

# Report on the LkSG (Supply Chain Due Diligence Act)

**Reporting period from 01.01.2024 to 30.09.2024**

**Name of the organization:** Coperion GmbH

**Address:** Theodorstraße 10, 70469 Stuttgart

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Note: This report has been translated into English from German.

## A. Strategy & anchoring

### A1. Monitoring risk management & responsibility of the management

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

At Coperion, the Human Rights Officer is responsible for monitoring risk management and other due diligence obligations under the LkSG. To ensure that the Human Rights Officer is neutral and not bound by directives, the Human Rights Officer is the Vice President of Global Operations, Dr. Klaus Beulker, who is part of the management of Coperion GmbH.

The Human Rights Officer has the task of internally monitoring the implementation and execution of both risk management and other due diligence obligations in accordance with the LkSG. The Human Rights Officer informs the Executive Board periodically, but also on an ad hoc basis, about compliance with human rights, environmental and other obligations.

## A. Strategy & anchoring

### A1. Monitoring risk management & responsibility of the management

**Has the Executive Board established a reporting process that ensures 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 company's management has established a reporting process that ensures that it is informed regularly - at least once a year - about the work of the person responsible for monitoring risk management within the meaning of Section 4 (3) LkSG.**

- Confirmed

**Describe the process that ensures reporting to management at least once a year or regularly with regard to risk management.**

The Human Rights Officer, who is also the Vice President of Global Operations, informs the Executive Board periodically, but also on an ad hoc basis, about compliance with human rights, environmental and other obligations.

The process is supported by a team of experts from the Global Supply Management, Sustainability, Legal and Operations departments. The team regularly informs the management of Coperion GmbH about the progress of implementing LkSG. In addition, the Management Board of Hillenbrand, the parent company of Coperion GmbH, is informed about the processes on a quarterly basis.

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## A. Strategy & anchoring

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

**Is there a policy statement that has been prepared or updated on the basis of the risk analysis carried out during the reporting period?**

The policy statement has been uploaded.

[https://coperion.com/media/10229/231221\\_local-adoption-agreement-for-hi-supply-chain-transparency-policy\\_inclpolicies\\_final.pdf](https://coperion.com/media/10229/231221_local-adoption-agreement-for-hi-supply-chain-transparency-policy_inclpolicies_final.pdf)

## A. Strategy & anchoring

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

**Has the policy statement for the reporting period been communicated?**

**It is confirmed that the policy statement has been communicated to employees, the works council if applicable, the public and direct suppliers where a risk was identified in the risk analysis.**

- Confirmed

**Please describe how the policy statement was communicated to the relevant target groups.**

The policy statement was communicated to all employees throughout the company by e-mail. It is also accessible to internal stakeholders via the company website and intranet.

The Works Council was informed separately about the preparation and publication of the policy statement.

For external stakeholders, such as suppliers, customers, etc., the policy statement can be accessed via the company website.

## A. Strategy & anchoring

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

#### **What elements does the policy statement contain?**

- Establishment of a risk management system
- Annual risk analysis
- Anchoring preventive measures in the company's own business area, including direct suppliers and, if applicable, indirect suppliers and their effectiveness control
- Remedial measures in the company's own business area, including direct suppliers and, if applicable, indirect suppliers and their effectiveness control
- Provision of a complaints procedure in the company's own business area, for supplies and their effectiveness control
- Documentation and reporting obligations
- Description of the prioritized risks identified
- Description of human rights-related and environmental expectations of own employees and suppliers

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## A. Strategy & anchoring

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

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

The policy statement was first published at the end of 2023. It is valid for the current 2024 reporting period, which is why no changes have been made. The current policy statement and its validity will be reviewed for the first time in calendar year 2025 after submission and publication of the report for the 2024 reporting period.

## A. Strategy & Anchoring

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

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

- Personnel/HR
- Site development/management
- Environmental management
- Occupational safety & health management
- Purchasing/Procurement
- Supplier management
- CSR/Sustainability
- Legal/Compliance

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

Responsibility for the Human Rights Policy lies with our Chief Sustainability Officer. The human rights policy describes the purpose, scope and implementation of the human rights strategy in relation to the individual human rights positions. It is regularly reviewed and adapted as necessary. It applies to the company itself, subsidiaries and direct and indirect subsidiaries as well as to consultants, sales intermediaries and representatives, suppliers and independent contractors of Coperion GmbH.

All managers are responsible for strategic implementation. In addition, key areas of the Human Rights Policy have been assigned to responsible managers and departments, in particular the Chief Human Resources Officer, the Chief Procurement Officer, the Chief Sustainability Officer, the SVP Operations Center of Excellence, the Hillenbrand Operating Model (HOM) and the Ethics and Compliance department.

The Human Rights Officer of Coperion GmbH has put together a team of experts from various departments to monitor the implementation of the human rights strategy for Coperion GmbH and to advise the responsible functions with the support of his team of experts.

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

Hillenbrand and its subsidiary Coperion have a comprehensive system in place for the human rights due diligence and risk management of suppliers, which is monitored by our global procurement team.



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We have updated our Hillenbrand Supply Chain Transparency Policy and our Hillenbrand Supplier Standards to implement the legal requirements in our business operations and throughout our supply chain. In addition, Coperion GmbH has created a policy statement to meet additional local requirements.

Hillenbrand and its subsidiary Coperion are planning to introduce a new digital supply chain service tool that will serve as a central point of contact for global supplier information and assessments and will further support the implementation of the human rights strategy. This will enable us to meet today's trade, quality and sustainability management requirements. In addition to onboarding new suppliers, the tool collects data through various reporting functions, including supplier quality and environmental system certificates, supply chain diversity, human rights due diligence and conflict minerals management. In addition to risk assessment in our supply chain, we have implemented preventive and remediation strategies to address potential risks. These preventive strategies have been developed to proactively identify potential problems and thus ensure the stability and integrity of our supply chain. Remedial actions, on the other hand, aim to mitigate any non-compliance identified during our ongoing assessment.

To ensure compliance within our own business activities, all relevant departments were involved in the implementation in order to adapt internal processes accordingly. In addition, training courses were held in accordance with the requirements of the LkSG to raise employee awareness. Our commitment to the human rights strategy is reflected in numerous internal and public commitments, agreements and guidelines in various areas of the company. These policies include our Human Rights Policy, Global Anti-Corruption Policy, Conflict Minerals Policy, Global Environmental Policy, Health and Safety Policy, Supplier Standard and Supply Chain Transparency Policy and are further underpinned by our principles set out in our Code of Conduct.

**Describe which resources & expertise are provided for implementation.**

The following resources and experts were provided to ensure implementation:

Since 2023, Coperion GmbH has had a Human Rights Officer (HRO) who is responsible for risk management in the area of human rights - including those human rights and environmental concerns listed in the LkSG. The team of experts within EHS, HR, Procurement, etc. supports the HRO in this area. These functions are also responsible for company-wide human rights governance. The various experts contribute their experience, expertise and resources to the implementation of the due diligence process.

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The following resources and expertise are available for the implementation of the LkSG:

- Human Rights Officer
- Personnel/HR
- EHS
- Sustainability
- Compliance
- Communication
- Legal
- Global Supply Management/Procurement
- Operations

## B. Risk analysis and preventive measures

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

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

- Yes, for your own business area
- Yes, for direct suppliers

**Describe the period in which the annual risk analysis was carried out.**

The risk analysis was carried out on a pro rata basis for the 2024 financial year in the reporting period from January 1, 2024 to September 30, 2024.

**Describe the risk analysis procedure.**

Coperion GmbH's risk analysis process was developed with the help of the materials provided by the German Industry association for Mechanical and Plant Engineering (VDMA) and external legal advice. The risk analysis includes a systematic investigation of risks and violations of human rights and environmental guidelines in the company's own business area and at direct suppliers.

Risk analysis for direct suppliers:

For direct suppliers, a distinction is made between an abstract and a concrete risk analysis. An initial abstract analysis of supplier risks is based on country and industry data. Coperion GmbH has developed an evaluation scheme for this purpose. This is based on data from internationally recognized indices on human rights and environmental protection for each country and industry, such as the Global Slavery Index or the index of the World Justice Project, in accordance with the BAFA information on risk databases. The evaluation of suppliers is based on a standardized evaluation matrix to ensure comparability of the results. By weighting the risks accordingly, the potential extent and impact of the risk and the irreversibility of consequences are taken into account in the supplier's risk assessment. The allocation of supplier risks is based on the prioritization defined by the company for the individual risks. Based on the results of the abstract risk analysis, a concrete risk analysis is carried out in the form of a supplier questionnaire. The supplier is asked about the corresponding identified risk areas. The supplier's answers are then evaluated by our team of experts in the Global Supply Management department and, if necessary, the appropriate preventive or remedial measures are initiated.

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#### Risk analysis in your own business area:

The identification of risks in the company's own business area is carried out for each subsidiary of Coperion GmbH. Risks are weighted depending on the sites size and type of location and based on the weighted risks, a site-specific questionnaire is answered. In addition, Coperion GmbH also collects site information on the relevant risks and processes to minimize risks. The corresponding results of the surveys and the collected information are then evaluated by a team of experts and, if necessary, the appropriate remedial measures are implemented.

#### Risk analysis for new suppliers:

Before onboarding new suppliers at Coperion GmbH, the suppliers are evaluated based on their country of origin and industry affiliation, if available. Based on the risks identified in an abstract risk analysis, the supplier receives a questionnaire to assess specific risks. The answers are then evaluated by our team of experts in the Global Supply Management department and, if necessary, the company initiates appropriate preventive or remedial measures. In addition, regular on-site audits are carried out when evaluating a new supplier. In the event of irremediable violations and a lack of willingness to cooperate on the part of the supplier, the supplier is not approved for collaboration.

Coperion GmbH consolidates the results of the risk analysis annually and updates the corresponding database in order to identify risks and violations at an early stage. This enables the company to react quickly and initiate measures to overcome risks.

## B. Risk analysis and preventive measures

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

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

- Yes, due to a significant change in the risk situation, for example as a result of new products/projects/opening up new markets

#### **Describe the specific occasions.**

As Coperion GmbH operates in special machine construction, new suppliers are regularly added to the supplier base on a project-related basis. These are first subjected to an abstract and then a concrete risk analysis before they are created in the company's ERP system.

#### **Describe what findings the analysis has led to with regard to a significantly changed and/or expanded risk situation.**

All suppliers completed the risk-based questionnaire and provided us with the required information. By answering the questionnaires, we were able to eliminate the country and industry risks identified.

#### **Describe the extent to which findings from the processing of information/complaints have been incorporated.**

During the reporting period, our company did not receive any complaints or other indications of violations of human rights and environmental protection that proved to be concrete or substantiated. Accordingly, no information or indications were included in the event-driven risk analysis. This was carried out exclusively on the basis of the abstract risk analysis and the onboarding of new suppliers.

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

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

#### **Results of the risk assessment**

##### **What risks were identified in the risk analysis(es) in your own business area?**

- Prohibition of hiring or using private/public security forces that could lead to impairments due to lack of instruction or control
- Disregard for occupational health and safety and work-related health hazards
- Destruction of the natural basis of life through environmental pollution
- Prohibition of forced labor and all forms of slavery
- Prohibition of child labor
- 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 within the meaning of the Basel Convention

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

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

#### **What risks were identified in the risk analysis(es) for direct suppliers?**

- Prohibition of hiring or using private/public security forces that could lead to impairments due to lack of instruction or control
- Disregard for occupational health and safety and work-related health hazards
- Destruction of the natural basis of life through environmental pollution
- Prohibition of forced labor and all forms of slavery
- Prohibition of child labor
- 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 within the meaning of the Basel Convention

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

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

**What risks were identified in the risk analysis(es) for indirect suppliers?**

- None



## B. Risk analysis and preventive measures

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

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

- Yes, based on the expected severity of the violation in terms of degree, number of people affected and irreversibility
- Yes, on the basis of other factors: Impact on people, the environment and society

**Describe in more detail how the weighting and prioritization process was carried out and what considerations were made.**

Risks are weighted on the basis of their impact on people, the environment and society. To this end, the company has developed a suitable assessment scale for risks based on the UN Convention on Human Rights and sorted them according to the severity of their impact. In addition, a risk matrix was used to determine an appropriate prioritization of risks for the company.

The twelve risk categories have different impacts on people, the environment and society. For an effective risk model, the respective risks must be prioritized. To do this, it is necessary to evaluate the risk categories and determine a suitable ranking. Coperion GmbH uses the following five categories to assess the impact on people, the environment and society:

- Physical integrity
- Freedom and security
- Social development
- Environmental impact
- Education

Risks relating to the violation of fundamental human rights are assessed on a scale of zero to five, with zero meaning that the risk has a massive negative impact on the respective assessment categories. With a rating of five, the risk has no negative impact on the violation of fundamental human rights. The higher the overall rating, the lower the impact of the risk on people, the environment and society. A prioritization or ranking of the individual risk categories was derived on this basis.

## B. Risk analysis and preventive measures

### B2. Preventive measures in your own business area

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

- Prohibition of hiring or using private/public security forces that could lead to impairments due to lack of instruction or control
- Disregard for occupational health and safety and work-related health hazards
- Destruction of the natural basis of life through environmental pollution
- Prohibition of forced labor and all forms of slavery
- Prohibition of child labor
- 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 within the meaning of the Basel Convention

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

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

The risks identified in a previous abstract risk analysis were reviewed as part of the specific risk analysis in Coperion GmbH's own business area and were not confirmed. To this end, a close exchange took place with those responsible at the company's individual sites. If necessary, on-site audits and other instruments were available. As no specific risks were identified, it is not possible to go into any further detail in this report.

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

- United States (USA)

#### **Prohibited import/export of hazardous waste within the meaning of the Basel Convention**

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

The risks identified in a previous abstract risk analysis were reviewed as part of the specific risk analysis in Coperion GmbH's own business area and were not confirmed. To this end, a close exchange took place with those responsible at the company's individual sites. If necessary, on-site audits and other instruments were available. As no specific risks were identified, it is not possible to go into any further detail in this report.

**Where does the risk occur?**

- United States (USA)

**Prohibition of hiring or using private/public security forces that could lead to impairments due to lack of instruction or control**

**What specific risk is involved?**

The risks identified in a previous abstract risk analysis were reviewed as part of the specific risk analysis in Coperion GmbH's own business area and were not confirmed. To this end, a close exchange took place with those responsible at the company's individual sites. If necessary, on-site audits and other instruments were available. As no specific risks were identified, it is not possible to go into any further detail in this report.

**Where does the risk occur?**

- China
- India
- United States (USA)

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

**What specific risk is involved?**

The risks identified in a previous abstract risk analysis were reviewed as part of the specific risk analysis in Coperion GmbH's own business area and were not confirmed. To this end, a close exchange took place with those responsible at the company's individual sites. If necessary, on-site audits and other instruments were available. As no specific risks were identified, it is not possible to go into any further detail in this report.

**Where does the risk occur?**

- China
- India
- Italy
- Switzerland
- United States (USA)

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

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

The risks identified in a previous abstract risk analysis were reviewed as part of the specific risk analysis in Coperion GmbH's own business area and were not confirmed. To this end, a close exchange took place with those responsible at the company's individual sites. If necessary, on-site audits and other instruments were available. As no specific risks were identified, it is not possible to go into any further detail in this report.

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

- China
- India

### **Prohibition of forced labor and all forms of slavery**

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

The risks identified in a previous abstract risk analysis were reviewed as part of the specific risk analysis in Coperion GmbH's own business area and were not confirmed. To this end, a close exchange took place with those responsible at the company's individual sites. If necessary, on-site audits and other instruments were available. As no specific risks were identified, it is not possible to go into any further detail in this report.

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

- China
- India

### **Prohibition of child labor**

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

The risks identified in a previous abstract risk analysis were reviewed as part of the specific risk analysis in Coperion GmbH's own business area and were not confirmed. To this end, a close exchange took place with those responsible at the company's individual sites. If necessary, on-site audits and other instruments were available. As no specific risks were identified, it is not possible to go into any further detail in this report.

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**Where does the risk occur?**

- China
- India
- United States (USA)

## B. Risk analysis and preventive measures

### B2. Prevention measures in own business area

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

- Implementation of training in relevant business areas
- Implementation of risk-based control measures
- Other/additional measures: Company guidelines

#### Implementation of training courses in relevant business areas

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

All Coperion GmbH employees are obliged to take part in occupational health and safety training. In addition, the company offers comprehensive training on the topics of human rights and environmental protection, which are integrated into the Code of Conduct. These training courses are held regularly and are also accessible via the company website to ensure that all employees can access the relevant information at any time. Through these measures, Coperion GmbH promotes a deep understanding of the importance of human rights and environmental protection daily work and strengthens awareness of ethical standards within the company.

The training courses are assigned to employees according to their position and must be completed within a specified period. Employees without access to a computer or mobile device receive the relevant training in person. These face-to-face training courses are conducted by staff from the respective departments.

**Describe the extent to which the implemented trainings are effective to prevent and minimize risks.**

As the company has no substantiated knowledge of the violation of human rights or environmental protection guidelines and has not been able to confirm the risks previously identified in an abstract risk analysis, the effectiveness of the training is given. This will be reviewed periodically after submission of the current report for the 2024 reporting period. Coperion GmbH is developing a suitable measurement system for this purpose.

#### Implementation of risk-based control measures

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

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In addition to introducing and communicating a policy statement, Coperion GmbH has carried out comprehensive risk analyses at the company's global sites and prioritized risks. Depending on the size of the sites and the existing ISO certifications, the focus was on selected risks. Specific controls were implemented at the sites in cooperation with the respective site managers. This risk-based approach enables the company to carry out targeted investigations and thus efficient results.

**Describe to what extent the measures to prevent and minimize the prioritized risks are appropriate and effective.**

As part of the site evaluations carried out, the company was able to not verify and confirm the risks identified in a previous abstract risk analysis. Coperion GmbH currently has no substantiated knowledge of the violation of human rights or environmental protection guidelines, which is why the effectiveness of the control measures introduced is given. A more in-depth examination of effectiveness will be carried out after the submission of the current report for the 2024 reporting period. The company is developing a suitable measurement system for this purpose.

**Other/further measures**

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

The Group policy on the protection of human rights and the environment adopted by the parent company Hillenbrand applies to the entire Group. This includes all subsidiaries of the company, including Coperion GmbH and its subsidiaries. The policy is freely accessible to all employees and appropriate communication about the content and importance of this policy has already been carried out. We attach great importance to compliance with these standards and the promotion of a responsible approach to human rights and environmental issues in all areas of our company.

**Describe to what extent the measures to prevent and minimize the prioritized risks are appropriate and effective.**

The Group policy is an effective tool for preventing human rights and environmental risks and violations. In the 2024 reporting year, the company did not identify any violations of these guidelines, which underlines the effectiveness of the policy. In order to ensure the continuous improvement and adaptation of our standards, a more in-depth examination of the effectiveness of the policy and any potentially necessary adjustments will be carried out after the submission of the current report for the 2024 reporting period.

## B. Risk analysis and preventive measures

### B3. Preventive measures for direct suppliers

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

- Prohibition of hiring or using private/public security forces that could lead to impairments due to lack of instruction or control
- Disregard for occupational health and safety and work-related health hazards
- Destruction of the natural basis of life through environmental pollution
- Prohibition of forced labor and all forms of slavery
- Ban on child labor
- 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 within the meaning of the Basel Convention

#### **Prohibition of hiring or using private/public security forces that could lead to impairments due to lack of instruction or control**

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

Through the implementation of a specific risk analysis conducted via a structured questionnaire, all previously identified and prioritized risks associated with the suppliers have been effectively mitigated and proven to not be substantiated. In addition, we maintained close communication with suppliers that exhibited risks following the company's abstract risk analysis. Through the utilization of the questionnaire, along with certifications and statements provided by the suppliers, the identified risks were successfully addressed. If necessary, on-site audits and other instruments were available. Consequently, the aforementioned risks cannot be further detailed in this report.

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

- India
- Ukraine
- United States (USA)

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

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

Through the implementation of a specific risk analysis conducted via a structured questionnaire, all previously identified and prioritized risks associated with the suppliers have been effectively mitigated and proven to not be substantiated. In addition, we maintained close communication with suppliers that exhibited risks following the company's abstract risk analysis.



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Through the utilization of the questionnaire, along with certifications and statements provided by the suppliers, the identified risks were successfully addressed. If necessary, on-site audits and other instruments were available. Consequently, the aforementioned risks cannot be further detailed in this report.

**Where does the risk occur?**

- Estonia
- India
- Ireland
- Italy
- Croatia
- Netherlands
- Poland
- Switzerland
- Ukraine
- Hungary
- United States (USA)

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

**What specific risk is involved?**

Through the implementation of a specific risk analysis conducted via a structured questionnaire, all previously identified and prioritized risks associated with the suppliers have been effectively mitigated and proven to not be substantiated. In addition, we maintained close communication with suppliers that exhibited risks following the company's abstract risk analysis. Through the utilization of the questionnaire, along with certifications and statements provided by the suppliers, the identified risks were successfully addressed. If necessary, on-site audits and other instruments were available. Consequently, the aforementioned risks cannot be further detailed in this report.

**Where does the risk occur?**

- India

**Prohibition of forced labor and all forms of slavery**

**What specific risk is involved??**

Through the implementation of a specific risk analysis conducted via a structured questionnaire, all previously identified and prioritized risks associated with the suppliers have been effectively mitigated and proven to not be substantiated. In addition, we maintained close communication with suppliers that exhibited risks following the company's abstract risk analysis.

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Through the utilization of the questionnaire, along with certifications and statements provided by the suppliers, the identified risks were successfully addressed. If necessary, on-site audits and other instruments were available. Consequently, the aforementioned risks cannot be further detailed in this report.

**Where does the risk occur?**

- India
- Ukraine

**Prohibition of child labor**

**What specific risk is involved?**

Through the implementation of a specific risk analysis conducted via a structured questionnaire, all previously identified and prioritized risks associated with the suppliers have been effectively mitigated and proven to not be substantiated. In addition, we maintained close communication with suppliers that exhibited risks following the company's abstract risk analysis. Through the utilization of the questionnaire, along with certifications and statements provided by the suppliers, the identified risks were successfully addressed. If necessary, on-site audits and other instruments were available. Consequently, the aforementioned risks cannot be further detailed in this report.

**Where does the risk occur?**

- India
- United States (USA)

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

**What specific risk is involved?**

Through the implementation of a specific risk analysis conducted via a structured questionnaire, all previously identified and prioritized risks associated with the suppliers have been effectively mitigated and proven to not be substantiated. In addition, we maintained close communication with suppliers that exhibited risks following the company's abstract risk analysis. Through the utilization of the questionnaire, along with certifications and statements provided by the suppliers, the identified risks were successfully addressed. If necessary, on-site audits and other instruments were available. Consequently, the aforementioned risks cannot be further detailed in this report.

**Where does the risk occur?**

- United States (USA)

## **Prohibited import/export of hazardous waste within the meaning of the Basel Convention**

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

Through the implementation of a specific risk analysis conducted via a structured questionnaire, all previously identified and prioritized risks associated with the suppliers have been effectively mitigated and proven to not be substantiated. In addition, we maintained close communication with suppliers that exhibited risks following the company's abstract risk analysis. Through the utilization of the questionnaire, along with certifications and statements provided by the suppliers, the identified risks were successfully addressed. If necessary, on-site audits and other instruments were available. Consequently, the aforementioned risks cannot be further detailed in this report.

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

- United States (USA)

## B. Risk analysis and preventive measures

### B3. Preventive measures for direct suppliers

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

- Development and implementation of suitable procurement strategies and purchasing practices
- Integration of expectations in supplier selection
- Obtain contractual assurance for compliance and implementation of expectations along the supply chain
- Training and further education to enforce contractual assurance
- Agreement and implementation of risk-based control measures

#### **Category: Procurement strategy & purchasing practices selected:**

- Development and implementation of suitable procurement strategies and purchasing practices

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

Market and supply chain management operates within a highly dynamic environment that is continually evolving. As a result, the establishment of long-term contracts and the implementation of proactive supplier management strategies for goods and services deemed strategically important are critical components in mitigating business risks. The recent introduction of the Supply Chain Due Diligence Act (LkSG) has further expanded the scope of risk management to encompass not only traditional business risks but also the associated risks to human rights and environmental sustainability.

Coperion GmbH carefully selects its partners to minimize not only business risks but also sustainability risks for the company and the supply chain. With the help of the implemented risk management system, risks are regularly reviewed, providing the company with greater stability in a highly dynamic globalized world.

#### **Describe how adjustments to your own procurement strategy and purchasing practices help to prevent and minimize the prioritized risks.**

Coperion GmbH strives to minimize human rights and environmental risks when working with suppliers. The process of selecting these partners includes a thorough and comprehensive assessment to ensure that they comply with the company's ethical standards and sustainability goals. In line with this commitment, all suppliers undergo an evaluation process. This process includes the prioritization of risks identified in the abstract risk analysis and serves as the basis for the assessment of potential risks and violations within the supply chain. New suppliers from high-risk countries and industries must also undergo this thorough assessment, which is carried out using a structured questionnaire and/or comprehensive audits.

Note: This report has been translated into English from German.

The Supply Chain Due Diligence Act has been integrated into the company's supplier management, strengthening its importance within the global procurement strategy. In addition to minimizing risk, Coperion GmbH requires its suppliers to ensure the human rights of employees and compliance with environmental protection regulations throughout the entire supply chain.

**Other categories selected:**

- Integration of expectations in supplier selection
- Obtaining contractual assurance for compliance and implementation of expectations along the supply chain
- Training to enforce contractual assurance
- Agreement and implementation of risk-based control measures

**Describe to what extent the measures, to prevent and minimize the prioritized risks, are appropriate and effective.**

To ensure compliance and accountability, all suppliers are expected to accept and adhere to the company's Code of Conduct and its guidelines. In addition, the company offers external suppliers online training on the Code of Conduct to obtain necessary knowledge on various human rights issues and the importance of upholding corporate values. This training is intended to promote a common understanding of ethical standards and expectations and thus strengthen the integrity of the supply chain.

Coperion GmbH has established a robust risk management system that monitors the supply chain for potential risks and violations of human rights and environmental protection guidelines. This approach enables the company to identify and address problems early on. In addition, a concept is currently being developed to evaluate the effectiveness of the measures implemented. This concept is intended to enable a systematic evaluation of the processes established after the first reporting year so that necessary optimizations can be introduced based on the results.

At this point, it is important to mention that no specific violations have been identified within the supply chain. Therefore, the company has decided that it is not necessary to conduct an immediate assessment of the effectiveness of the measures implemented with suppliers.

The company has successfully reduced risks by obtaining valid certifications, guidelines and declarations that serve as evidence of suppliers' compliance with the defined standards and practices. The general effectiveness of implemented risk prevention measures within the supply chain will be reviewed periodically after submission of the current report for the 2024 reporting period. Coperion GmbH is developing a suitable measurement system for this purpose.

Note: This report has been translated into English from German.

## B. Risk analysis and preventive measures

### B4. Preventive measures for indirect suppliers

**Which risks were prioritized based on the event-driven risk analysis for indirect suppliers?**

- None

**If no risks have been selected, give reasons for your answer.**

In the current reporting period for the 2024 reporting year, the company has not obtained any substantiated knowledge of risks or violations at indirect suppliers. For this reason, no event-driven risk analysis was carried out for these suppliers. However, the company remains vigilant and will take any necessary measures should the situation change or new information becomes available.

Note: This report has been translated into English from German.

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

### **B5. Communication of the results**

**Were the results of the risk analysis(es) for the reporting period communicated internally to relevant decision-makers?**

**It is confirmed that the results of the risk analysis(es) for the reporting period were communicated internally to the relevant decision-makers, such as the Executive Board, the management or the purchasing department, in accordance with Section 5 (3) LkSG.**

- Confirmed

Note: This report has been translated into English from German.

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

### B6. Changes to the risk disposition

**What changes have been made with regard to prioritized risks compared to the previous reporting period?**

This does not apply to Coperion GmbH for the current reporting period, as there is no previous reporting period. This is the first report on the company's compliance with the due diligence obligations defined in the law.



## C. Identification of violations and remedial measures

### C1. Identification of violations and remedial measures in own business area

**Were any violations identified in your own business area during the reporting period?**

- No

**Describe which procedures can be used to detect violations in your own business area.**

Coperion GmbH has implemented comprehensive control measures to ensure compliance with human rights and environmental protection guidelines. These measures enable the company to identify and eliminate potential risks and violations at an early stage.

To this end, a survey system was introduced at the various locations to ensure continuous monitoring and evaluation of compliance with the guidelines. Furthermore, the company has actively promoted the communication of its policy and is in close contact with the respective managers at the sites to ensure effective implementation. The company also has access to audits at the respective sites as a means of prevention and remediation.

Furthermore, all employees have free access to our complaints management system, which gives them the opportunity to report any concerns or violations anonymously. This promotes a transparent and responsible corporate culture that is geared towards respecting human rights and protecting the environment.

## C. Identification of violations and remedial measures

### C2. Identification of violations and remedial measures at direct suppliers

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

- No

#### **Describe which procedures can be used to detect violations at direct suppliers.**

Coperion GmbH has implemented comprehensive control measures to ensure that suppliers comply with human rights and environmental protection guidelines. As part of these measures, an abstract risk analysis is first carried out based on country and industry data. This analysis makes it possible to identify potential risks and violations at an early stage.

Based on the results of this risk analysis, selected suppliers are subjected to a specific investigation. This specific risk analysis is carried out by means of a structured questionnaire that is sent to the selected suppliers. To ensure that this process is not neglected, a reminder system has been set up to remind suppliers to complete the questionnaire on time.

The completed questionnaire is then evaluated by a team of experts within Coperion GmbH. The company's internal experts carefully analyze the information received to identify potential risks and violations. If necessary, on-site audits of suppliers are available to ensure a comprehensive review of compliance with human rights and environmental protection guidelines. These measures help to further strengthen transparency and responsibility in the supply chain.

Note: This report has been translated into English from German.

## **C. Identification of violations and remedial measures**

### C3. Identification of violations and remedial measures for indirect suppliers

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

- No

## D. Complaints procedure

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

#### **In what form was a complaints procedure offered in the reporting period?**

- In-house complaints procedure

#### **Describe the company's own process and/or the process in which your company participates.**

Coperion GmbH has developed a comprehensive process for human rights and environmental due diligence in connection with the Supply Chain Due Diligence Act and the EU Whistleblower Directive.

Our reporting system is accessible around the clock in various languages via different channels. In selected countries, complaints or reports can be submitted by telephone via the reporting telephone numbers. Our hotlines are managed by ethics and compliance experts who specialize in the risks associated with the Supply Chain Due Diligence Act. It is also possible to submit complaints and reports confidentially via an online reporting form. Both the reporting system and the hotlines can be contacted anonymously, provided this is permitted by local law.

Once a complaint or tip-off has been received, the person making the report usually receives an acknowledgement of receipt within seven days, as well as a contact person for further communication. The reported matter is forwarded to a team of experts in our Compliance department for further examination and investigation. The team of experts conducts an initial preliminary investigation to determine whether there is sufficient evidence of an actual risk or violation. If necessary, the team of experts may request additional information from the reporting person. If the suspicions are confirmed, further investigation steps are initiated to clarify the facts. If an incident is confirmed, appropriate remedial and preventive measures are implemented. Once remedial measures have been taken, the whistleblower will generally be informed of the results within three months of confirmation of receipt (the duration of the investigation may vary from case to case). An explanation of the reasons why Coperion considers the complaint to be unfounded will not be provided if such disclosure is prohibited for legal, regulatory or practical reasons for the Compliance Department.

**Which parties have access to the complaints procedure?**

- Own employees
- Communities in the vicinity of our own locations
- Employees at suppliers
- External stakeholders such as NGOs, trade unions, etc
- Other: Customers

**How is access to the complaints procedure ensured for the various groups of potentially involved parties?**

- Publicly accessible rules of procedure in text form
- Information on accessibility
- Information on responsibility
- Information on the process
- All information is clear and understandable
- All information is publicly accessible

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

**Optional: Describe.**

-

**Information on accessibility**

**Optional: Describe.**

-

**Information on responsibility**

**Optional: Describe.**

-

**Information on the process**

**Optional: Describe.**

Note: This report has been translated into English from German.

-

**All information is clear and understandable**

**Optional: Describe.**

-

**All information is publicly available**

**Optional: Describe.**

-

Note: This report has been translated into English from German.

## D1. Establishment or participation in a complaints procedure

**Are the description of the complaints procedure publicly available?**

File has been uploaded

**Description of the procedure:**

<https://ir.hillenbrand.com/corporate-governance/ethics-compliance>

Note: This report has been translated into English from German.

## D. Complaints procedure

### D2. Requirements for the complaints procedure

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

Michael Isaak, Deputy Chief Compliance Officer

**It is confirmed that the criteria contained in Section 8 (3) LkSG are met for the responsible parties, i.e. that they offer the guarantee of impartial action, are independent and not bound by instructions and are obliged to maintain confidentiality**

- Confirmed



## D. Complaints procedure

### D2. Requirements for the complaints procedure

**It is confirmed that precautions were taken during the reporting period to protect those potentially involved from being disadvantaged or penalized as a result of a complaint.**

- Confirmed

**Describe what precautions have been taken, in particular how the complaints procedure ensures the confidentiality of the identity of whistleblowers.**

All information related to a complaint process, including the identity of the person making the report, will be kept confidential as required by law. Hillenbrand, including its subsidiary Coperion, will not tolerate retaliation against anyone who reports a concern in good faith or against anyone who participates in an investigation.

**Describe what precautions have been taken, in particular what other measures are in place to protect whistleblowers.**

In addition, the Company will always act in accordance with the Hillenbrand Code of Conduct, Anti-Retaliation Policy, Confidentiality and applicable guidelines in the investigation process. The Company will not tolerate retaliation against anyone who reports a problem in good faith or against anyone who participates in an investigation.

Note: This report has been translated into English from German.

## D. Complaints procedure

### D3. Realization of the complaints procedure

**Did you receive any information or complaints through the complaints procedure during the reporting period?**

- No

## E. Review of risk management

**Is there a process in place to review the appropriateness and effectiveness of risk management?**

**In which of the following areas of risk management is the appropriateness and effectiveness checked?**

- Resources & Expertise
- Risk analysis and prioritization process
- Preventive measures
- Remedial measures
- Complaints procedure
- Documentation

**Describe how this audit is carried out for the respective area and what results it has led to, particularly with regard to the prioritized risks.**

With regard to human rights risks, an annual risk analysis is carried out to identify and prioritize human rights-related risks within Coperion. The results are forwarded to internal decision-makers, including the Human Rights Officer, and discussed. Decisions on risk mitigation are discussed and documented as procedures. In general, Hillenbrand's Enterprise Risk Management (ERM) process takes place annually to help the company and its operating companies, including Coperion, understand long-term risks in various areas, including sustainability issues. The Audit Committee and the Management Board annually review the ERM analysis and the steps required to monitor and control these risks. In addition, the risk management system implemented to identify risks and breaches of human rights and environmental protection is closely monitored by our LkSG team of experts and regularly reviewed for its effectiveness. A comprehensive review of the established processes will take place in the 2025 fiscal year in order to further optimize them and identify and eliminate potential weaknesses.

## E. Review of risk management

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

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

- Resources & Expertise
- Preventive measures
- Remedial measures
- Complaints procedure

**Describe the processes and measures for the respective area of risk management.**

The risk management system for the LkSG was implemented with the approval of the Coperion Executive Board. The complaints procedure is available to both internal and external complainants, who can remain anonymous. The appropriateness of the corrective and preventive measures as well as the complaints management is overseen by the Human Rights Officer. There is a regular exchange with suppliers and stakeholders, including Coperion management and the works council.