

Report on the LkSG (Supply Chain Due Diligence Act)

Reporting period from January 1, 2024, to December 31, 2024

Name of the organization: KraussMaffei Group GmbH

Address: Krauss-Maffei-Str. 1, 85599 Vaterstetten OT Parsdorf

Table of contents

A. Strategy & Implementation	1
A1. Monitoring of risk management & responsibility of management	1
A2. Policy Statement on Human Rights Strategy	3
A3. Embedding the human rights strategy within the organization	7
B. Risk analysis and preventive measures	10
B1. Implementation, procedure, and results of the risk analysis	10
B2. Preventive measures in your own business area	16
B3. Preventive measures at direct suppliers	21
B5. Communication of results	24
B6. Changes to risk disposition	25
C. Identification of violations and corrective measures	26
C1. Identification of violations and corrective measures in own business area	26
C2. Identification of violations and corrective measures at direct suppliers	30
C3. Identification of infringements and remedial measures at indirect suppliers	38
D. Complaint procedure	39
D1. Establishment of or participation in a complaint procedure	39
D2. Requirements for the appeal procedure	43
D3. Implementation of the complaint procedure	45
E. Review of risk management	46

A. Strategy & Implementation

A1. Risk management oversight & responsibility of senior management

What responsibilities for monitoring risk management were defined during the reporting period?

Dr. Alexandra Coffey, Global Sustainability Manager and Human Rights Officer Dr.
Markus Hunger, Group Compliance Officer

Dr. Sebastian Gerold, Chief Audit Executive, Corporate Audit from January to July 2024

Lisa Wimmer, Manager Internal Control, Corporate Audit from January to July 2024

Xiaoqiao Li, Chief Audit Executive, Corporate Audit from August 2024 (interim)

All persons who are permanently responsible for monitoring risk management work directly for KraussMaffei Group GmbH. KraussMaffei Group GmbH, based in Parsdorf, acts as the holding company for KraussMaffei Technologies GmbH (Parsdorf, Germany) and Krauss-Maffei Corporation (Florence, Kentucky, USA). Operating business is primarily conducted by the company's 25 direct and indirect subsidiaries, spread across 18 countries.

A. Strategy & Implementation

A1. Risk management oversight & responsibility of senior management

Has the management established a reporting process that ensures that it is regularly informed – at least once a year – about the work of the person responsible for monitoring risk management?

It is confirmed that the management has established a reporting process which, within the meaning of Section 4 (3) LkSG, ensures that it is regularly informed – at least once a year – about the work of the person responsible for monitoring risk management.

- Confirmed

Describe the process that ensures reporting to management at least once a year or on a regular basis with regard to risk management.

At least once a year, the management of KraussMaffei Group GmbH receives a written summary of the results of the regular risk analysis and the additional measures taken. This is discussed at a meeting scheduled and chaired by the Human Rights Officer. The timing of the meeting depends on the results of the risk analysis and the resulting urgency. Ad hoc reporting is also carried out as necessary.

A. Strategy & Implementation

A2. Policy Statement on Human Rights Strategy

Is there a policy statement that has been created or updated based on the risk analysis conducted during the reporting period?

The policy statement has been uploaded

<https://www.kraussmaffei.com/de/ueber-kraussmaffei/menschenrechte>

A. Strategy & Implementation

A2. Policy Statement on Human Rights Strategy

Was the policy statement communicated for the reporting period?

It is confirmed that the policy statement has been communicated to employees, the works council where applicable, the public, and direct suppliers where a risk has been identified in the risk analysis.

- Confirmed

Please describe how the policy statement was communicated to the relevant target groups.

It was published on the company's website and intranet. Further references to the statement and the topic of human rights can also be found in the current sustainability report, which is also published on the company's homepage and intranet.

A. Strategy & Implementation

A2. Policy Statement on Human Rights Strategy

What elements does the policy statement contain?

- Establishment of a risk management
- Annual risk analysis
- Anchoring of preventive measures in our own business area, with direct suppliers and, if applicable, indirect suppliers, and review of their effectiveness
- Remedial measures in our own business area, at direct suppliers and, where applicable, indirect suppliers, and review of their effectiveness
- Provision of a complaints procedure in your own business area, at suppliers, and review of its effectiveness
- Documentation and reporting obligations
- Description of the identified priority risks
- Description of human rights and environmental expectations for own employees and suppliers

A. Strategy & Implementation

A2. Policy Statement on Human Rights Strategy

Description of possible updates during the reporting period and the reasons for them.

The companies of the KraussMaffei Group continue to operate in the same business segment as last year. The supplier base also remains largely stable, with 7,164 suppliers in 2024, compared to 7,887 suppliers in 2023. The main reason for the decline in the number of suppliers is the sale of the subsidiary NETSTAL and its subsidiaries, which does not, however, give rise to any additional risks.

The explanation provided in the previous year therefore remains valid.

A. Strategy & Anchoring

A3. Anchoring the human rights strategy within the company's own organization

In which key departments/business processes was the human rights strategy anchored within the reporting period?

- Personnel/HR
- Occupational Safety & Health Management
- Communication/Corporate Affairs
- Purchasing/Procurement
- Supplier Management
- CSR/Sustainability
- Legal/Compliance
- Audit

Describe how responsibility for implementing the strategy is distributed among the various departments/business processes.

For their own business area:

A manager from the Global HR department (KraussMaffei Group) reviewed processes and guidelines in all global subsidiaries as well as the involvement of the global Health & Safety department. The tasks of the two departments mentioned above also include the development of preventive and, if necessary, remedial measures for their respective areas of responsibility. Employees from the Corporate Audit department conducted random on-site checks specifically for LkSG content.

For direct suppliers:

The Global Procurement department used software to review all KraussMaffei suppliers, including all subsidiaries, and followed up on any relevant risks. The department's responsibilities also include developing preventive and, if necessary, remedial measures in the event of confirmed violations.

Complaints procedure:

The Compliance department is responsible for the complaints procedure and also provided support for the training courses.

Overall coordination and monitoring:

The Human Rights Officer, who is part of the Sustainability department, is responsible for general monitoring, reporting, and overall coordination.

Describe how the strategy is integrated into operational processes and procedures.

For your own business area:

In 2023, a manager from the Global HR department (KraussMaffei Group) reviewed processes and guidelines in all global subsidiaries as well as the involvement of the global Health & Safety department. The tasks of the two departments mentioned above also include the development of preventive and, if necessary, remedial measures for their respective areas of responsibility.

As the review of HR processes across all companies and locations in 2023 did not reveal any anomalies relevant to the LkSG in our own business area, it was decided to conduct such a global review only every few years rather than annually. In the years between such global reviews, random checks are carried out annually and ad hoc checks are carried out as required.

In 2024, random checks were carried out by employees of the Corporate Audit department at the following locations: China, Germany, Italy, Mexico, the USA, and Slovakia.

For direct suppliers:

The Global Procurement department used software to review all KraussMaffei suppliers, including all subsidiaries, and followed up on any relevant risks. The department's tasks also include developing preventive and, where necessary, remedial measures in the event of confirmed violations.

For the complaint procedure and training:

A general complaints procedure, which is available internally and externally, has been in place for several years.

In 2024, a new and expanded e-learning training system was introduced on compliance-related topics as well as LkSG-specific topics. The training courses are conducted in multiple languages and across the entire group.

Overall coordination and monitoring:

For general monitoring and overall coordination, a human rights officer belonging to the Sustainability department was trained in a TÜV-certified course in the summer of 2023.

Describe the resources and expertise provided for implementation.

HR: Senior manager in Global HR supported by a working student and Chinese-speaking HR manager who is not a member of the national subsidiary.

Health & Safety: A comprehensive system for preventing accident risks is in place at all production sites. This stipulates that there must be a person responsible for occupational safety at each site. Under their supervision, every work area at a

Locations are regularly inspected and checked for compliance with all safety standards, guidelines, regulations, and legal requirements. In addition, regular safety meetings are held at each location. During these meetings, those responsible discuss measures and make decisions on the implementation of structural safety features or the installation of warning signs. Local managers also coordinate their work in cross-site committees. An intensive exchange of best practices for improving occupational safety takes place at quarterly ASAMeetings and at the annual global meeting of occupational safety managers.

Corporate Audit: Until July 2024: Department head and one manager, who share the monitoring of the process (on the system side) and the performance of random checks on site (audits of own subsidiaries). From August 2024: Head of Corporate Audit

Procurement: Head of Procurement Excellence and Manager Procurement Processes and Systems

Compliance: Group Compliance Officer. The Group Compliance Officer is supported by around 12 local compliance officers across the Group, who are based in the various business divisions and international subsidiaries of KraussMaffei as heads of local compliance functions.

Overall coordination: Global Sustainability Manager, with additional certification as Human Rights Officer (TÜV) and operational experience based on the UK Modern Slavery Act

Financial resources: Risk analysis software, training software, and specialist modules

B. Risk analysis and Prevention measures

B1. Implementation, approach, and results of human rights risk analysis

Was a regular (annual) risk analysis carried out during the reporting period to identify, weigh, and prioritize human rights and environmental risks?

- Yes, for our own business area
- Yes, for direct suppliers

Describe the period during which the annual risk analysis was conducted.

January 1, 2024, to September 15, 2024

Describe the risk analysis procedure.

The risk analysis was carried out using the Prewave system (www.prewave.com) as follows:

Prewave classifies the suppliers reported by the company into different risk categories. This is done on the basis of a classification of suppliers (i) into countries with and without risk ("country risk") (based on the location of the contractual partner) and (ii) into risk or non-risk commodity groups/industry categories ("commodity risk") depending on the goods or services supplied, as well as (iii) on the basis of web screening for selected suppliers. Optionally, the assessment may also include (iv) self-disclosures to be completed by suppliers and (v) information provided by the company on individual high-risk suppliers.

Re (i): Country risks are determined on the basis of 11 different publicly available indices and classified as: no risk, low risk, mid risk, high risk, critical risk. These indices deal thematically with the human rights and environmental risks mentioned in the LkSG, as far as can be seen from the indices.

Re (ii): Prewave uses its own data on over 100,000 suppliers to determine product groups/industry risks. These suppliers are classified into industries (ISIC standard) and product groups. Prewave has a history of incidents in the individual industries and product groups for over 100,000 suppliers. Prewave also uses this frequency of incidents to assess them as no risk, low risk, mid risk, high risk, and critical risk.

Regarding (iii): In addition, AI-supported web screening is carried out for a certain range of suppliers (ideally for those suppliers that pose the highest risks). Social media, news, and other information available online is checked on the basis of a supplier keyword and risk keyword search to determine whether and what

reports there are on the individual suppliers. Reports are communicated to the user as so-called "risk alerts."

Re (iv): Optionally, risk identification can also be supplemented by the results of supplier self-assessments, which must be completed by high-risk suppliers. Prewave has developed its own questionnaires on the topics of "Working conditions and human rights," "Health and safety," and "Environment."

Re (v): Optionally, Prewave can name individual risk suppliers, e.g., on the basis of any negative human rights or environmental incidents known within the company within the meaning of the LkSG, which are then also assigned a certain risk. The results from (i) to (iii) and, optionally, (iv) and (v) are then combined to form the supplier's 360-degree risk score.

Number of suppliers reviewed with Prewave:

2024: 7,164 (100%), of which 119 are risk suppliers, of which 3 are potential incidents

2023: 7,887 (100%), of which 111 are risk suppliers, of which 13 are potential incidents

Own business area:

All companies in the KraussMaffei Group are also assessed using Prewave according to the same specifications. In addition to the analysis by Prewave and the media monitoring it includes, the company's own business area was extensively reviewed by the Global HR department in 2023 as part of a regular cycle, with all subsidiaries being surveyed on processes, minimum wage, equal treatment, discrimination, protection of human rights, and health and safety at work. Since 2023, Corporate Audit has been conducting annual spot checks at the subsidiaries.

Random checks by Corporate Audit:

2024: 6 companies (China, Germany, Italy, Mexico, USA, Slovakia) 2023: 4 companies (Benelux, Great Britain, Italy, and Thailand)

KraussMaffei prioritizes occupational safety at its production sites within its own business area. Corresponding statistics and risk analyses are an integral part of the management system (see Resources and expertise).

B. Risk analysis and preventive measures

B1. Implementation, procedure, and results of the risk

Were any event-related risk analyses also carried out during the reporting period?

- No

Please explain your answer.

Compared to the regular risk analysis, there were no exceptional events, as the business areas remained the same. The sale of the Swiss subsidiary NETSTAL (including its subsidiaries) only resulted in the loss of suppliers.

Furthermore, no other information or complaints regarding issues relevant to the LkSG have been brought to KraussMaffei's attention, either internally or externally.

B. Risk analysis and preventive measures

B1. Implementation, procedure, and results of the risk analysis

What risks were identified in the risk analysis(es) in your own business area?

- Failure to comply with occupational health and safety regulations and work-related health hazards
- Disregard for freedom of association – freedom of association & right to collective bargaining
- Prohibition of unequal treatment in employment

B. Risk analysis and preventive measures

B1. Implementation, procedure, and results of the risk analysis

What risks were identified in the risk analysis(es) for direct suppliers?

- Prohibition on the commissioning or use of private/public security forces that may cause disruption due to a lack of training or supervision
- Disregard for occupational safety and work-related health hazards
- Destruction of natural resources through environmental pollution
- Disregard for freedom of association and collective bargaining rights
- Prohibition of forced labor and all forms of slavery
- Prohibition of unequal treatment in employment
- Prohibition of child labor
- Prohibition of withholding of fair wages
- Prohibition of import/export of hazardous waste as defined by the Basel Convention
- Prohibition of the production, use, and/or disposal of mercury (Minamata Convention)

B. Risk analysis and preventive measures

B1. Implementation, procedure, and results of the risk

Were the risks identified during the reporting period weighted and, if so, prioritized, and if so, on the basis of which appropriateness criteria?

- Yes, based on the expected severity of the injury according to degree, number of people affected, and irreversibility
- Yes, based on one's own influence
- Yes, based on the probability of occurrence
- Yes, based on the nature and scope of one's own business activities
- Yes, based on the nature of the causal contribution

Describe in more detail how the weighting and, if applicable, prioritization was carried out and what considerations were made in the process.

To analyze its own business area, a survey was conducted in 2023 among the HR departments of all companies belonging to KraussMaffei. Since 2023, individual locations have been randomly checked in a suburban audit. In addition, the Health & Safety statistics for the global production sites were evaluated. The results showed that the highest risks in our own business area were in the area of occupational safety.

We therefore prioritize occupational safety at production sites in our own business area when it comes to preventive measures, as this is where the highest risk of serious accidents with potentially irreversible consequences exists.

All subsidiaries are also subject to the same software-supported risk analysis as suppliers (see also "Risk analysis procedure"). In general, we prioritize risks according to the criteria selected above, with the first two criteria (the expected severity of the injury, number of people affected, and irreversibility, as well as the basis of our influence) being weighted most heavily.

B. Risk analysis and preventive measures

B2. Preventive measures in our own business area

Which risks were prioritized in our own business area during the reporting period?

- Non-compliance with occupational safety and work-related health hazards
- Disregard for freedom of association – freedom of association & right to collective bargaining
- Prohibition of unequal treatment in employment

Failure to comply with occupational safety and work-related health hazards

What specific risk is involved?

In 2024, there were a total of 48 accidents at work at KraussMaffei's production sites (compared to 61 accidents in 2023).

A focused analysis of the assembly of new machines also identified the hazards associated with these specific workplaces.

Where does the risk occur?

- China
- Germany
- Italy
- Japan
- Mexico
- Slovakia
- United States (USA)
- United Kingdom (Great Britain and Northern Ireland)

Violation of freedom of association - freedom of association & right to collective bargaining

What is the specific risk involved?

KraussMaffei has locations in countries where there are no independent trade unions due to national legislation, which means that the conditions set out in Section 2 (2) No. 6 a) and c) of the LkSG are met. Specifically, these are the production site in Jiaxing and the sales site in Shanghai, both in China.

Where does the risk arise?

- China

Prohibition of unequal treatment in employment

What is the specific risk involved?

The companies in the KraussMaffei Group currently record salaries only quantitatively, not qualitatively. This means that only the salaries are added up and their average value compared – without taking into account the tasks and scope of work behind them.

According to these statistics, women at KraussMaffei earn less than men.

A systematic analysis of relevant compensation and organizational data for comparable levels has been initiated to identify potential discrepancies or gender-specific wage differences and will be largely completed by the end of 2025. Based on this data, targeted measures will be developed to ensure fair remuneration above the living wage and to close potential gender-specific wage gaps.

Where does the risk arise?

- Brazil
- China
- Germany
- France
- India
- Italy
- Japan
- Colombia
- Mexico
- Switzerland
- Singapore
- Slovakia
- South Korea
- Thailand
- United States
- United Kingdom (Great Britain and Northern Ireland)

B. Risk analysis and preventive measures

B2. Preventive measures in our own business area

What preventive measures were implemented during the reporting period to prevent and minimize priority risks in your own business area?

- Conducting training in relevant business areas
- Implementation of risk-based control measures

Conducting training in relevant business areas

Describe the measures implemented and specify in particular their scope (e.g., number, coverage/scope of application).

Risk "Failure to comply with occupational safety and work-related health hazards":

All employees receive annual training on occupational safety topics, with the training content geared toward the risks of the individual workplace, as will be the case in 2024.

The number of participants in occupational safety training courses was 3,102, which corresponds to around 22,853 training hours and coverage of around 70% of employees.

Risk: Violation of freedom of association – freedom of association and the right to collective bargaining:

Freedom of association, freedom of assembly, and the right to collective bargaining are part of the LkSG training. The LkSG training is conducted via an e-learning system and is aimed at all employees across the group who have active email access.

Describe the extent to which the training courses are appropriate and effective in preventing and minimizing the priority risks.

Risk of "non-compliance with occupational safety and work-related health hazards":

Every accident is analyzed by the occupational safety team and assigned to one of the following categories: "Unfortunate accident," "Individual misconduct," "Cleanliness and order," "Missing or incorrectly used protective equipment," and "Deficiencies in the organization of the workplace."

In 2024, most accidents resulted from individual misconduct due to ignorance or inattention (25%). The second most common cause of accidents was

accidents in the category "Unfortunate circumstances" (23%), in which neither human, technical, nor organizational failure played a role. In view of the main cause of accidents, it is necessary to focus primarily on individual behavior, for which training courses provide the basis.

Effectiveness:

While the number of accidents for the entire KraussMaffei Group was 61 in 2022 and 2023, it fell to 48 in 2024. Compared to the industry benchmark of 2.9, KraussMaffei also performed significantly better in 2024 with an OSHA rate of 1.6. In the previous years 2022 and 2023, KraussMaffei's OSHA rate was 2.4.

Risk: Violation of freedom of association – freedom of association & right to collective bargaining:

Freedom of association, freedom of assembly, and the right to collective bargaining are part of the LkSG training.

Effectiveness:

Realistically, however, a training approach to these issues has its limitations, meaning that it is not effective, especially at high-risk locations in China. Due to national legislation, there are no independent trade unions there, which means that the conditions set out in Section 2 (2) No. 6 a) and c) of the LkSG are met. With around 450 FTEs spread across two locations in China, KraussMaffei does not have the size or influence to exert any influence in this regard.

Implementation of risk-based control measures

Describe the measures implemented and specify in particular their scope (e.g., number, coverage/scope of application).

Risk of "non-compliance with occupational safety and work-related health hazards":

The measures focused primarily on the operational areas of production. See comments above.

In 2023, a manager from the Global HR department (KraussMaffei Group) reviewed processes and guidelines in all global subsidiaries using an internal questionnaire on minimum wage, discrimination, equal treatment, protection of human rights, and health and safety at work. As the review of HR processes in 2023 across all companies and locations did not reveal any anomalies relevant to the LkSG in our own business area

In 2024, a new audit was conducted on a random basis by employees of the Corporate Audit department on site: specifically, audits were carried out at locations in China, Germany, Italy, Mexico, the USA, and Slovakia.

Describe the extent to which the measures to prevent and minimize priority risks are appropriate and effective.

See above

B. Risk analysis and prevention measures

B3. Preventive measures for direct suppliers

Which risks were prioritized for direct suppliers during the reporting period?

- Non-compliance with occupational safety and work-related health hazards
- Destruction of natural resources through environmental pollution
- Other prohibitions: Discrimination based on skin color

Failure to comply with occupational safety and health hazards

What specific risk is involved?

- Fatal accident at work - 40-meter-high scaffolding collapses inside an elevator shaft; we do not know whether the company violated occupational safety regulations (Germany)
- Suicide of an employee in the case of proven repeated violations of working time regulations (USA)

Where does the risk occur?

- Germany
- United States

Destruction of natural resources through environmental pollution

What is the specific risk?

- 200 kg of chemicals entered the Rhine; upon closer analysis, the incident was found to be not relevant to the LkSG

Where does the risk occur?

- Germany

Other prohibitions

What specific risk is involved?

- Discrimination against customers based on skin color; upon closer analysis, the incident was found to be irrelevant to the LkSG

Where does the risk arise?

- United States (USA)

B. Risk analysis and preventive measures

B3. Preventive measures for direct suppliers

What preventive measures were implemented during the reporting period to prevent and minimize priority risks at direct suppliers?

- Obtaining contractual assurances for compliance and implementation of expectations along the supply chain
- Other/additional measures: All high-risk suppliers were individually reviewed by the Procurement department by 1. sending questionnaires, 2. researching the information, and 3. contacting the supplier personally.

Other categories:

selected:

- Obtaining contractual assurances for compliance with and implementation of expectations along the supply chain
- Other/additional measures

Describe the extent to which the measures to prevent and minimize priority risks are appropriate and effective.

The questionnaire is appropriate as the first stage of escalation because it allows the supplier to comment on the alleged risk/incident. If the supplier fails to respond or provide a satisfactory response, the responsible purchaser will contact them and further measures will be defined jointly.

B. Risk analysis and preventive measures

B5. Communication of risk analysis results

Were the results of the risk analysis(es) for the reporting period communicated internally to relevant decision-makers?

It is confirmed that the results of the risk analysis(es) for the reporting period have been communicated internally in accordance with Section 5 (3) LkSG to the relevant decision-makers, such as the executive board, management, or purchasing department.

- Confirmed

B. Risk analysis and preventive measures

B6. Changes in risk disposition

What changes have occurred with regard to priority risks compared to the previous reporting period?

There have been no changes in our own business area.

In the supply chain, the number of abstract risk suppliers rose slightly in 2024 (from 111 to 119), but the number of proven, LkSG-relevant suspected cases fell (from 13 to 3).

In addition, there has been a slight shift within industrial risks, with logistics being the most risky sector in 2024. In the previous year, this was the construction industry, as KraussMaffei required more construction and craft services due to plant relocations.

C. Identification of violations and remedial measures

C1. Identification of violations and corrective measures in own business area

Were any violations identified in your own business area during the reporting period?

- Yes, domestically and abroad

Please specify: In which areas were violations identified in your own business unit?

- Failure to comply with occupational safety and work-related health hazards
- Disregard for freedom of association – freedom of association & right to collective bargaining
- Prohibition of unequal treatment in employment

Failure to comply with occupational safety and work-related health hazards

Please specify the number (optional)

48

Disregard for freedom of association - freedom of association & right to collective bargaining

Enter the number (optional)

2

Prohibition of unequal treatment in employment

Enter the number (optional)

16

Describe the appropriate remedial measures you have taken.

Regarding occupational safety and work-related health hazards:

In 2024, 48 accidents were recorded, which can be divided into the following categories.

- Employee misconduct (12 accidents) – In these cases, employees were reminded of the correct behavior and also received comprehensive training.
- Incorrect or incomplete wearing of protective equipment (5 accidents) – In this case, employees were reminded of the correct behavior.
- Organization (5 accidents) – The structure or design of the respective workplace was optimized.
- Technical defect (2 accidents) – The defective equipment was replaced.
- Cleanliness and order (2 accidents) - Those responsible for this area were once again instructed

instructed and the structure of the workplace optimized.

- Health problem (1 accident)

Accidents in the "unfortunate accident" category, which mainly include trips and falls, were not included here if there was no apparent connection to misconduct, protective equipment, technical defects, cleanliness and order, or the organization of the workplace. Also not included are accidents outside working hours in means of transport that are not under the control of KraussMaffei.

Violation of freedom of association and the right to collective bargaining: KraussMaffei has locations in countries where there are no independent trade unions due to national legislation, which means that the conditions set out in Section 2 (2) No. 6 a) and c) of the LkSG are met. Appropriate remedial measures as required by the LkSG are therefore not possible, as this would require a regulatory change in national legislation.

With around 450 FTEs spread across two locations in China, KraussMaffei does not have the size or influence to exert any influence on this.

On the prohibition of unequal treatment in employment:

A systematic analysis of relevant compensation and organizational data for comparable levels has been initiated to identify potential discrepancies or gender-specific wage differences and will be largely completed by the end of 2025. Based on this data, targeted measures will be developed to ensure fair pay above the living wage and to close potential gender-specific pay gaps.

In cases where violations could not be stopped, describe where they occurred.

Regarding disregard for freedom of association and collective bargaining rights:

KraussMaffei has locations in countries where there are no independent trade unions due to national legislation, which means that the circumstances specified in Section 2 (2) No. 6 a) and c) of the LkSG are fulfilled. In this specific case, this applies to the two locations in China.

Describe what long-term remedial measures (e.g., follow-up concepts) were taken and what considerations were made with regard to the selection and design of measures to terminate or further minimize the risks.

On occupational safety and work-related health hazards:

To prevent accidents, risk assessments are carried out for each work area, from which preventive measures are derived, such as training or

reorganization of the workplace.

All injuries are analyzed on a case-by-case basis and discussed with those responsible in order to plan and implement necessary improvements. All occupational safety measures are subject to a management system that applies to all production sites worldwide. (See also Resources and Expertise)

Violation of freedom of association – freedom of association & right to collective bargaining:

KraussMaffei has sites in countries where there are no independent trade unions due to national legislation, which means that the conditions set out in Section 2 (2) No. 6 a) and c) of the LkSG are met. In this specific case, this applies to the two sites in China. As explained above, appropriate remedial measures are not possible here.

On the prohibition of unequal treatment in employment:

A systematic analysis of relevant compensation and organizational data for comparable levels has been initiated to identify potential discrepancies or gender-specific wage differences and will be largely completed by the end of 2025. Based on this data, targeted measures will be developed to ensure fair pay above the living wage and to close potential gender pay gaps.

Describe how the effectiveness of the remedial measures will be reviewed.

On occupational safety and health hazards:

Effectiveness is assessed based on accident figures and cause analysis. These are recorded and evaluated using software and presented to the respective supervisor for remedial action.

2024: 48 accidents, OSHA rate 1.6

2023: 61 accidents, OSHA rate 2.4

2022: 61 accidents, OSHA rate 2.4

Regarding disregard for freedom of association – freedom of association & right to collective bargaining: Not applicable, see previous comments for explanation.

Prohibition of unequal treatment in employment:

Preliminary work has already begun in the form of a systematic analysis of relevant compensation and organizational data for comparable levels and will be largely completed by the end of 2025.

Based on this data, targeted measures will be developed to ensure fair compensation above the living wage and to close potential gender-based pay gaps.

Have the remedial measures led to the end of the violation?

- Partially

Please explain.

Regarding occupational safety and work-related health hazards: Yes.

Regarding disregard for freedom of association and collective bargaining rights: Not applicable, see previous comments for explanation.

Regarding the prohibition of unequal treatment in employment: In progress. See previous comments for explanation.

Have you analyzed the extent to which the identified violation indicates a possible need to adjust/supplement existing preventive measures? Please describe the process, results, and effects of your analysis.

KraussMaffei has an occupational health and safety management system in place, within which all risks and injuries are analyzed as standard and measures are adapted.

C. Identification of violations and corrective measures

C2. Identification of violations and corrective measures at direct suppliers

Were any violations identified at direct suppliers during the reporting period?

- Yes

Describe the basis on which the identified violations were weighted and prioritized, and what considerations were made in this process.

The following procedures are used to identify violations by direct suppliers:

- (1) Media monitoring,
- (2) Public complaint mechanism,
- (3) Collection of other findings (from supplier audits, supplier visits/inspections, whistleblowing, etc.)

The potential incidents collected from these sources are recorded and subjected to a multi-stage "incident review" (= case processing).

As part of the incident review, the first step is to check whether the incidents are actually confirmed (confirmed violations). If so, appropriate remedial measures are determined, taking into account the legal criteria for appropriateness.

In which areas were violations identified among direct suppliers?

- Failure to comply with occupational safety and work-related health hazards
- Disregard for freedom of association – freedom of association & right to collective bargaining

Failure to comply with occupational safety and work-related health hazards

Please specify the number (optional)

2

Violation of freedom of association – freedom of association & right to collective bargaining

Please specify the number (optional)

0

Describe the appropriate remedial measures you have taken.

No corrective measures were taken in the cases concerned, as KraussMaffei has no influence over any of the companies involved due to the low sales volume and regulatory requirements in China.

In the cases that have come to light in Germany and the US, the consequences are irreversible, as one employee died in each case.

One of the suppliers where a possible incident relating to occupational safety and work-related health hazards occurred is a large German manufacturing company that is also subject to the LkSG and is therefore obliged to take appropriate remedial measures within its own business area to prevent such incidents in the future. The other company belongs to the financial sector in the USA.

KraussMaffei has Chinese suppliers. The right to freedom of association and the right to collective bargaining cannot be enforced in China due to the nature of the system.

Describe the considerations that were made with regard to the selection and design of measures within the framework of the corresponding follow-up concepts for termination and minimization.

See above.

Describe how the effectiveness of the remedial measures is being reviewed.

See above.

Have the remedial measures led to the termination of the violation?

- No

Please explain.

See above.

Have you analyzed the extent to which the identified violation is an indication of a possible adjustment/supplement to existing preventive measures? Describe the process, results, and effects.

See above.

C. Identification of violations and corrective measures

C2. Identification of violations and corrective measures at direct suppliers

If there were violations at direct suppliers during the reporting period that could not be remedied within a foreseeable period of time:

Describe the cases in which violations could not be stopped.

- Accidents at work: Only the probability of occurrence can be minimized by taking appropriate measures.
- Working hours and volume: Cannot be influenced by KraussMaffei

The violations could not be stopped because they were irreversible and KraussMaffei has no influence on the companies concerned due to the low sales volume.

Accident: In this case, a 40-meter-high scaffolding collapsed inside an elevator shaft at a company in Germany, resulting in the death of a worker (irreversibility). KraussMaffei does not know whether a mistake on the part of the company was the cause of the accident.

Suicide of an employee: In this case, an employee of a major bank in the US committed suicide at work after weeks of being overwhelmed by working hours and workload (irreversibility).

C. Identification of violations and corrective measures

C2. Identification of violations and corrective measures at direct suppliers

If there were violations at direct suppliers during the reporting period that could not be remedied within a foreseeable period of time:

Describe the long-term remedial measures that were taken, in particular the considerations that were made with regard to the selection and design of the measures within the framework of the corresponding follow-up concepts for termination and minimization.

KraussMaffei has no influence on any of the companies concerned, as our sales volume with these suppliers is very low. In addition, one of the two companies is a German company that is also subject to the LkSG and is therefore obliged to take appropriate remedial measures.

C. Identification of violations and corrective measures

C2. Identification of violations and corrective measures at direct suppliers

If there were violations at direct suppliers during the reporting period that could not be remedied within a foreseeable period of time:

Describe how the effectiveness of the remedial measures is being reviewed.

No remedial measures have been taken by KraussMaffei (see above).

C. Identification of violations and corrective measures

C2. Identification of violations and corrective measures at direct suppliers

If there were violations at direct suppliers during the reporting period that could not be remedied within a foreseeable period of time:

Describe the specific timetable for the concept.

KraussMaffei has not taken any remedial measures (see above).

C. Identification of violations and corrective measures

C2. Identification of violations and corrective measures at direct suppliers

If there were violations at direct suppliers during the reporting period that could not be remedied within a foreseeable period of time:

Name the measures that were considered during the development and implementation of the concept.

- Other: None

C. Identification of violations and corrective measures

C2. Identification of violations and corrective measures at direct suppliers

If there were violations at direct suppliers during the reporting period that could not be remedied within a foreseeable period of time:

In how many cases was the business relationship with one or more direct suppliers terminated due to the violations?

0

C. Determination of violations and remedial measures

C3. Identification of violations and corrective measures at indirect suppliers

Were any violations identified among indirect suppliers during the reporting period?

- No

D. Complaint procedure

D1. Establishment of or participation in an appeal procedure

What form did the complaint procedure take during the reporting period?

- Company's own complaint procedure

Describe the company's own procedure and/or the procedure in which your company participates.

During the reporting period, the external KraussMaffei Compliance Officer (currently attorney Dr. Andreas Minkoff) acted as the central complaints office for all compliance-related reports (including those relating to the LkSG). Employees and third parties can contact this neutral office in confidence and, if desired, anonymously.

D. Complaint procedure

D1. Establishment of or participation in an appeal procedure

Which potential parties have access to the complaint procedure?

- Own employees
- Communities in the vicinity of our own locations
- Employees of suppliers
- External stakeholders such as NGOs, trade unions, etc.

How is access to the grievance procedure ensured for the various groups of potential stakeholders?

- Publicly accessible rules of procedure in text form
- Information on availability
- Information on jurisdiction
- Information on the process
- All information is clear and understandable
- All information is publicly accessible

Publicly accessible rules of procedure in text form

Optional: Describe.

The external compliance officer receives the report and confirms receipt of the report to the reporting person within seven days at the latest. The external compliance officer checks the validity of the report received, in particular whether there are sufficient indications of a violation of laws or the KraussMaffei Compliance and Ethics Code. He or she maintains contact with the whistleblower as far as possible and requests further information if necessary. A personal meeting is also possible at the request of the whistleblower.

If there is sufficient evidence of such a violation, he or she shall forward the facts of the case in an appropriate form (agreed with the person who reported the violation) to the Group Compliance Officer at KraussMaffei for further investigation. If there is sufficient evidence of such a violation, KraussMaffei shall conduct a detailed investigation of the facts of the case. The entire investigation is conducted in compliance with the relevant laws, data protection regulations, and the interests of all parties involved. It is conducted neutrally and objectively, observing the presumption of innocence.

If the report concerns specific individuals, they will be informed of the report (in anonymized form, if necessary) and given the opportunity to comment. The investigation will also examine in particular which measures are appropriate, necessary, and proportionate in each individual case in order to punish any violations that have been identified and to counteract the risk of such violations occurring in the future. The investigation of the facts is carried out centrally at KraussMaffei. However, the primary responsibility for responding to identified violations remains with the respective KraussMaffei Group companies. It may therefore be necessary to pass on information (in anonymized form, if necessary) in connection with the report to the responsible persons at these Group companies. Provided that internal investigations or inquiries are not affected and the rights of the persons who are the subject of a report or who are named in the report are not impaired, feedback will be provided to the reporting person within the statutory period, usually within 3 months.

Contact information Optional:

Describe.

The external compliance officer can be contacted worldwide by post, telephone, fax, and email.

Information on responsibility

Optional: Describe.

See rules of procedure

Information on the process

Optional: Describe.

See rules of procedure

All information is clear and understandable Optional:

Describe.

See rules of procedure

All information is publicly available Optional:

Describe.

See KraussMaffei website:

<https://www.kraussmaffei.com/de/ueber-kraussmaffei/werte-2>

D. Appeal procedure

D1. Establishment of or participation in an complaints procedure

Were the rules of procedure publicly available during the reporting period?

File uploaded

Regarding the rules of procedure:

<https://www.kraussmaffe.com/de/ueber-kraussmaffe/werte-2>

D. Appeal procedure

D2. Requirements for the appeal procedure

Please indicate the person(s) responsible for the procedure and their function(s).

External compliance officer: Attorney Dr. Andreas Minkoff Group
compliance officer/general counsel: Dr. Markus Hunger

It is confirmed that the criteria for responsible persons contained in Section 8 (3) LkSG are met, i.e., that they offer a guarantee of impartial action, are independent and not bound by instructions, and are bound to secrecy.

- Confirmed

D. Appeal procedure

D2. Requirements for the appeal procedure

It is confirmed that arrangements have been made for the reporting period to protect potentially involved parties from disadvantage or punishment as a result of a complaint.

- Confirmed

Describe the measures that have been taken, in particular how the complaints procedure ensures the confidentiality of the identity of whistleblowers.

The complaints procedure established during the reporting period provides for the possibility of submitting reports anonymously.

Describe the precautions that have been taken, in particular what additional measures are in place to protect whistleblowers.

The KraussMaffei Compliance and Ethics Code (KraussMaffei Group corporate policy) explicitly stipulates that KraussMaffei shall ensure that all employees, business partners, and other external third parties can contact the compliance officers in relation to other employees without risking reprisals.

D. Appeal procedure

D3. Implementation of the complaint procedure

Were any reports received via the complaint procedure during the reporting period?

- No

E. Review of risk management

Is there a process in place to review the adequacy and effectiveness of risk management across the board?

In which of the following areas of risk management are adequacy and effectiveness reviewed?

- Risk analysis and prioritization process
- Preventive measures
- Complaint procedure

Describe how this review is carried out for each area and what results it has led to, particularly with regard to the prioritized risks.

General process description:

With the support of Corporate Audit, the responsible corporate functions continuously review the effectiveness and appropriateness of the preventive measures taken and any remedial measures. The findings obtained from this are taken into account in the further development of the respective measures and are used to assess the effectiveness and appropriateness of the financial, personnel, and material resources as well as the risk analysis and prioritization process.

For the area of complaint procedures:

In accordance with the guidelines published by the Federal Office of Economics and Export Control, the number of complaints and the proportion of complaints resolved were used as KPIs to measure effectiveness. During the reporting period, no LkSG-relevant reports were received as part of the complaint procedure. It is not known whether this is due to the complaint procedure itself or to the fact that no LkSG-relevant issues concerning KraussMaffei arose during the reporting period. The e-learning courses on compliance-related topics and the LkSG, which will be introduced in 2024, will once again refer to the complaint procedure and encourage course participants to make use of it.

E. Review of risk management

Are there processes or measures in place to ensure that the interests of your employees, employees within your supply chains, and those who may be directly affected in a protected legal position by the economic activities of your company or by the economic activities of a company in your supply chains are adequately taken into account when establishing and implementing risk management?

In which areas of risk management are there processes or measures in place to take into account the interests of those potentially affected?

- Complaint procedures

Describe the processes or measures for the respective area of risk management.

We are in regular contact with our direct suppliers, and our purchasing department staff are available to our suppliers for comments, questions, or feedback.

The mandatory training courses offered on compliance-related and LkSG-specific topics are coordinated with the Group Works Council.

The complaint procedure is open to all stakeholders.