc internal reviews and follow up on relevant indications of possible human rights and environmental violations.

Own business

At DMG MORI, various standards and management systems are implemented in the areas of compliance, human and labor rights, safety and health, climate and environment, product responsibility, data and information, and responsible and sustainable procurement.

Various principles and measures serve as a basis for the implementation of human rights and environmental due diligence obligations in the company's own business operations:

- + Manuals and guidelines
- + Processes
- + Programs
- + Communicated roles and duties
- + Trainings and instructions
- + Setting and evaluating measurable goals
- + Control systems

Supply chain

Adherence to compliance and sustainability standards is a basic precondition for working with our direct suppliers. Based on the results of the Human Rights Impact Assessment, an annual risk-based prioritization of our direct suppliers is carried out. For a focused and appropriate selection of preventive measures, the prioritized suppliers are classified according to a predefined weighting. Depending on the classification result, various prevention measures are planned for DMG MORI's direct suppliers:

- + Discussions and definition of corrective measures for suppliers with anomalies in sensitive subject areas
- + Supplier training on human rights and environmental issues
- + Supplier audits with a focus on human rights and environmental aspects
- + Exclusion of suppliers if specified minimum social and ecological criteria are not met

With regard to our indirect suppliers - with whom we do not have a direct contractual relationship - we implement preventive measures when we have actual indications that make violations of a human rights-related or an environmental obligation appear possible.

DMG MORI is committed to its responsibility in the supply chain. We are particularly aware of the problem that products and components purchased from suppliers may contain minerals from conflict regions. These so-called conflict minerals can be problematic in procurement, as some of them come from mines in the Congo or neighboring countries, which can be used to finance armed conflicts and can thus lead to human rights violations. We do not source any (conflict) minerals, such as gold, tantalum, tungsten or tin as raw materials. Due to our complex, multi-level and global supply chain, there is a certain risk that we may be indirectly confronted with legal violations or human rights abuses. We counter this primarily with appropriate due diligence processes.

Remedial action

DMG MORI immediately takes so-called remedial action if there is a suspicion that our business activities violate or contribute to violations of human rights or environmental obligations. If we have a reasonable suspicion or concrete indication of possible violations in our company or in our supply chain, we investigate them carefully and take appropriate action. DMG MORI encourages all stakeholders to raise concerns or suspected violations related to our global business activities.

GRIEVANCE PROCEDURES

For DMG MORI, confidential grievance management is an important part of our due diligence processes. Information about potential human rights and environmental violations or concerns can be reported at any time. We encourage employees of all group companies as well as business partners and external third parties to make use of the DMG MORI HELPLINE in case of any indications.

Several options are available to report concerns or a possible violation.

DMG MORI HELPLINE



RESPONSIBILITY HELPDESK

✉ responsibility@dmgmori.com

INDEPENDENT LAWYER OF TRUST

✉ vertrauensanwalt@thielvonherff.de

Anonymous, free of charge and
via report-form in different
languages – 24 / 7

🌐 <https://report-tvh.com>

CHIEF COMPLIANCE OFFICER

Dr. Patrick Vogt

✉ patrick.vogt@dmgmori.com

DMG MORI takes all reports and information about possible violations as well as conspicuous issues resulting from internal and external audits and risk assessments seriously, investigates them timely and assesses facts objectively and impartially. After checking plausibility, we initiate investigations and any necessary remedial measures as appropriate.

DMG MORI takes all reports and indications as well as anomalies resulting from internal and external audits and risk assessments seriously, investigates them promptly and assesses facts objectively and impartially. After checking plausibility, we initiate investigations and any necessary remedial measures as appropriate. DMG MORI does not tolerate discrimination or retaliation against whistleblowers.

Further information on the whistleblowing system at DMG MORI can be found online at [DMG MORI Corporate Responsibility Strategy \(dmgmori-ag.com\)](https://www.dmgmori-ag.com/corporate-responsibility-strategy).

DOCUMENTATION AND REPORTING

Transparent documentation and communication is an essential part of our human rights and environmental due diligence. In addition to this policy statement, DMG MORI reports on material human rights and environmental risks and existing challenges as well as our measures and progress made in the following publications:

- + Annual and Sustainability Report online at:
[Financial Reports - DMG MORI AKTIENGESELLSCHAFT \(dmgmori-ag.com\)](https://www.dmgmori-ag.com/financial-reports)
- + Code of Conduct online at:
[Corporate Responsibility Strategy \(dmgmori-ag.com\)](https://www.dmgmori-ag.com/corporate-responsibility-strategy)
- + DMG MORI website online at:
[DMG MORI Corporate Responsibility \(dmgmori-ag.com\)](https://www.dmgmori-ag.com/corporate-responsibility)

Internally, we document our due diligence obligations in the guideline on respect for human rights and working conditions.

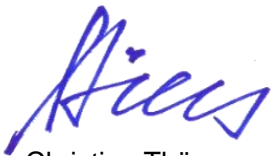
CONTINUOUS FURTHER DEVELOPMENT

Dealing responsibly with human rights and environmental challenges in our global value chains is an ongoing task. At DMG MORI, the processes for safeguarding our due diligence obligations are continuously reviewed, developed and improved.

Dialog with our stakeholders is an important tool for us in this regard. When designing our human rights and environmental processes, we take into account the interests of a wide range of stakeholders in order to assess the effectiveness of our measures. Key findings from complaints are also used to identify potential risks and further develop our measures.

We also review our existing processes on the basis of regular internal and external audits, risk assessments and annual self-assessments. Human rights and environmental issues are an integral part of this annual questionnaire to management in order to identify any need for action comprehensively and in a timely manner.

DMG MORI AKTIENGESELLSCHAFT
Executive Board in March 2023



Christian Thönes
Chairman of the Executive Board



Björn Biermann
Executive Board Member



Michael Horn
Executive Board Member