

## Modern Slavery Act

Statement for Financial Year 2023

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 leading global manufacturer of high-precision machine tools and is represented in 43 countries – with 116 sales and service locations, including 17 production plants.

In the “Global One Company”, more than 13,000 employees are driving the development of holistic solutions in the manufacturing industry. Under the guiding principle of Machining Transformation (MX), DMG MORI combines four pillars for the efficient, sustainable production of the future: Process Integration, Automation, Digital Transformation (DX) and Green Transformation (GX).

DMG MORI stands for innovation, quality and precision. Our portfolio covers sustainable manufacturing solutions based on the technologies Turning, Milling, Grinding, Boring as well as Ultrasonic, Lasertec and Additive Manufacturing. With technology integration, end-to-end automation and digitization solutions we make it possible to increase productivity and resource efficiency at the same time.

At our production sites worldwide, we realize holistic turnkey solutions for the main sectors of aerospace, automotive, die & mold, medical and semiconductor. With the DMG MORI Qualified Products (DMQP) partner program, we offer perfectly matched peripheral products from a single source. Our customer-oriented services cover the entire life cycle of a machine tool – including training, repair, maintenance and spare parts service.

## 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 assesses 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, require and monitor 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 digital platforms “Integrity Next” and “SAP Ariba”, our sustainability requirements are uniformly integrated into the purchasing and supplier organization across the group. 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 SAP Ariba purchasing platform is a prerequisite for participating in tenders. In this process, (potential) suppliers provide binding confirmation that they will comply with the company’s basic ethical and fundamental requirements, such as human rights and environmental protection as well as the rejection of forced and child labor. Of particular relevance here are the active suppliers for our core machine tool and service business, with whom we have been working for at least two years. All of these suppliers – i.e. 3,723 – are actively involved in “Integrity Next” monitoring.

The same applies to potential future suppliers – we will not consider working with them until our requirements have been met. A fixed escalation process is defined in the event of non-compliance or suspected non-compliance with one of our ethical or fundamental requirements. This governs further steps, either to define joint supplier development measures or to terminate the cooperation.

### **2. Tenders and awarding of contracts:**

If our requirements are met, this increases the chances of being awarded contracts in tenders on our purchasing platform. By the end of 2023, 1,154 suppliers were already registered there, representing 65 % 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 “Integrity Next” platform. Digital questionnaires are used to obtain information about suppliers in order to make potential risk factors transparent, to check sustainability issues such as quality, environmental standards and social requirements, and to ensure compliance with regulatory requirements.

We use this as a basis for defining specific improvement measures with our suppliers. In the reporting year, all of DMG MORI’s relevant suppliers of production and non-production materials, with whom

we have been working for at least two years, were systematically included with regard to human rights and environmental protection.

After the self-disclosures have been validated, suppliers are promptly notified of any inadequate implementation or infringements in order to initiate improvement or corrective measures. Depending on the information available, close monitoring may be necessary. If there are serious reasons for discontinuing any further cooperation, the supplier will be blocked by the system. At the beginning of the reporting year, 79 suppliers with potential risks in relation to the Supply Chain Due Diligence Act were identified on the basis of the self-disclosures completed. Following a detailed review and close consultation with our partners, we were able to define measures and eliminate all risks. In this way, DMG MORI is helping to make sustainability transparent and actively raise its profile among its suppliers.

#### 4. Risk management:

DMG MORI's holistic supply chain risk management is based on its global double sourcing strategy as well as the use of digital tools – we use the “RISKMETHODS” early warning system to assess the risks of current direct suppliers. It provides real-time information on risks relating to creditworthiness, delivery performance and sustainability, such as violations of labor practices and human rights, as well as environmental aspects. The responsible parties are actively notified when risks occur. In the reporting year, we more than doubled the number of suppliers that we check using “RISKMETHODS”. We are now monitoring around 742 suppliers that account for around 79 % of our total purchasing volume. For these suppliers, the system reported 37 potential issues for the “violation of labor practices and human rights” indicator and 15 for the “environment” indicator in the reporting year. After closer examination, it was found that no further action was required or that the reports were not relevant because measures had already been initiated or older issues were being reported again. Our early warning system enables risk assessment per criterion using reports and firstly, serves as a basis both for supplier meetings and future supplier development. Secondly, this assessment is included as a partial result in the overall supplier assessment.

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.

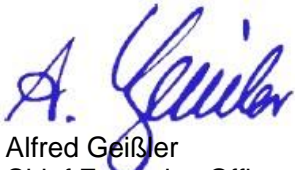
## **TRAINING**

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 31.12.2023: >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 Chief Executive Officer of DMG MORI AKTIENGESELLSCHAFT and the Managing Director of DMG MORI UK LIMITED April 2024



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**DMG MORI AKTIENGESELLSCHAFT**



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