



HEGENSCHEIDT-MFD Modern Slavery and Human Trafficking Statement

HEGENSCHEIDT-MFD has published this statement in accordance with the UK Modern Slavery Act 2015 and it is valid for the financial year 2020, which ends on 31.12.2020.

This statement applies exclusively to the company:

HEGENSCHEIDT-MFD GmbH
Hegenscheidt Platz
41812 Erkelenz
Germany

This statement explains the steps and measures taken to avoid the risks of modern slavery and human trafficking.

Our Business

HEGENSCHEIDT-MFD designs, manufactures, distributes, installs, commissions and services special machine tools and production lines for wheel and wheelset machining, wheelset diagnostic systems and rerailing systems for the railway industry as well as special machine tools for crankshaft machining for the automotive industry.

In the business year 2020, we employed in average approximately 550 persons including our apprentices and a low two-digit number of temporary staff. We are doing business worldwide and over the past decades, we have supplied our products to customers in more than 100 countries. In general, we export by far the largest share of the products we manufacture, so that the export usually accounts for more than 80% of our turnover.

Our Supply Chain

Despite the fact that the vertical range of manufacture in our company is very high, our supply chain is still essential in helping us run our business. We are dependent on our suppliers to help us by delivering those components for our machines and other products, which we do not manufacture ourselves, like e.g. CNC control systems and hydraulic systems. Although we are targeting the markets worldwide, our suppliers are exclusively



companies based in Germany, in the EU and in Switzerland. We do not purchase any components outside this geographical and political area and in particular, we do not buy any raw materials like ores or minerals.

Our Commitment

The company HEGENSCHIEDT-MFD GmbH is aware of its corporate responsibility for the society and the environment. The goal of our actions is not only economic success but also the active participation in shaping a global future worth living. The protection of human dignity, fairness, environmentally conscious and rule-compliant action, social responsibility, social recognition and sustainable business relations are an integral part of the company's guidelines.

We acknowledge that modern slavery and human trafficking are a crime and a violation of fundamental human rights and we will not tolerate this at HEGENSCHIEDT-MFD. We remain committed to doing business in a responsible way, which includes a commitment to do all that we reasonably can to prevent all forms of modern slavery in any part of our own business and our supply chains.

We expect our suppliers and customers to share and respect these ethical values and principles.

Steps against modern slavery and human trafficking

Concern over increasing international violence and violation of human rights leads to particular caution. HEGENSCHIEDT-MFD is doing its utmost to ensure that its supply chains do not contribute to international human rights violations. We are committed not to procure or use for our products or those of our customers any raw materials like ores and minerals. In particular we are committed not to use any conflict minerals (including but not limited to gold [Au], tantalum [Ta], tungsten [W] and tin [Sn]) that are mined in conflict areas throughout the world or that are illegally taxed in trade routes controlled by armed non-governmental groups.

HEGENSCHIEDT-MFD select our suppliers under consideration of human rights. We will not tolerate:

- Weekly working hours exceeding the maximum as defined by local law or more than 60 hours per week (whatever number is lower) Exceptions are emergencies and exceptional circumstances,



- The undercutting of the minimum wage and the minimum social benefits according to local law and in particular child labour, involuntary labour and human trafficking,
- Inhuman treatment,
- Discrimination against minorities.

In our [purchasing conditions](#), suppliers are required to comply with the applicable laws governing the general minimum wage, the treatment of employees, environmental protection and occupational safety. Subcontractors shall be obligated to the same extent.

We employ temporary workers exclusively by companies that comply with German legislation.

Ownership

Our Management assigns the primary and day-to-day responsibility for our modern slavery policy and programme to our Quality Manager, reporting directly to our President and CEO. We have set up a working group comprising of representatives from each of the following functions:

- Human Resources
- Contracts and Procurement
- Compliance Management
- Quality Management

The working group has continued to meet since its creation. It is responsible for putting together a programme of works to reduce the risk of modern slavery happening within our business or supply chain.



Acceptance of the declaration

The HEGENSCHIEDT-MFD management takes its responsibility to prevent modern slavery and human trafficking very seriously. The supply chains are subject to constant inspection, so that modern slavery and human trafficking have no room in the business of HEGENSCHIEDT-MFD.

A handwritten signature in blue ink that reads "John O. Naumann".

John O. Naumann

President & CEO

HEGENSCHEIDT-MFD GmbH