

## **Declaration of Principles for the Respect of Human and Environmental Rights**

This declaration outlines the strategy of Alfing Kessler GmbH Machine Factory (MAFA) regarding its human rights and sustainability strategy based on the Supply Chain Due Diligence Act (LkSG).

### *Company Profile*

As a medium-sized family-owned company with around 1,100 employees, Alfing Kessler Machine Factory is globally oriented, providing the highest expertise in forging, heat treatment, machining, and assembly of precision components. With a production area of over 115,000 m<sup>2</sup> at the main location in Aalen-Wasseralfingen, we manufacture crankshafts and precision components up to a length of 8 m using state-of-the-art manufacturing facilities and excellent technological knowledge. In the field of hardening machine construction, induction hardening machines and heating systems are developed, built, and used worldwide.

### *Organization and Responsibility*

To meet all the requirements, laws, and internal guidelines imposed by the Supply Chain Due Diligence Act, MAFA follows the legal text of the LkSG according to §4 para. 3 sentence 1 and appoints a human rights officer. The responsibilities of the human rights officer are divided between two individuals: the Compliance Officer and the Sustainability Officer. Together, they act as the human rights officer and report to MAFA management at least once a year.

The Sustainability Officer is responsible for monitoring activities related to risk management and compliance with internal guidelines. The Compliance Officer, on the other hand, handles reports brought to MAFA through the complaint management system. The Compliance Officer processes and documents all complaints with the utmost care and confidentiality.

### *Human Rights and Sustainability Obligations*

Environmental protection and social responsibility have always been a major concern for MAFA. Consequently, we expect the same behavior from our employees and suppliers. The Code of Conduct for Employees and Business Partners serves as the basis for this expectation.

Supplier selection is done with the utmost care to ensure sustainable cooperation. Our suppliers are audited at regular intervals, with audits covering human rights and environmental issues. The Code of Conduct for Business Partners is an integral part of collaboration with suppliers.

As we embody the principles of ecological, social, and ethical behavior in MAFA, our employees are not only trained in these matters but also receive their own copy of the Code of Conduct for Employees.

### *Risk Management*

To minimize human rights and environmental risks in advance and during cooperation with suppliers, MAFA collaborates with an external software house (Integrity Next). Integrity Next's digital platform specializes in risk management for human rights and environmental issues, going beyond legal requirements to cover additional sustainability topics. Based on our process, Integrity Next assesses risks with suppliers, derives preventive measures, and supports their implementation.



Regular risk assessments take place during a business year. At least once a year, the management itself evaluates the results of the risk analysis. Just as we expect from our suppliers, we subject ourselves to the same risk analysis criteria.

### *Preventive Measures*

To fulfill the responsibility imposed by the LkSG regarding human rights and the environment, MAFA has internally developed procedural instructions describing the approach to various scenarios and escalations. This procedural guide allows for the review, evaluation, or escalation of measures.

### *Complaint and Whistleblower System*

MAFA has established a confidential complaint system through which our employees and external individuals can report human rights and environmental risks within MAFA and with our suppliers. Our human rights officer processes and documents all complaints with the utmost care. We encourage both employees and business partners, as well as external parties, to use MAFA's complaint system when suspicion arises.

### *Sustainability Report of MAFA*

[ALFING Nachhaltigkeitsbericht A4\\_70 .pdf](#)

Maschinenfabrik Alfing Kessler GmbH  
01.02.2024, Aalen

A handwritten signature in blue ink that reads "Konrad Grimm". The signature is fluid and cursive, with the first name "Konrad" and the last name "Grimm" clearly distinguishable.

Konrad Grimm  
Managing Director