

# DECLARATION OF PRINCIPLES

ON RESPECT FOR HUMAN RIGHTS



MARQUARDT

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# FOREWORD

**Respect for human rights and all associated environmental standards are of fundamental importance at Marquardt. We are convinced that exemplary corporate governance is based on respect for these rights.**

As a globally active company, the Marquardt Group (hereinafter referred to as "Marquardt") is aware of its responsibility to respect human rights and is committed to upholding all human rights, respecting the rights of employees and their representatives and protecting the environment.

Marquardt confirms that it will prevent negative impacts on human rights within its own business activities and eliminate or minimize these as far as possible. Marquardt sees this human rights due diligence as a shared responsibility of all those involved in the respective value chain and therefore also demands this understanding from its business partners\*, in particular from its direct suppliers. Furthermore, Marquardt is committed to ensuring that this duty of care is also implemented by its indirect suppliers.

The due diligence requirements are specified by the following basic principles. This declaration supplements the principles of the "Marquardt Code of Conduct for Business Partners", with whose recognition the "Declaration of Principles on Respect for Human Rights" is equally accepted and compliance with it confirmed. In order to ensure compliance with this declaration, all business partners undertake to provide information about it on request.

## Management Board

Rietheim-Weilheim / February 2024



Dr. Harald Marquardt



Dr. Kristjan Ambroz



Jochen Becker

\* Business partners are all legal or natural persons with whom the Marquardt Group maintains business relationships, such as customers and suppliers.

# OUR COMMITMENT

**Marquardt is committed to compliance with all internationally recognized human rights along the value chain.**

As part of its corporate human rights responsibility, Marquardt refers in particular to the following international conventions and declarations in order to confirm its agreement with the content and principles stated therein:

- » The Universal Declaration of Human Rights, codified in particular in the “International Covenant on Civil and Political Rights” and the “International Covenant on Economic, Social and Cultural Rights” (in addition to other applicable international human rights treaties, e.g. the UN Convention on the Rights of the Child)
- » The ILO core labor standards
- » The ten principles of the UN Global Compact
- » The UN Guiding Principles on Business and Human Rights
- » The OECD Guidelines for Multinational Enterprises
- » The International Bill of Human Rights

This declaration forms the binding basis for current and future social and industrial relations at Marquardt. In addition to the “Marquardt Code of Conduct for Business Partners”, it applies to relationships with all business partners along our supply chain. In addition, this declaration serves as a basis for dialog with other internal and external stakeholders and communities in the environment of our business activities.

Marquardt is aware of its human rights responsibility and undertakes to comply with all the basic principles set out in this declaration. We also expect a corresponding commitment to responsibility from our business partners.

The realization of the following principles and objectives takes place in consideration of and in compliance with the laws applicable in the various countries and locations. Where national requirements fall short of the self-imposed standards, Marquardt and its business partners are committed to promoting the following principles and objectives.

# PRINCIPLES AND OBJECTIVES



## PROHIBITION OF CHILD LABOR AND THE WORST FORMS OF CHILD LABOR

Any form of child labor is strictly prohibited. The minimum age for taking up employment is determined in accordance with the standards set out in ILO Conventions 138 and 182 on the legal minimum age for the employment of children. The regulations on the prohibition of hazardous child labor must also be observed.

Children must not be hindered in their development. Their dignity must be respected, their safety and health must not be compromised, but must be protected by appropriate measures.

## BAN ON FORCED LABOR

Marquardt does not tolerate forced or compulsory labor or slavery, including modern forms of slavery and human trafficking. All employer practices must at least comply with the ILO core labor standards.

Employment relationships must always be entered into voluntarily and employees should be able to terminate them at any time at their own discretion and subject to reasonable notice periods.

## FREEDOM OF ASSOCIATION, RIGHT TO COLLECTIVE BARGAINING AND RIGHT TO STRIKE

Marquardt recognizes the fundamental right of all employees to form and join trade unions and employee representative bodies. In addition, the company and all managers are committed to maintaining neutrality in this context. This excludes any form of discrimination based on trade union activities (founding, joining or membership).

If this fundamental right is restricted by local laws, alternative, legally compliant options for establishing employee representation should be supported.

It is ensured that there is a regular and open exchange between company management and employee representatives on working conditions. The aim is to involve employees as directly as possible in this social dialog and to ensure a fair balance between the interests of both parties. Collective bargaining is a special form of this social dialog.

Marquardt respects the right to strike insofar as it is exercised in accordance with the respective national legal systems.

## EQUAL OPPORTUNITIES AND PROTECTION AGAINST DISCRIMINATION

Marquardt rejects any form of discrimination, harassment or unjustified disadvantage. This applies in particular to discrimination based on ethnic or social origin, skin color, gender, nationality, language, religion, physical or mental limitations, gender identity, sexual orientation, state of health, age, marital status, pregnancy/parenthood, trade union membership or political conviction or any other characteristics, insofar as this is based on democratic principles and tolerance towards those with different opinions.

Instead, Marquardt is committed to promoting equal opportunities and protecting minorities. Cultural diversity and respectful interaction with one another form the foundation of our corporate strategy.

## RIGHT TO HEALTH AND SAFETY AT WORK

As an employer, Marquardt guarantees safety and health protection in the workplace for all people working for us. We comply with the applicable labor, health and fire protection laws as well as our own additional requirements. The aim is to create a safe working environment in which no one is harmed in the course of their work. Our zero accidents at work strategy aims to ensure that all employees return home healthy and safe every working day.

## WORKING HOURS

We comply with the applicable national working time regulations and are guided by the ILO core labor standards. In this context, we ensure that appropriate breaks from work, a corresponding limitation of working hours and regular paid leave are guaranteed.

## REMUNERATION AND BENEFITS

Marquardt is guided by the principle that the same pay should be paid for work of equal value – without including extra-neous conditions. We offer our employees competitive and performance-oriented remuneration and comply with the applicable local minimum wage. Remuneration or expenses to be reimbursed are paid punctually and in full and can only be withheld if there is a sufficient legal basis for doing so.

## EDUCATION AND QUALIFICATION

Marquardt promotes the training and qualification of all employees in order to be able to offer a consistently high level of performance and meet its own requirements for high-quality work and innovative products.

## RIGHTS OF INDIGENOUS PEOPLES AND LOCAL COMMUNITIES

Marquardt takes the health, safety and livelihood of local communities and indigenous peoples into account in its business activities and respects their rights. In this context, we comply with the principles of free, prior and informed consent of indigenous peoples in our operations in accordance with ILO Convention No. 169. We do not participate in any unlawful forced evictions or the unlawful deprivation of livelihoods in the acquisition, development or other use of land, forests and water. We are also committed to taking appropriate measures to avoid potentially harmful impacts on the health, safety and livelihoods of local communities and indigenous peoples.



## COMMISSIONING OF SECURITY STAFF

If we at Marquardt commission security forces to protect our company, they are also bound to respect human rights.

## PROTECTION OF HUMAN RIGHTS DEFENDERS

We at Marquardt are aware of the important role played by human rights defenders. We strictly reject any threats, intimidation, defamation and criminalization against these individuals. Exchange and constructive cooperation with human rights defenders are important to us at Marquardt.

## PROTECTION OF PERSONAL DATA

We attach great importance to respecting the personal rights of our employees and business partners with regard to the use of their personal data. Marquardt therefore pays particular attention to the responsible handling of personal data and uses it exclusively for the intended purpose and in compliance with the applicable legal regulations.

The collection, storage, processing and other use generally require consent, a contractual provision or another legal basis. Technical and organizational measures, such as the internal data protection policy, set a uniform data protection and data security standard.

## DEALING WITH ARTIFICIAL INTELLIGENCE

When developing and using Artificial Intelligence, we always pay attention to compliance with ethical and sustainable principles; for us, people should be the driving force behind development.

## HUMAN RIGHTS AND THE ENVIRONMENT

For us at Marquardt, corporate responsibility includes not only respect for human rights but also environmental due diligence.

Marquardt consistently pursues its self-imposed environmental protection goals within the framework of ISO 14001 certification. We see it as our duty to always use ecologically compatible materials and technologies manufactured under humane conditions in accordance with the current state of the art and to minimize environmental pollution in the long term.

Marquardt ensures that the applicable environmental protection laws and the relevant recognized environmental regulations are complied with. Natural resources are to be used sparingly and in an environmentally friendly manner in order to avoid waste. Energy should be used as sustainably and efficiently as possible in order to minimize emissions and environmental impact. The environmental due diligence obligations are detailed in the "Marquardt Code of Conduct for Business Partners".



# IMPLEMENTATION OF THIS POLICY STATEMENT

It is particularly important to us to take appropriate account of human and environmental rights in our business activities.

Compliance with and implementation of the principles and objectives set out in this declaration is a continuous process. We continuously review the implementation of our due diligence obligations with regard to changing framework conditions, the nature and scope of our business activities as well as

on findings from the processing of reports. We are constantly developing our internal and external human rights and environmental due diligence processes on the basis of these reviews.

An essential component of our duty of care is the analysis of the risks of potential and actual effects of our business activities on people and the environment. We use a management process to identify and evaluate relevant risks and potentially affected parties who have a direct or indirect business relationship with Marquardt. We strive to continuously expand our human rights and environmental due diligence processes in order to better fulfill our due diligence obligations.

## RESPONSIBILITIES

This policy statement is binding for all managers, employees and business partners of Marquardt.

The Executive Board of the Marquardt Group is ultimately responsible for the implementation of and compliance with this "Declaration of Principles on Respect for Human Rights". The operational implementation of the principles is carried out by the individual internal units. The responsible persons at each location are responsible for local implementation.

Marquardt's Social Compliance Team is responsible for the internal monitoring of due diligence obligations. This interdisciplinary team is made up of three officers:

- » a representative for environment and energy,
- » a representative for human rights and
- » a representative for Governance and Compliance.

The overarching concept for compliance with human rights and the associated environmental rights is developed within the Social Compliance Team. The relevant departments report to the Social Compliance Team on a regular and ad hoc basis. The team informs the Management Board regularly and on an ad hoc basis about the measures required to comply with the law.

## RISK ANALYSIS

Risk analysis is carried out as part of the aforementioned risk management system using the PDCA cycle (Plan-Do-Check-Act). This involves risk identification, risk analysis, risk assessment and risk treatment. From this, preventive measures can be defined and taken, violations and potential for improvement identified and countermeasures initiated.

### 1. Risk identification

The risk identification process for recognizing, avoiding or mitigating human rights and environmental risks is based on systematic data collection and processing. External and internal data sources can be used to identify country risks, product group risks and business purposespecific risks both at supply chain level and for our own business division. We are supported in this due diligence approach by a corresponding software solution, among other things, when collecting data.



## 2. Risk analysis and assessment

Following identification, the data is evaluated and weighted. In this process, we use the statutory adequacy criteria of severity and probability of occurrence. Following the result of the abstract risk analysis, a detailed analysis of the actual risks is carried out in order to determine the impact on people and the environment.

## 3. Prioritization of risks

In a final step, the risks are prioritized according to the level of impact and the degree of personal responsibility. Our own responsibility is determined by our ability to exert influence and the contribution to causation. These results are then incorporated into our corporate decisionmaking process with regard to supplier selection, business partner management and our own business area. The findings are used to create and, if necessary, adapt internal regulations, processes and training in order to meet our due diligence obligations.

## CONTROL, PREVENTION AND REMEDIAL MEASURES

Suitable measures are derived from the risk analysis in order to fulfill our responsibility to respect human rights and protect the environment.

### Control measures

Suitable control measures are used to check risks and indications of legal violations in order to define appropriate preventive and remedial measures. If a risk is identified, appropriate preventive measures are taken in the company's own business area and with regard to direct suppliers and indirect suppliers, and their implementation is monitored. In the case of risks in the supply chain, topic-specific needs-based queries are carried out for this purpose. In the company's own business area, information is updated as and when the risk situation changes or at regular intervals.

### Preventive measures

The implementation of our due diligence processes is ensured preventively with regular, comprehensive training courses and training elements. Target group-oriented specialist knowledge is imparted, thereby raising awareness of the issues.

Our business partners are informed and sensitized about our business practices by the "Marquardt Code of Conduct for Business Partners".

### Remedial measures

If we become aware of possible imminent or actual violations of the prohibitions of the Supply Chain Duty of Care Act, our "Marquardt Code of Conduct for Business Partners" or this "Declaration of Principles on Respect for Human Rights", remedial action will be taken immediately.

In its own business area, these measures must lead to the prevention or termination of the violation.

With regard to our suppliers, we will contact them in an appropriate manner and, depending on the severity of the breach, initiate suitable measures. These measures may be voluntary or mandatory and may range from reducing, suspending or terminating the business relationship.

## EFFECTIVENESS CHECK

We review our measures to prevent or mitigate negative human rights or environmental impacts for effectiveness or topic-specific adjustments at least once a year and on an ad hoc basis. Audits and queries as part of a compliance report can be used for this purpose. We review the effectiveness of the measures taken in our supply chain based on the results of our risk analysis.

# COMPLAINTS MECHANISM

Violations and concerns about compliance with the aforementioned principles can be reported via our whistleblower system. This is available to employees as well as business partners or other external third parties.

## Notices can be handed in via

**E-MAIL** [compliance@marquardt.com](mailto:compliance@marquardt.com)

**PHONE** +49 7424 99-2002

**WHISPERBOX** at our locations

**iWHISTLE** (our electronic whistleblowing system) via [marquardt.iwhistle.de/en](https://marquardt.iwhistle.de/en)

Information or violations can be reported anonymously via the Whisperbox or the electronic whistleblower system iWhistle.

Whistleblowers are of course protected from reprisals and any retaliatory measures. Reports are accepted and processed by the Corporate Compliance Department at the headquarter in Rietheim-Weilheim.

The information received via the whistleblower system is also used to continuously improve our human rights and environmental due diligence processes.

# REPORTING

Marquardt undertakes to report at least once a year on compliance with the due diligence obligations to respect human rights and the associated environmental standards for responsible procurement within the framework of the legal requirements. This must be done in such a way that the public can gain confidence in the measures that Marquardt takes in response to identified risks. The information shall be provided in a way that is understandable and accessible to stakeholders and the public.

# FINAL PROVISIONS

This declaration shall enter into force upon its publication. It does not apply retroactively. No individual claims or claims of third parties can be derived from this declaration. The declaration is regularly reviewed for any need for adjustment and optimization and can be adjusted at any time without giving reasons. Business partners will be informed of future changes in individual cases by electronic notification.



**MARQUARDT**

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