



Guideline for Cooperation with Suppliers in HEIDELBERG's Product Development and Production Process (GCS)

(As of 1st of March 2024)

Published version

Overview and Content

Heidelberger Druckmaschinen AG strives for close cooperation and a partnership-based relationship with its suppliers. In our cooperation, we focus on the following goals:

- Continuous assurance of quality
- Constant increase in customer satisfaction
- Continuous reduction of time to market
- Targeted improvement of product and process quality
- Reduction of costs in development and production

Heidelberger Druckmaschinen AG pursues the goal of being the preferred partner for the world's print industry. HEIDELBERG suppliers play a central role in achieving this goal with their products.

An essential component in achieving this goal is the quality standard that HEIDELBERG sets for itself, its products, services and business processes. In order to fulfil HEIDELBERG's quality standards, all HEIDELBERG brand products must undergo a clearly defined qualification process prior to their market launch or in the event of changes. Supplier's products are consistently integrated into this process.

Responsibility for the product and for the qualification process lies with the supplier. Our intention of this guideline is to communicate the expectations of Heidelberger Druckmaschinen AG with regard to the qualification of products and processes to our suppliers. Therefore, the guideline illustrates the overall process, defines the operational sub-processes in the cooperation and sets out generally applicable product requirements. At the same time, the process description clarifies the close link between the processes on the supplier side and the internal processes.

The guideline also states: Increased efficiency and quality assurance are achieved through transparency and reliability. The advantages of this approach are continuously confirmed in our daily cooperation, as:

- Standardized action at the interface to the supplier is guaranteed and

- Maximum transparency is ensured for the decision-makers involved, which contributes to risk management and enables
- Contribution to and facilitates risk management, which
- Adapt to the special needs of the supplier or to project-specific requirements without compromising commitment and transparency.

With this in mind, we hope that the guideline will continue to be well accepted by our suppliers. This is expressed through active application in day-to-day business and is reflected in the quality of our products and our cooperation. When entering a cooperation, the entire guideline will be made available by HEIDELBERG Procurement.

Scope and Validity

This guideline is intended to convey to our suppliers the basic understanding of cooperation with the HEIDELBERG group. The guideline covers all product development and production sites, as well as spare parts centers of Heidelberger Druckmaschinen AG and its affiliated companies. The guideline is primarily aimed at suppliers of production materials for test, trial, series and spare parts as well as merchandise and consumables. The older versions of the guideline remain valid for existing products until the next amendment.

Commitment

We expect our suppliers to understand, recognize and implement the high demands we place on our products. We associate this guideline with the desire to respect HEIDELBERG's corporate values and process landscape and to strive for maximum implementation. Where necessary, system, process and product requirements are agreed in a binding manner.

Compliance

The HEIDELBERG Group stands for integrity, reliability and fairness. Compliance with applicable legal and other regulations, as well as generally recognized moral, ethical and social principles is an essential part of HEIDELBERG's corporate identity. Realizing this goal is supported by the adoption and communication of the HEIDELBERG Values and a binding Code of Conduct. Living these values and complying with the requirements of the Code of Conduct are also binding for all HEIDELBERG employees at the interface with the supplier and are thus visible to the supplier in the business relationship in a variety of ways. In order to fulfil this responsibility and obligation in its entirety, we expect the same basic understanding from our suppliers. Our Business Partner Code of Conduct and our Declaration on Human Rights form the basis for this.

In particular, the following values and guiding principles are essential for all HEIDELBERG employees in the supplier relationship:

- HEIDELBERG strives for safe, cost-effective, compliant and sustainable solutions for its products and their manufacture.
- HEIDELBERG organizes the company's structure and processes (including the interface with suppliers) transparently, securely and efficiently.
- HEIDELBERG maintains long-term and trusting relationships with its business partners.
- HEIDELBERG observes the applicable legal regulations and complies with internationally recognized rules of good corporate governance.
- HEIDELBERG employees should not exert any direct or indirect influence on a customer, supplier or competitor (e.g., through their own contractual relationship, a private advisory activity or in the form of a financial interest). They should not expose themselves to such a conflict of interest.
- The behavior of HEIDELBERG employees towards business partners and third parties is characterized by friendliness, openness, the ability to take criticism, fairness and respectful interaction.
- Notwithstanding this, we expect our employees to represent the interests of HEIDELBERG and to conduct themselves professionally and with integrity.
- In their dealings with customers, suppliers, competitors or other interested third parties, HEIDELBERG employees should refrain from doing anything that could give the appearance of a restrictive, discriminatory, unfair or otherwise improper arrangement or agreement.
- Any unilateral favoritism or unjustified discrimination against a business partner must be avoided. Transparent and complete written documentation of the business process or transaction ensures this.
- Documents and other information about internal HEIDELBERG processes must be treated confidentially, not passed on or made accessible to third parties and protected against unauthorized access. HEIDELBERG expects its business partners to protect confidential information and respect intellectual property. Technology and know-how transfer must be carried out in such a way that intellectual property rights and customer information, business secrets and non-public information are protected. This applies to trade and business secrets of HEIDELBERG, to information subject to data protection and to documents and information entrusted to us by third parties in accordance with the agreement. HEIDELBERG expects its business partners to comply with the applicable laws, regulations and guidelines on data protection and information security. In particular, business partners must ensure that they have taken suitable and appropriate measures to ensure compliance with data protection requirements with regard to personal data of customers or other personal data of the HEIDELBERG Group.

- HEIDELBERG employees do not grant any unjustified additional advantages or profits to business partners or third parties from business conducted for HEIDELBERG. Nor do they derive any advantages or profits for themselves from such transactions.
- This applies in particular to all forms of taking advantage, bribery, corruptibility, other forms of corruption or money laundering that are punishable by law. HEIDELBERG employees will neither demand nor accept monetary benefits, gifts or favors, nor promise or grant them to third parties.

Approved by



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Heidelberg / Wiesloch, March 2024

Objectives

HEIDELBERG strives for intensive cooperation and a partnership-based relationship with its suppliers. When organizing joint processes, particular emphasis must be placed on ensuring that work can be carried out with a high level of effectiveness and efficiency. Clearly defined agreements and arrangements help to ensure a high level of quality.

This essentially requires:

- the product creation and delivery process must be transparent in terms of scope and timing,
- the process steps between HEIDELBERG and its suppliers:
 - be disclosed by both sides,
 - can be adapted to requirements, if necessary,
 - be concretely agreed upon and ultimately lived,
- the conditions of the supplier relationship must be known and
- clarify what requirements our customers place on the product and how these are taken into account in the development and manufacture of the supplier product.

Only together with its suppliers can HEIDELBERG fulfil the future requirements of the market and thus create the conditions for the economic success of both sides. Successful cooperation is a prerequisite for this. From HEIDELBERG's point of view, this includes:

- The supplier assuming product responsibility,
- a high degree of personal responsibility on the part of the supplier in all process steps,
- an independent contribution by the supplier to risk management,
- structured product development and product and process qualification, which is driven by the supplier with the involvement of HEIDELBERG.
- as well as open, cross-functional, and cross-company communication.

The GCS is the foundation for successful cooperation. It is intended to assist both sides in the planning and implementation of all process steps. This guideline is understood as an instrument that is continuously adapted to the needs of HEIDELBERG and its suppliers. The more intensively

the suppliers contribute their own knowledge and requirements, the better.

Quality, Process and Environmental Management

Quality Management

In its mission statement, HEIDELBERG stands for the highest quality and customer satisfaction. This means that our suppliers, as value-adding partners, have an integral system responsibility for the trend-setting product quality in our industry.

The exceptional quality and lasting value of our products require outstanding delivery performance.

With short lead times, we can fulfil our customers' wishes in the shortest possible time. This requires our suppliers to be integrated into our entire process landscape, from product development, procurement and production through to service.

We expect our suppliers to share our demanding quality policy with us.

We expect a zero-defect culture among management and staff.

Comprehensive sub-supplier management, which always enables provision of high-quality materials and services, transferred into excellent supplier parts. On-schedule deliveries to our respective locations in line with quality standards are adapted just-in-time to the corresponding production order.

Our worldwide service guarantees customers exceptional availability of spare parts 24/7 around the clock.

Our suppliers continuously improve the effectiveness of their QM system. We expect a quality management system that meets at least the international standards of ISO 9001 in its current version. In principle, we assume that the supplier provides evidence of effective quality management by means of a certificate.

New suppliers are added to our supplier base via a systematic approval process.

During onboarding at the sites and in the HEIDELBERG Group, we qualify the essential core elements of our supplier quality: zero-defect culture, advanced quality planning, test process suitability, initial sampling, production control, 8D-report, sub-supplier management, change

management, digital supplier portal, quality management agreement, target setting agreement and supplier evaluation and furthermore the compliance with human rights due diligence obligations.

Integrated Process Management

Structural market changes, regional shifts in trade relations and risks in the value and supply chains require a situational response at all times. HEIDELBERG therefore works closely with its supplier base in a joint process model. Our product lifecycle management integrates our suppliers into the development and planning processes at an early stage by means of quality gates. Suppliers contribute their innovative solutions in joint project management. Milestones are used to track the development and planning steps through to production and market release, ensuring best-in-class quality.

The HEIDELBERG Production System HPS promotes continuous optimization and improvement of production standards. We integrate suppliers into our order and logistics structure of our production sites. Reliable planning across the entire supply chain ensures optimized capacity and inventory management at minimum cost in line with the total cost of ownership (TCO) approach. The ability to react quickly in the event of deviations should minimize disruptions to the production process.

Process Management and Application of Methods in HEIDELBERG-Production

All production sites of Heidelberger Druckmaschinen AG have described their common values, principles and methods in the HEIDELBERG Production System HPS. In addition to the traditional goals of synchronous production, quality, continuous development, good management and cooperation, these include efficient administration, digitalization, sustainability and resource efficiency.

For the system to be implemented successfully, it is crucial that the content is understood and the resulting requirements are also taken into account by our suppliers. Make the HEIDELBERG Production System your own business - we would like to win you over. A description of the HEIDELBERG Production System will be made available to you in the event of a cooperation.

Sustainability

(environmental, social and governance aspects)

Heidelberger Druckmaschinen AG has set itself the goal of establishing and certifying an environmental management system in accordance with the international standard ISO 14001 at all production and development sites and ISO 50001 at particularly energy-intensive sites, which aims to continuously improve environmental protection and energy efficiency.

This is based on our values, principles and guidelines for environmental protection, which stipulate the pursuit of environmentally friendly solutions for both products and their manufacture. It is expressly emphasized that suppliers and contractual partners are included in this objective. This is done, for example, by asking suppliers for information about their environmental management systems and the environmental relevance of the products they supply. A large number of legal requirements also necessitate a close and open exchange of information between HEIDELBERG and its suppliers. Examples include RoHS and REACH. The environmental aspect is therefore one of many that determine the cooperation with suppliers.

Further information on sustainability at Heidelberger Druckmaschinen AG can be found in brochures, which can either be requested from HEIDELBERG Procurement or are available directly on our website www.heidelberg.com under "About us/Sustainability" or in the Download Centre.

Information Security

The aim of information security is to protect the values of the HEIDELBERG Group, to strengthen the trust of customers and business partners in the digital solutions, to prevent financial damage from information security incidents, to mitigate risks and to fulfil all legal requirements for the protection of business-critical and personal information.

HEIDELBERG therefore expects its business partners to protect confidential information and respect intellectual property. Technology and know-how transfer must be carried out in such a way that intellectual property rights and customer information, trade secrets and non-public information are protected. HEIDELBERG expects its business

partners to observe the applicable laws for the protection of business secrets and to treat confidential information accordingly.

All types of information, whether expressed in conversation, written on paper or printed, in electronic form, as film material or in any other form, are processed, transmitted or stored many times in a business relationship. These types of information must be protected against loss, falsification and unauthorized access. HEIDELBERG expects that the relevant infrastructures and protective measures correspond to the current state of the art as well as the legal and regulatory requirements, that the operational processes take into account the concerns of information security and that the employees are sensitized in this regard. HEIDELBERG reserves the right to verify this through audits in consultation with the supplier.

HEIDELBERG expects its business partners to make full use of the technical possibilities to minimize the risk of information security incidents and their effects as far as possible. In the event of a breach of the above-mentioned protection objectives of information security, adequate and timely reporting to HEIDELBERG is expected, as well as evidence of the measures taken.

HEIDELBERG relies on an information security management system in accordance with ISO27001. By establishing and adhering to the rules defined in ISO27001, there is an internationally recognized basis for secure relationships between HEIDELBERG and its business partners in the context of information security. HEIDELBERG strives to achieve ISO27001 certification for all partners involved in business processes in order to build and maintain mutual trust.

Subject Areas of the GCS

Part 1 - Process Overview

The Part 1 "Process overview" structures the overall process and defines the content of all phases and milestones. It assigns responsibilities and shows the chronological sequence of the process steps. The description of the product life cycle based on individual phases and milestones serves, among other things, to synchronize product

development at the supplier with HEIDELBERG's internal product development. The content, scope and handling of the individual phases and milestones that the supplier must process together with HEIDELBERG over the product life cycle must be coordinated on a project-specific basis.

There is a clear differentiation in the process flow if the delivery service is limited to the provision of a product based on a standard or purchased part specification or includes the provision of a system including development services.

Part 2 - Supporting Process Steps

The "Supporting process steps" section is dedicated to cooperation at the operational level of the specialist departments. Here, process steps are bracketed in their functional assignment. This categorization is intended to be as generally valid as possible for the heterogeneous field of HEIDELBERG suppliers. It is therefore based on the primary business processes of HEIDELBERG suppliers.

Part 3 - HEIDELBERG Product Requirements

The "HEIDELBERG Product Requirements" section lists basic, generally applicable requirements for supplier products that result from HEIDELBERG's significant quality requirements or those from our customers' applications. If there is a product-specific relevance of the requirements, the supplier is requested to make a classification based on his expertise.

Part 4 - Appendix

The appendix shows examples and templates or refers to those that provide assistance with the implementation of the process steps.