

Burscheid, March 2023

## **Our Corporate Commitment to Ethical, Social, and Environmental Standards**

A responsible use of available resources, acting according to ethical standards and diligent action in crisis situations should be of great importance to each one of us. As a leading manufacturer of precision tools, we have made it a priority to consistently address not only any legislative changes that may arise in connection with the obligations mentioned above, but also with a social change in perception.

We carefully observe any international developments in ethical, social, or environmental standards so that we can adapt our actions and assume responsibility for them – including human and children's rights, animal welfare and environmental protection, prevention of corruption, and much more. We have high expectations of ourselves as well as of our suppliers. To keep up with this responsibility, we regularly check our customers and suppliers for compliance with the relevant regulations. We expect our partners to adhere to the applicable laws and social principles in their operations and to implement suitable actions to ensure compliance with them all the time.

We do not tolerate any violations of human rights, children's rights, environmental protection or other ethical, social, or ecological principles.

To us, the following laws and agreements are of particular importance, and we therefore place great emphasis on their compliance:

### **Dodd-Frank Act**

The US law "Dodd-Frank Wall Street Reform and Consumer Protection Act" Sec. 1502 on "Conflict Materials" was enacted in 2012 and governs the extraction and trade of materials originating from the Democratic Republic of Congo and neighboring states – defining gold, wolframite, cassiterite and coltan in this context.

Although this Act is not binding for us as a German company, we consider it a matter of course to comply with these regulations and expect the same from our partners.

To the best of our knowledge, our products do not contain "conflict materials" as defined by the Dodd-Frank Act. Even beyond the country borders listed herein.

## REACH

Since 2007, the REACH Regulation (EC) No. 1907/2006 has regulated the registration, evaluation, authorization, and restriction of chemical substances and thus protects humans and the environment from the risks that chemicals can pose.

In terms of REACH, we are a downstream user and rely on the statements of our suppliers. This is why we are in close contact with our suppliers regarding the substances used.

Currently, we have no information that substances on the current candidate list are contained in our products at a concentration of more than 0.1% weight by weight. According to the regulation, our suppliers are obliged to notify us of any change in the production of our required materials.

We regularly monitor the candidate list so that we can act on any changes. It is unlikely that our products will contain substances belonging to the defined list of candidates in the future, as stated by trade associations.

## EU Supply Chain Act

The Supply Chain Act, which has come into force in 2023, governs social responsibility as well as ecological aspects and the associated due diligence obligations.

As a medium-sized company, we are exempt from the EU Supply Chain Act. This said, we attach the greatest importance to comply with social and environmental principles and are aware of our due diligence obligations. For this reason, we are in close contact with our direct suppliers to emphasize the need for due diligence here as well.

We do not manufacture our products in high-risk or emerging areas, and environmental and ecological obligations are observed during manufacturing. We also expect our suppliers to adhere to these standards.

In this context, we have already been in close contact with our suppliers over years to ensure the reduction of negative impacts on people and the environment.

Kind regards,

Wolfgang Lambertz  
CEO