

Modern Slavery Act

Statement for Financial Year 2022

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

It sets out the steps that the DMG MORI AG-Group 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. This includes especially DMG MORI UK LIMITED as part of the DMG MORI Group of companies (DMG MORI).

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 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.

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.

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:

- [Policy Statement](#) regarding human rights and the environment – Policy Statement in accordance with Section 6 (2) of the German Corporate Due Diligence Act on the prevention of human rights violations in supply chains.
- [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.
- DMG Mori operates an Anti-Slavery and Human Trafficking policy for DMG MORI UK in accordance with the UK Modern Slavery Act - This sets out the DMG Mori UK position on opposing Modern Slavery and Human Trafficking as part of DMG MORI's worldwide 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 as well as all other third parties can also raise concerns inter alia via our external independent legal counsel.
- [Rules of Procedure and Whistleblowing FAQ](#) – DMG MORI does not tolerate any retaliatory actions directed against whistleblowers. To increase transparency and trust in the whistleblowing system, we have published our rules of procedures as well as an FAQ for all internal and external stakeholders.
- 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.

- Human Rights Impact Assessment – DMG MORI also carries out a “Human Rights Impact Assessment” based on the UN Guiding Principles on Business and Human Rights – for our internal processes and those of our suppliers. In the process, we identify and assess country- and sector-specific human rights risks in order to derive targeted measures for further risk prevention.
- Commitment to diversity: We support an appreciative and unprejudiced organizational culture. We have voluntarily committed ourselves to this by signing the German Diversity Charter.

OUR SUPPLIERS

We expect our partners and suppliers to follow our commitment to sustainability and in turn to pass on these requirements along their entire supply chain. After all, sustainability does not end at our own company boundaries. We are increasingly evaluating and selecting our suppliers based on sustainability criteria. With the platforms “Integrity Next” and “SAP Ariba”, our sustainability criteria are uniformly integrated into the purchasing and supplier organization throughout the group. Of particular relevance here are the active suppliers for our core business with machine tools and services, with which we have been working for at least two years. Even before the Supply Chain Due Diligence Act came into force on 1 January 2023, DMG MORI was thus able to actively integrate 100 % of these suppliers – that is 4,585 – in the monitoring of “Integrity Next”. In order to make the sustainability performance of our (potential) suppliers transparent and to be able to evaluate them accordingly, we rely on efficient, digitized processes. The four IT-supported phases are:

1. Registration:

Registration on our purchasing platform “SAP Ariba” is a prerequisite for participation in tenders. During this process, (potential) suppliers bindingly confirm that they comply with our requirements. For future suppliers also applies: only after this has been done, a cooperation can be considered. In the event of rejection or suspicion of a violation of one of the ethical or fundamental requirements, a fixed escalation process is defined. This regulates the further procedure, either to define joint supplier development measures or to terminate the cooperation.

2. Tendering and awarding:

If our requirements are met, this increases the chances of being awarded contracts in tenders on our purchasing platform. By the end of 2022, 870 suppliers have already registered there, representing 75 % of the total purchasing volume.

3. Analysis and Assessment:

In order to measure the sustainability performance of our suppliers as early as possible in the procurement process, we conduct an assessment via the compliance platform “Integrity Next”. Digital questionnaires are used to obtain information on all suppliers in order to make potential risk factors transparent, to review sustainability issues such as quality, environmental standards and social requirements, and to ensure compliance with regulatory demands. On this basis, we define concrete improvement measures with our suppliers. In the reporting year, 100 % – that is 3,191 – of DMG MORI’s relevant suppliers for production and non-production, with whom we have been working for at least two years, were systematically included with regard to human rights and environmental protection. . After validation of the self-disclosures, immediate communication to the suppliers takes place in case of insufficient implementation or detection of violations in order to initiate improvement

or remedial measures. Depending on the information situation, intensive monitoring may be necessary. If there are serious reasons for not cooperating further the system-side deactivation will be initiated. On the basis of the self-disclosures completed to date, we were able to identify 124 high-risk suppliers in the reporting year. To reduce these risks, we plan to implement 213 measures in the current financial year and thus develop these suppliers in a targeted manner. In this way, DMG MORI is helping to make sustainability transparent and to also systematically strengthen it among its suppliers.

4. Risk management:

We use the early warning system “RISKMETHODS“ to assess the risks of existing direct suppliers: It provides timely information on risks related to creditworthiness, delivery and quality performance, sustainability, such as violations of labor practices and human rights, as well as environmental aspects. The responsible parties are notified proactively when risks occur. With “RISKMETHODS“ we monitor around 293 suppliers. These account for over 80% of the total purchasing volume. In the reporting year, the system reported twelve potential incidents for the indicator “violation of labor practices and human rights” and six for the indicator “environment”. The suppliers concerned accounted for 13 % of the purchasing volume for production materials. After close examination, it was determined that no further action was required or that the reports were not relevant because measures had already been initiated or they were renewed reports of older circumstances.

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 (completion rate 31.12.2022: >95% of employees registered – excluding production staff).

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 March 2023



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