



# Policy Statement Regarding MD ELEKTRONIK GmbH's Human Rights Strategy

# Preamble

MD ELEKTRONIK GmbH (hereinafter referred to as “MD”) develops and produces high-quality data transmission solutions for the international automotive industry. As a globally active company, we are aware of our entrepreneurial responsibility and are committed to the highest social and ethical standards.

We have developed our “Vision and Values” in the form of the “MD Code of Conduct”, which is intended as a guideline for our employees on correct conduct and acting with integrity, and thus provides a firm foundation on which to build the high standards that we set for our company’s development.

At the same time, we provide our supplier network with its own “Code of Conduct for Business Partners”, which specifies what we expect from our suppliers in concrete terms.

This Policy Statement has been adopted by the Executive Board, brought to the attention of internal and external stakeholders, and is subject to regular review.

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## **§ 1 Our commitment to respecting human rights**

We attach particular importance to upholding human rights and ensuring fair working conditions. Therefore, we are committed to respecting human rights both in our own business area and along our global supply chain, taking preventive measures to ensure protection and prosecuting violations consistently.

Respect for these human rights is ensured through compliance with the German Act on Corporate Due Diligence Obligations in Supply Chains (known as the Lieferkettensorgfaltspflichtengesetz, abbreviated as LkSG) and the recognized international treaties on human rights, labor law and environmental protection enshrined in the annex to § 2 (1) LkSG.

## **§ 2 Description of the procedure for implementing human rights due diligence obligations**

We are aware that utmost care must be taken when selecting our business partners, particularly during the procurement of raw materials and services. Furthermore, monitoring compliance with our standards throughout the business relationship is vitally important. We recognize that our own business activities and our global supply chain could have potential adverse effects on certain human rights.

For this reason, we conduct an internal risk analysis in order to identify key human rights issues applicable to our company as quickly as possible, to prioritize them and define remedial measures. The risk analysis is performed by the responsible persons and with the aid of audit and consulting services both internally within the company and with regard to direct suppliers. In the process, we identify and assess relevant human rights and environmental issues in order to appropriately fulfill our due diligence obligations within the meaning of LkSG.

The results of our risk analysis are integrated into our corporate decision-making processes with regard to the selection of suppliers and the management of business partners, and form the basis for identifying appropriate measures. In addition, we use the results as a basis for creating and, if necessary, adapting internal standards, processes and training in order to consider the dynamic requirements for our due diligence processes.

### **§ 3 Primarily identified risks**

#### **§ 3.1 Primarily identified risks in the internal business area**

We reject every form of human rights violation and take all necessary steps to avoid risks in the internal area. To ensure this, our employees receive relevant information and training on our human rights strategy. Any adjustments and additions are circulated whenever required through the established information channels. Where there are reasonable grounds to suspect a probable or imminent human rights or environmentally related violation in the internal business area, we immediately take action to prevent the business activities causing the violation, and, in any case, to minimize the impact of the violation. Immediate action is taken to prevent misconduct by our employees.

#### **§ 3.2 Primarily identified risks in the external business area**

Risks cannot be excluded along the automotive industry's global supply chain, neither in terms of human rights concerns, work practices or environmental issues nor regarding environmental impacts that arise in connection with our own activities or products or with those of our direct suppliers.

#### **§ 3.3 Preventive measures based on risks identified in the external business area**

To prevent these risks, we have systematically added human rights issues to our company-wide risk and supplier management. This also considers relevant, publicly reported incidents involving suppliers as well as criticism of human rights by third parties. We also actively involve our direct suppliers within the framework of the "Supplier Code of Conduct". We oblige all our direct suppliers – contractually where possible – to comply with internationally and nationally applicable laws relating to human rights and labor law, to respect human rights and to appropriately address human rights-related risks in all dealings with their own business partners.

## **§ 4 Effectiveness check**

At least once a year and when appropriate, we assess how effective our measures are in preventing or reducing adverse human rights impacts. Internally, this takes place through communication with our employees and executives.

We also investigate all notifications of potential human rights violations and, if necessary, conduct risk-based audits. In our supply chain, we check the effectiveness of our measures through our supplier assessment and also conduct risk-based audits with our direct suppliers, e.g. by conducting online assessments and, if necessary, on-site checks.

## **§ 5 What we expect from our employees and suppliers in the supply chain**

MD expects all employees and direct suppliers in the supply chain to unconditionally comply with the applicable laws and human rights conventions. Violations are not tolerated at any time and are penalized consistently. This can have legal consequences and can even result in the termination of supply relationships or labour relations.

## **§ 6 Complaints procedure**

We consider the maintenance of an adequate and effective complaint procedure to be an essential part of the fulfillment of our due diligence obligations. To ensure this, we have set up a central whistleblowing system with the aim of enabling employees and third parties to submit information, at any time, about critical processes at MD or at its (indirect) suppliers regarding human rights or any other applicable law within a protected system.

Access options and further information about this system are made publicly available in a set of procedural rules. All information reported about possible violations of human rights, which may also be submitted in anonymized form, is subject to an internal examination carried out in a transparent and neutral manner, and without regard for hierarchical positions, whereby the confidentiality and any necessary anonymity of the whistle blower(s) will be safeguarded. Our systematic dealing with the information and knowledge gained from this help us to continuously improve our human rights due diligence processes.

## **§ 7 Remedial measures**

We would like to encourage everyone concerned and other stakeholders to inform us of any (suspected) violations of our Code of Conduct or of other concerns related to our human rights activities. If it is suspected that our business activities cause or contribute towards human rights violations, we will promptly investigate the facts that have been put forward and address them appropriately as well as take appropriate corrective measures.

Should there be concrete indications or a justified suspicion of a possible violation of human rights along our upstream or downstream supply chain, we will carefully and consistently pursue this, demanding full cooperation from our business partners within an appropriate time frame. Depending on the extent of the violation, we reserve the right to react appropriately in connection with our suppliers – this could range from requesting them to immediately rectify the grievance, to terminating the business relationship and, if necessary, taking further legal action.

## **§ 8 Reporting**

MD publicly discloses information about its human rights due diligence obligations in the following ways:

- within the scope of the two-yearly sustainability report
- as an article on our intranet or in our newsletter
- on the relevant pages of our website

We also deliver an annual report about compliance with our due diligence obligations in accordance with LkSG.

## **§ 9 Responsibilities**

We have defined clear responsibilities for upholding and implementing our human rights due diligence obligations.

The Legal & Risk department is responsible for the operative implementation of our human rights due diligence processes within the company. It informs the Executive Board regularly, and at least annually, about the human rights-related results of our risk analysis as well as about information from our complaints procedure. Providing the Executive Board with information about the effectiveness of remedial and preventive measures also ensures that informed decisions are always made.

As, in addition to the prevention of child or forced labor, LkSG also contains other issues such as occupational safety, freedom of association and freedom of assembly, the consideration of human rights throughout the entire supply chain and discrimination against employees, the corresponding departments such as Human Resources, Procurement and the Works Council, as well as an external data protection officer must be involved and are responsible for implementing the necessary measures in their area of responsibility.

## **§ 10 Training**

Ensuring respect for human rights within our company requires strong awareness among our employees. In order to ensure that necessary expertise for the effective implementation of human rights due diligence processes also exists in the relevant business areas, we consider it an important part of our due diligence obligations to perform regular, mandatory training and to take further training measures in the future in the form of training courses within the company.

We are aware that the implementation of these due diligence obligations is an ongoing development process. Therefore, we continuously review our strategic approaches with regard to steering our risk management and the performance of the risk analysis as well as this Policy Statement, with the aim of minimizing or completely averting human rights risks as early as possible.



# Statement of the Executive Board

The Executive Board of MD ELEKTRONIK GmbH will remain fully committed to respecting human rights in the future.



Robert Hofmann  
CEO



Ralf Eckert  
CFO



Ctibor Žižka  
CTO

## Management Structure

The Executive Board of MD ELEKTRONIK GmbH as the supreme decision-making body consists of the general managers Robert Hofmann, Ralf Eckert and Ctibor Žižka.

The supreme control body of the company is the Advisory Board in conjunction with the general meeting of shareholders. The President of the Advisory Board is Thomas Sesselmann.



## Legal Notice

### Company Address

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### Executive Board

Robert Hofmann  
Ctibor Žižka  
Ralf Eckert

### VAT Number

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### Register Court

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