



To all relevant stakeholders

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Management's declaration of principles on human rights, sustainability and environmental compatibility

Ladies and Gentlemen,

Responsible, sustainable and legally compliant actions that take into account human rights as well as environmental due diligence are essential core values of the TQ Group¹. It is also part of our corporate strategy. We have therefore included performance indicators for the above-mentioned topics in our corporate objectives. The TQ Group takes its sustainable, ecological and social responsibility very seriously. We are convinced that these actions ensure the long-term corporate success of the TQ Group.

The TQ Group is committed to compliance with internationally recognized human rights. In order to continuously promote awareness of this issue in the supply chain and in cooperation with our business partners and customers, our company supports the Code of Conduct² (CoC) of the ZVEI and VDMA. As an expression of this strong commitment, TQ's management has signed this CoC, defined responsibilities within the company and ensures that it is observed and implemented throughout our company's direct supply chain. The basis for enforcement in the supply chain is that we carry out a country and product-related assessment of the environmental, social and governance risks of our suppliers and, if necessary, initiate appropriate measures (e.g. carrying out CSR audits of suppliers). In this way, the TQ Group will contribute to both greater respect for human rights, environmental requirements and an improvement in the working conditions of all employees involved³.

In addition, ZVEI/VDMA-CoC includes in compliance with relevant norms and standards the following:

- General compliance with the laws
- Fighting corruption
- Fair competition
- Prevention of money laundering
- Protection of intellectual property
- Data protection
- Export controls
- Avoidance of conflicts of interest
- Health and safety
- Compliance with human rights (prohibition of child and forced labor, freedom of association, promotion of diversity, equal opportunities)
- Environment, energy and climate protection
- Dealing with conflict minerals
- Consumer interests
- Communication
- Information about violations



The TQ Group supplements this framework with sustainability guidelines⁴ including a five-year action plan for more sustainability, better energy management and CO2 neutrality⁵. This involves forty-two measures, which are divided into three priority classes. The first priority measures are currently being implemented. Priority two and three measures will follow later.

We ensure progress on all measures through strict quarterly reviews at the highest management level.

The focus on environmental issues is based on two pillars: The first pillar is environmental issues through the production sites and the second pillar is the material conformity of the services and products offered.

In order to protect the environment at our production sites, we take a multidisciplinary approach to new investments and monitor, for example, all necessary parameters during production.

We rely on our suppliers for material compliance, as the products or services of the TQ Group are based on components from other manufacturers. In order to improve awareness in the supply chain and to ensure that we receive the necessary information, we have concluded special agreements with our suppliers on material compliance. We are also improving the data from the supply chain through external databases. Despite all these efforts, we do not currently receive information on all environmental requirements around the world. Therefore, the TQ-Group's material compliance information only covers the EU requirements. Any special requirements that go beyond this must be requested separately by our customers.

In order to give all stakeholders involved the opportunity to easily report violations of the aspects mentioned in this declaration to TQ, we have introduced a whistleblower system.⁶

The TQ Group has implemented the above-mentioned topics in its integrated management system and the company's processes. This also includes the necessary reporting system. The first report is planned for 2024. In addition, we provide stakeholders with a complete profile on all relevant topics via the IntegrityNext platform, which we update on an ongoing basis. The content of this declaration of principles is also reviewed on an annual basis and updated as necessary, as well as continuously developed. Our General Terms and Conditions of Purchase also take the aspects of this declaration into account.

TQ-Group GmbH

A handwritten signature in black ink, appearing to be 'Detlef Schneider'.

Detlef Schneider
Managing Director

A handwritten signature in blue ink, appearing to be 'Rüdiger Stahl'.

Rüdiger Stahl
Managing Director

A handwritten signature in blue ink, appearing to be 'Stefan Schneider'.

Stefan Schneider
Managing Director

¹ TQ Group: includes all TQ companies such as TQ-Systems GmbH, TQ-Systems Durach GmbH, TQ-Shanghai Co. Ltd. and TQ-Systems Slovenija d.o.o.

² <https://www.tq-group.com/en/company/quality-sustainability/sustainability-management/code-of-conduct/>

³ The personal formulations used in this declaration apply equally to all genders.

⁴ https://www.tq-group.com/filedownloads/files/certificates/de/QMH_Nachhaltigkeitsleitlinien.pdf

⁵ CO2 neutrality" means balanced CO2 neutrality, using offset certificates where appropriate

⁶ <https://www.tq-group.com/en/whistleblower-system/>