

**Disclaimer:**

**In accordance with §§ 10 (2) and 12 (1) of the Act on Corporate Due Diligence Obligations in Supply Chains, Heidelberger Druckmaschinen AG is obliged to report in German language. In order to ensure better comprehensibility for all interested parties, the report will be published in both German and English. In case of discrepancies between the two versions, the German version shall prevail.**

**Report on the Corporate Due Diligence Obligations in Supply Chains  
(in German: „Bericht zum LkSG (Lieferkettensorgfaltspflichtengesetz)“)**

**Reporting period from 01.01.2023 to 31.03.2023**

**Name of the organization:** Heidelberger Druckmaschinen AG

**Address:** Gutenbergring, 69168 Wiesloch

**Table of contents**

- A. Strategy and anchoring
  - A1. Risk management monitoring and management responsibility
  - A2. Policy statement on the human rights strategy
  - A3. Anchoring the human rights strategy within the own organization
- B. Risk analysis and prevention measures
  - B1. Implementation, procedure and results of the risk analysis
  - B2. Prevention measures in the own business area
  - B3. Prevention measures at direct suppliers
  - B5. Communication and results
  - B6. Changes in risk disposition
- C. Identification of breaches and remedial action
  - C1. Identification of breaches and remedial action in the own business area
  - C2. Identification of breaches and remedial action at direct suppliers

- C3. Identification of breaches and remedial action at indirect suppliers
- D. Complaint procedure
  - D1. Establishment or participation in a complaints procedure
  - D2. Requirements for the complaint procedure
  - D3. Implementation of the complaints procedure
- E. Review of risk management

## **A. Strategy and anchoring**

### **A1. Risk management monitoring and management responsibility**

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

An LkSG Steering Committee was set up, consisting of executives from Corporate Sustainability, the Legal Department, Procurement, Internal Audit and Quality. Supervisors also implemented risk management in their own departments, recorded breaches of duty and implemented preventive measures.

## A. Strategy and anchoring

### A1. Risk management monitoring and management responsibility

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

**It is confirmed that the management has established a reporting process which, in the sense of §4 (3) LkSG, ensures that it is regularly - at least once a year - informed about the work of the person responsible for monitoring risk management.**

- Confirmed

**Describe the process that ensures reporting to senior management at least annually or on a regular basis with respect to risk management.**

Reporting to the Executive Board has been included as a standing agenda item in the ESG Council meeting, which is held at least every six months. The ESG Council, under the direction of the Corporate Sustainability department, reports regularly on sustainability issues to HEIDELBERG's management. In addition, the Head of Corporate Sustainability reports directly to the CEO of the company in his capacity as head of the LkSG Steering Committee on an ad hoc basis.

## A. Strategy and anchoring

### A2. Policy statement on the human rights strategy

**Is there a policy statement that is established or updated based on the risk analysis conducted during the reporting period?**

The policy statement was uploaded

[Declaration of Principles for the Respect of Human Rights.pdf \(heidelberg.com\)](#)

## A. Strategy and anchoring

### A2. Policy statement on the 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 (if applicable), the public and the direct suppliers where a risk has been identified in the risk analysis.**

- Confirmed

**Please describe how the policy statement was communicated to each relevant audience.**

The HEIDELBERG Statement of Principles on Human Rights was made available to all stakeholders on the Company's website. In addition, the policy statement was published on the intranet and employees were trained on it in online training sessions. Identified direct suppliers exposed to risks were trained on the relevant contents of the LkSG.

## A. Strategy and anchoring

### A2. Policy statement on the human rights strategy

#### Which elements does the policy statement contain?

- Establishment of a risk management system
- Annual risk analysis
- Anchoring of preventive measures in the company's own business area, at direct suppliers and, if applicable, indirect suppliers and their effectiveness monitoring
- Remedial actions in own business area, at direct suppliers and, if applicable, indirect suppliers and their effectiveness review
- Provision of a complaints procedure within the own business area, with suppliers and its effectiveness review
- Documentation and reporting requirements
- Description of the identified priority risks
- Description of human rights and environmental expectations for own employees and suppliers
- Establishment of preventive measures in own business unit, at direct suppliers and, if applicable, indirect suppliers and their effectiveness review

## **A. Strategy and anchoring**

### **A2. Policy statement on the human rights strategy**

#### **Description of any updates during the reporting period and the reasons for them.**

The policy statement was first published in December 2022. In the current period since publication, there have been no changes that would necessitate an update.

## A. Strategy and anchoring

### A3. Anchoring the human rights strategy within the own organization

**In which relevant departments / business units was the anchoring of the human rights strategy ensured within the reporting period?**

- Human Resources
- Site development / management
- Environmental management
- Occupational safety and occupational health management
- Communication / Corporate Affairs
- Research and development
- Purchasing
- Supplier Management
- Corporate Social Responsibility / Sustainability
- Legal / Compliance
- Quality management
- Mergers and Acquisitions
- Business Development
- IT / Digital infrastructure
- Community / Stakeholder engagement
- Internal Audit
- Economic Committee

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

The Declaration of Principles on Human Rights at Heidelberger Druckmaschinen AG stipulates that the implementation and responsibility for implementing the human rights strategy falls within various department heads. The implementation of the values of Heidelberger Druckmaschinen AG is anchored by the managers in the departments. This ensures that the strategy is implemented in each department and that clear responsibility for implementation is defined.



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

The strategy was communicated to employees in training sessions, guidelines and requirements were developed and adapted. A software tool was procured for the risk analysis and evaluation of direct suppliers and integrated as a tool into the processes of the purchasing department and risk management. Responsibilities and processes were clearly defined for implementation in the individual areas.

**Describe what resources and expertise will be provided for implementation.**

Human resources were provided to build the processes and implement them, as well as external expertise through consulting. Training for employees was designed and carried out to increase knowledge within the company. In addition, investments were made in a software tool for risk analysis of direct suppliers.

## B. Risk analysis and prevention measures

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

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

- No

**Justify your answer.**

At the end of 2022, a detailed risk analysis was carried out for the first time for the company's own business area and for direct suppliers. This falls just outside the reporting period. A further risk analysis is scheduled for the beginning of the new financial year of Heidelberger Druckmaschinen AG. In the future, the risk analysis will be carried out annually at the beginning of the new financial year; on one occasion, it was carried out earlier for the first run.

Risk analysis in the company's own business area was carried out by means of self-assessments. The general risk analysis of suppliers was carried out on the basis of indices and taking into account the ability to exert influence. A specific risk analysis was carried out by means of a questionnaire for a sample of the risk suppliers identified in the process.

## **B. Risk analysis and prevention measures**

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

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

- No

**Justify your answer.**

There was no event in the reporting period that would have necessitated an event-related risk analysis.

## **B. Risk analysis and prevention measures**

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

#### **Results of risk identification**

##### **What risks were identified in the risk analysis of direct suppliers?**

- Disregard of occupational health and safety and work-related health hazards
- Destruction of the natural basis of life through environmental pollution
- Disregard for freedom of association and the right to collective bargaining
- Prohibition of forced labor and all forms of slavery
- Prohibition of unequal treatment in employment
- Prohibition of child labor
- Prohibition of withholding a reasonable wage
- Prohibited production and / or use of substances within the scope of the Stockholm Convention (POPs) and non-environmentally sound handling of waste containing POPs
- Prohibited import/export of hazardous waste as defined by the Basel Convention
- Prohibited production, use and/or disposal of mercury (Minamata Convention)

## B. Risk analysis and prevention measures

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

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

- Yes, based on the expected severity of injuries by degree, number of people affected and irreversibility
- Yes, based on the probability of occurrence
- Yes, based on the nature and scope of its own business activities

**Describe in more detail how the weighting and prioritization, if any, was done and what trade-offs were made.**

In the first manual risk analysis, human rights-related risks were identified solely based on country indices. The following indices were used for this purpose: Worldwide Governance Indicators (World Bank), Fragile States Index (Fund for Peace), Environmental Performance Indicator (Yale University), Global Freedom Scores (Freedom House) and Global Slavery Prevalence (Walk Free Foundation). The maximum of all 5 indices was used in a relative 5-level logic from "very high" to "very low" as a classification of the human rights-related risk.

The environmental risks "use of mercury" and "use of harmful chemicals" were identified by looking at product groups. For the risks "non-environmentally sound handling of waste" and "export/import of hazardous waste", data from "What a waste global database" (The World Bank) were used as a rough approximation. The results were validated by a bottom-up analysis in which purchasing looked at the risk suppliers individually and was able to exclude some suppliers from the risk pool using empirical values and internal knowledge. Here, the maximum of the indices used in a relative 5-step logic from "very high" to "very low" was taken as the classification of the environment-related risk.

The list of at-risk suppliers was further narrowed down via the ability to influence (low annual turnover with the supplier). These remaining 350 prioritized risk suppliers were additionally examined for industry-specific risks using the supply chain risk management tool from the provider prewave. Finally, the concrete risk analysis was carried out on a randomly selected sample of 30 suppliers from these risk suppliers by means of a self-disclosure questionnaire with supporting documents.

## B. Risk analysis and prevention measures

### B2. Prevention measures in the own business area

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

- Disregard of occupational health and safety and work-related health hazards
- Destruction of the natural basis of life through environmental pollution
- Disregard for freedom of association and the right to collective bargaining
- Prohibition of forced labor and all forms of slavery
- Prohibition of unequal treatment in employment
- Prohibition of child labor
- Prohibition of withholding a reasonable wage
- Prohibited production and / or use of substances within the scope of the Stockholm Convention (POPs) and non-environmentally sound handling of waste containing POPs
- Prohibited production, use and/or disposal of mercury (Minamata Convention)

### Prohibited production and / or use of substances within the scope of the Stockholm Convention (POPs) and non-environmentally sound handling of waste containing POP

**What specific risk is involved?**

Some of the delivery items purchased by HEIDELBERG from non-EU countries may contain POP substances that are not permitted under the EU POP Regulation if the Heidelberg standard on material compliance is not observed. Then there could be a risk that suppliers do not comply with the requirements of the Stockholm Convention.

**Where does the risk occur?**

- China
- Canada
- Singapore
- United States of America (USA)



**Prohibited production, use and / or disposal of mercury (Minamata Convention).**

**What specific risk is involved?**

Some of the delivery items purchased from HEIDELBERG contain mercury. There could be a risk that suppliers do not comply with the requirements of the Minamata Convention.

**Where does the risk occur?**

- China
- Germany
- Poland
- Switzerland
- Slovakia
- Czech republic
- United Kingdom (Great Britain and North Ireland)

**Disregard for occupational health and safety and work-related health hazards**

**What specific risk is involved?**

Risk could occur in almost any location if the work safety regulations according to local legal requirements and HEIDELBERG standard / guidelines were not followed.

### **Where does the risk occur?**

- Australia
- Belgium
- Brazil
- China
- Denmark
- Germany
- Estonia
- France
- Greece
- India
- Indonesia
- Ireland
- Italy
- Japan
- Canada
- Malaysia
- Mexico
- New Zealand
- Netherlands
- Austria
- Philippines
- Poland
- Sweden
- Switzerland
- Singapore
- Spain
- South Africa
- South Korea
- Thailand
- Czech Republic
- Turkey
- Ukraine
- Hungary
- United States of America (USA)
- United Kingdom (Great Britain and North Ireland)

## **Destruction of the natural basis of life through environmental pollution**

### **What specific risk is involved?**

Risk could occur in almost any location if local environmental regulations and HEIDELBERG standards according to the Environmental Policy and Code of Conduct were not followed.

### **Where does the risk occur?**

- Australia
- Belgium
- Brazil
- China
- Denmark
- Germany
- Estonia
- France
- Greece
- India
- Indonesia
- Ireland
- Italy
- Japan
- Canada
- Malaysia
- Mexico
- New Zealand
- Netherlands
- Austria
- Philippines
- Poland
- Sweden
- Switzerland
- Singapore
- Spain
- South Africa
- South Korea
- Thailand
- Czech Republic
- Turkey
- Ukraine
- Hungary
- United States of America (USA)
- United Kingdom (Great Britain and North Ireland)

## Disregard for freedom of association and right to collective bargaining

### **What specific risk is involved?**

This risk could occur in almost any location if the requirements of the Heidelberg Code of Conduct were not followed.

### **Where does the risk occur?**

- Australia
- Belgium
- Brazil
- China
- Denmark
- Germany
- Estonia
- France
- Greece
- India
- Indonesia
- Ireland
- Italy
- Japan
- Canada
- Malaysia
- Mexico
- New Zealand
- Netherlands
- Austria
- Philippines
- Poland
- Sweden
- Switzerland
- Singapore
- Spain
- South Africa
- South Korea
- Thailand
- Czech Republic
- Turkey
- Ukraine
- Hungary
- United States of America (USA)
- United Kingdom (Great Britain and North Ireland)



## Prohibition of forced labor and all forms of slavery

### **What specific risk is involved?**

This risk could occur in almost any location if the requirements of the Heidelberg Code of Conduct were not followed.

**Where does the risk occur?**

- Australia
- Belgium
- Brazil
- China
- Denmark
- Germany
- Estonia
- France
- Greece
- India
- Indonesia
- Ireland
- Italy
- Japan
- Canada
- Malaysia
- Mexico
- New Zealand
- Netherlands
- Austria
- Philippines
- Poland
- Sweden
- Switzerland
- Singapore
- Spain
- South Africa
- South Korea
- Thailand
- Czech Republic
- Turkey
- Ukraine
- Hungary
- United States of America (USA)
- United Kingdom (Great Britain and North Ireland)

## Prohibition of unequal treatment in employment

### **What specific risk is involved?**

This risk could occur in almost any location if the requirements of the Heidelberg Code of Conduct were not followed.

### **Where does the risk occur?**

- Australia
- Belgium
- Brazil
- China
- Denmark
- Germany
- Estonia
- France
- Greece
- India
- Indonesia
- Ireland
- Italy
- Japan
- Canada
- Malaysia
- Mexico
- New Zealand
- Netherlands
- Austria
- Philippines
- Poland
- Sweden
- Switzerland
- Singapore
- Spain
- South Africa
- South Korea
- Thailand
- Czech Republic
- Turkey
- Ukraine
- Hungary
- United States of America (USA)
- United Kingdom (Great Britain and North Ireland)

## Prohibition of child labor

### **What specific risk is involved?**

Risk could occur in almost any location if the ICS (Internal Control System) controls, to perform an age check and reconcile with local legal requirements were not performed.

### Where does the risk occur?

- Australia
- Belgium
- Brazil
- China
- Denmark
- Germany
- Estonia
- France
- Greece
- India
- Indonesia
- Ireland
- Italy
- Japan
- Canada
- Malaysia
- Mexico
- New Zealand
- Netherlands
- Austria
- Philippines
- Poland
- Sweden
- Switzerland
- Singapore
- Spain
- South Africa
- South Korea
- Thailand
- Czech Republic
- Turkey
- Ukraine
- Hungary
- United States of America (USA)
- United Kingdom (Great Britain and North Ireland)

### Prohibition of withholding a fair wage

#### **What specific risk is involved?**

This risk could occur in almost any location if the requirements of the Heidelberg Code of Conduct were not followed.

### **Where does the risk occur?**

- Australia
- Belgium
- Brazil
- China
- Denmark
- Germany
- Estonia
- France
- Greece
- India
- Indonesia
- Ireland
- Italy
- Japan
- Canada
- Malaysia
- Mexico
- New Zealand
- Netherlands
- Austria
- Philippines
- Poland
- Sweden
- Switzerland
- Singapore
- Spain
- South Africa
- South Korea
- Thailand
- Czech Republic
- Turkey
- Ukraine
- Hungary
- United States of America (USA)
- United Kingdom (Great Britain and North Ireland)



## **B. Risk analysis and prevention measures**

### **B2. Prevention measures in the own business area**

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

- Conduct training in relevant business areas

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

All employees with PC access were trained via e-learning to achieve awareness and understanding of LkSG issues in their daily work. In addition, all employees in purchasing and other employees who deal with suppliers received in-depth training of the implemented processes.

**Describe the extend to which training is appropriate and effective in preventing and minimizing priority risks.**

The trainings provide attention and the understanding of the issues and processes were increased.

## **B. Risk analysis and prevention measures**

### **B3. Prevention measures at direct suppliers**

**Which risks were prioritized for the reporting period with direct suppliers?**

- None

**Justify your answer if no risks have been prioritized.**

For direct suppliers, Heidelberg did not perform a prioritization of the above-mentioned risks. Instead, we addressed all risks accordingly in our risk analysis and the random checks carried out using a comprehensive questionnaire, analyzed responses, and requested appropriate evidence where necessary. As published in the policy statement, no prevalent risks have come to our attention.

## **B. Risk analysis and prevention measures**

### **B3. Prevention measures at direct suppliers**

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

- Development and implementation of appropriate procurement strategies and purchasing practices
- Other measures: Training on duties of care and legal positions according to LkSG

**Other categories:**

Selected:

- Other measures

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

Immediate suppliers with identified risk potential were trained on the HEIDELBERG Group's human rights and environmental principles, duties, and values to increase the understanding and to clearly communicate the requirements for supplier behavior again.

Category: Procurement strategy and practices

**Selected:**

- Development and implementation of appropriate procurement strategies and purchasing practices

**Describe the measures implemented and to what extent the definition of delivery times, purchase prices or the duration of contractual relationships have been adjusted.**

The existing procurement strategy including advance delivery plans and cooperation procedures were re-evaluated with strategic suppliers.

**Describe how adjustments in own procurement strategy and purchasing practices will help to prevent and to minimize prioritized risks.**

The long-term advance delivery plans and cooperation with strategic suppliers with supplier development are intended to enable suppliers to produce in compliance with LkSG.

## **B. Risk analysis and prevention measures**

### **B5. Communication and results**

**Were the results of the risk analysis internally communicated to key decision-makers for the reporting period?**

**It is confirmed that the results of the risk analysis for the reporting period, in accordance with section 5 (3) of the LkSG, have been communicated internally to the relevant decision-makers, such as the Board of Management, the Executive Board or the Purchasing Department.**

- Confirmed

## **B. Risk analysis and prevention measures**

### **B6. Changes in risk disposition**

**What changes have occurred regarding priority risks compared to the previous reporting period?**

No previous reporting period, as initial report



## C. Identification of breaches and remedial action

### C1. Identification of breaches and remedial action in the own business area

**Were any breaches identified in the company's own business area during the reporting period?**

- No

**Describe the procedures that can be used to identify breaches in your own business unit.**

Reviews of business practices as part of the "Internal Audit" department's tasks, end-to-end internal control system, complaints procedures (ombudsman's office, online complains tool SpeakUp, internal reporting channels to the Compliance Office)

## **C. Identification of breaches and remedial action**

### **C2. Identification of breaches and remedial action at direct suppliers**

**Were any direct supplier breaches identified for the reporting period?**

- No

**Describe the procedures that can be used to identify breaches at direct suppliers.**

Media screening with market monitoring, complaints procedures, supplier visits / audits

## **C. Identification of breaches and remedial action**

### **C3. Identification of breaches and remedial action at indirect suppliers**

**Were any violations identified at indirect suppliers during the reporting period?**

- No

## **D. Complaint procedure**

### **D1. Establishment or participation in a complaints procedure**

**In what form was a complaint procedure offered for the reporting period?**

- Combination of own and external processes

**Describe the companies own process and / or the process in which your company participates.**

Ombudsman's office, online and telephone complains tool SpeakUp, internal reporting channels to the Compliance Office

## **D. Complaint procedure**

### **D1. Establishment or participation in a complaints procedure**

**Which potential stakeholders have access to the complaint process?**

- Own employees
- Communities near own sites
- Employees at suppliers
- External stakeholders such as NGOs, trade unions etc.

**How is access to the grievance process ensured to different groups of potential stakeholders?**

- Publicly accessible rules of procedure in text form
- Accessibility information
- Responsibility information
- Process information
- All information is clear and understandable
- All information is publicly available

**Publicly accessible rules of procedure in text form**

Optional: Describe.

-

## Accessibility information

Optional: Describe.

-

## Responsibility information

Optional: Describe.

-

## Process information

Optional: Describe.

-



All information is clear and understandable

Optional: Describe.

-

All information is publicly available

Optional: Describe.

-

## **D. Complaint procedure**

### **D1. Establishment or participation in a complaints procedure**

**Were the rules of procedure for the reporting period publicly available?**

File was uploaded:

**About the rules of procedure:**

The Compliance Whistleblowing System Policy is an internal policy, only excerpts / material aspects are publicly available.

[Compliance | HEIDELBERG](#)

## **D. Complaint procedure**

### **D2. Requirements for the complaint procedure**

**Indicate the person(s) responsible for the procedure and their function(s).**

Ombudsman's Office: Felix Rettenmaier, Dr. Carolin Weyand, Lawyers

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

- Confirmed

## D. Complaint procedure

### D2. Requirements for the complaint procedure

**It is confirmed that for the reporting period, arrangements have been made to protect potentially involved parties from being disadvantaged or penalized as a result of a complaint.**

- Confirmed

**Describe what arrangements have been made, in particular how the complaints procedure ensures the confidentiality of whistleblowers' identities.**

Any questions or issues raised will be kept confidential. Information will only be shared with a limited number of individuals on a strict need-to-know-basis. Depending on the disclosure, the information is anonymized before it is shared. Information is shared with third parties only when we are required to do so by law or when an important public interest is at stake. HEIDELBERG stands for consistent prosecution and punishment of reprisals against internal whistleblowers and third parties worthy of protection.

**Describe what precautions have been taken, in particular by what further measures whistleblowers are protected.**

Heidelberg ensures that in the event of an anonymous report via SpeakUp or the ombudsman's office, the anonymity of the internal whistleblower remains guaranteed as part of the internal clarification of the reported case.

As an external lawyer, the Ombudsperson is professionally bound to secrecy in his function. The confidentiality of the identity of the whistleblower and third parties mentioned in the report are therefore always protected plus access to it is denied for unauthorized employees.

## D. Complaint procedure

### D3. Implementation of the complaints procedure

Were any notices received during the reporting period via the complaints procedure?

- No

## E. Review of risk management

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

**In which subsequent areas of risk management is adequacy and effectiveness assessed?**

- Resources and expertise
- Risk analysis and prioritization process
- Prevention measures
- Remedial actions
- Complaints procedure
- Documentation

**Describe how this audit is carried out for the respective area and what result it has led to - in particular regarding the prioritized risks.**

The LkSG Steering Committee performs the oversight function for the above areas of LkSG risk management. It is supported in this by Internal Audit / Internal Control System (ICS). Regular consultations are held with stakeholders on remedial actions, complaint procedures, and effectiveness reviews through KPIs.



## E. Review of risk management

**Are there processes or measures in place to ensure that the establishment and implementation of risk management adequately takes into account the interests of your employees, employees within your supply chain, and those who may otherwise be directly affected by the economic actions of a company in your supply chains in a protected legal position?**

**In which areas of risk management do processes or measures exist to take into account the interests of those potentially affected?**

- Remedial action
- Complaint procedure

**Describe the processes or measures for each area of risk management.**

Consultation with affected parties on remedial action, confidentiality of complaints is ensured.