RECKNAGEL®
Präzision in Stahl

Recknagel Präzisionsstahl GmbH • Stahlschmidtsbrücke 14 • D-42499 Hückeswagen

To Customers and Partners

Dipl.-Ing. Lutz Recknagel
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Christes, den 30. November 2023

Ladies and Gentlemen!

Thank you very much for your message regarding or your interest in compliance with human rights, laws, regulations, sanctions, environmental protection and nature conservation, existing insurance policies and the observance of ethical standards.

Please allow us to say in advance that we always felt obliged to act as honourable businessmen since the founding generation of our companies Gebr. Recknagel Präzisionsstahl GmbH, Christes and Recknagel Präzisionsstahl GmbH, Hückeswagen. We expect the same from our business partners.

We are therefore pleased to comment as follows. At the same time, we also ask you to observe the following obligations:

I. No use of our products for the manufacture of weapons of war

Our work should serve the prosperity, freedom, and peace of mankind. The painful experiences of the founding generation of our company in times of war and lack of freedom commit us to these goals. We respect the field of your economic activity in every respect, but ask our company to refrain from orders that serve the manufacture of weapons of war.

Products from our Japanese partner and steelworks Daido Steel, Ltd. are also subject to the restriction under Japanese law and in accordance with the regulations of the manufacturing plant that they may not be used for production of military goods and weapons of war.

II. Dual-use

Regarding Regulation (EU) 2021/821 ("EU Dual-Use Regulation"), we would like to point out that we are generally not aware of the intended purpose of your design of a machine part or a tool made from our materials. Consequently, we are generally unable to assess whether the intended purpose or use of our goods is affected by the EU Dual-Use Regulation. In this respect, it is your responsibility to check our goods in the context of their use by you and to check your goods for dual use.

Nevertheless, we would like to support your efforts. We have listed below some examples of products that are (could be) subject to a restriction, but without any claim to completeness or topicality. You will find the statistical commodity codes in our quotations and order confirmations:

1. Armour plates and parts of body armour, goods list number 0013; e.g., sheet metal, plate, forgings, rolled steel, semi-finished products of Hardox or Toolox
2. Maraging steel with tensile strength ≥ 2,050 N/mm², goods list number 1C116, tensile strength ≥ 1,950 MPa goods list number 1C216; e.g., tool steel 1.2709 if applicable
3. 72192210 Flat-rolled products of stainless steel, of a width of 600 mm or more, not further worked than hot-rolled, not in coils, of a thickness exceeding 10 mm, containing by weight less than 2.5 % of Ni
4. 72221119 Bars and sections, of stainless steel, only hot-rolled, only hot-drawn, only hot-extruded, with circular cross-section, with a Ø >= 80 mm, with a Ni content...
5. 72262000 Flat-rolled products of high-speed steel, width < 600 mm Goods list number 1A005; e.g., Daido DRM1, DRM3, 1.3343
6. 82073010 Tools, dies, moulds, fixtures for the superplastic forming or diffusion bonding of titanium, aluminium, or their alloys, specially designed for the manufacture of aerospace structures, aerospace engines or specially designed components for such structures...; e.g., tools you make from Daido DRM1 or DRM3

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7. 82073090 Punches or moulds for pressing uranium or plutonium tablets; e.g., tools that you make from Daido DRM1 or DRM3

Regarding our production of machine parts according to your drawings, we cannot always recognise the design purpose and use of the parts, therefore it is your responsibility to check whether your design corresponds to one of the following products or a named intended design:

8. Goods specially designed for military use or for equipping, testing, manufacturing, testing, monitoring, putting into service or handling weapons, ammunition, or military devices or for their defence
9. Equipment specially designed and intended for the dissemination or defence against biological, chemical, or radioactive agents for use in war; special parts therefor
10. low-noise bearings, specially designed for military purposes
11. Tools, dies, moulds or fixtures for the superplastic forming or diffusion bonding of titanium or aluminium or alloys thereof, specially designed for the manufacture of a) aerospace structures, b) aerospace engines, or c) specially designed components for such structures or engines
12. Rotor manufacturing or rotor assembly equipment, rotor straightening equipment, balancing devices
13. Tools, moulds, or devices for solid state joining of gas turbine components made of superalloys or titanium
14. Tools specially designed for the manufacture of powder metallurgy turbine rotor components capable of operating at a stress level equal to or greater than 60% of tensile strength and metal temperatures equal to or greater than 873 K (600 °C)
15. 84243090 Machine tools for removing metals, ceramics or composite materials by means of water or other liquid jets, including those containing abrasive additives or Numerically controlled or manually operated machine tools and specially designed components, controls and accessories therefor, specially designed for shaving, finishing, grinding or honing of hardened (Rc=40 or more) spur, helical and dart gears with a pitch diameter greater than 1.250 mm and a tooth width of 15 % or more of the pitch diameter, finish-machined to a quality of AGMA 14 or better (corresponding to ISO 1328 class 3) or machine tools for removing metals, ceramics or composite materials; also guide pads and other machine parts
16. 94283990 Robots, robot controllers and robot end-effectors and specially designed components and specially designed software therefor, but not included in the export list are industrial robots not equipped with a vision system for three-dimensional image evaluation; also, semi-finished products and drawing parts
17. 8458...., 8459...., 8460...., 8561...., 8462...., 8463...., 8464...., 8465...., 8466...., 8568...., 8473...., 8474...., 8475...., 8579.... Machining units for deep drilling, jig boring machines, milling machines, console milling machines, boring machines, combined boring and milling machines and external or internal threading machines, all numerically controlled, numerically controlled grinding machines, machine tools for honing spur gears, gear cutting machines and gear finishing machines, hot isostatic presses and specially designed accessories and controls for these, flow-forming machines and machines with combined flow-forming and spinning functions equipped with numerical or computerised control, machine tools and any combination thereof, for the removal or cutting of ceramics or composite materials, which can be equipped with electronic devices for simultaneous contouring control in two or more axes according to the manufacturer's technical specifications, Isostatic presses, milling machines, console milling machines, boring machines, combined boring and milling machines and external or internal threading machines, all numerically controlled, Numerically controlled grinding machines, Numerically controlled horizontal

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lathes, Special components for machine tools for honing spur gears, Assemblies specially designed for machine tools such as swivelling rotary tables and swivelling spindles, Tools, dies or fixtures for solid bonding, equipment for the production of metal alloys, metal alloy powder or alloyed materials, specially designed to prevent contamination and specially designed for use in any of the processes specified in 1C002.c.2.

III. Embargoes, sanctions

Regarding any sanctions or embargoes, we can assure you that - as always - we comply with all the rules of our country and the European Union. We have no direct supplier or customer relationships with Russia or Belarus.

Our company and its shareholders and legal representatives are not themselves subject to sanctions imposed by Germany, the EU, or the USA.

a. Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine

We expressly confirm compliance with Regulation (EU) No. 833/2014 as amended. We do not supply or purchase any affected products (not products according to Annex XVII [Article 3g], XXI [Article 3i], XXIII [Article 3k], XXX [Article 3a]) and do not maintain any supply or customer relationships with affected countries, companies, organisations, or persons.

b. Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening [...] Ukraine

We expressly confirm compliance with Regulation (EU) No. 269/2014 as amended.

IV. Reduction of CO emissions

We are committed to climate protection in the interests of future generations. We therefore support the reduction of climate-damaging emissions and the generation of energy from renewable sources in the most economical way possible through non-discriminatory emissions trading. For us, the main starting points are the generation of electrical energy and steel production. We have installed PV systems to generate electricity at both plants. We can see that our most important steelworks have done excellent preparatory work.

The Swedish company SSAB, our supplier for Toolox and Hardox, is a world leader with a pilot plant that will introduce CO2 -neutral smelting of iron ore (http://www.hybritdevelopment.com/). SSAB will start fossil-free steel production as early as 2026, earlier than all competitors. A large-scale solution should be in place by 2035. SSAB has set itself the target of completely CO2-neutral production by 2045. We are proud to have been working with such a responsible partner for 20 years.

Our Japanese partner Daido Steel manufactures our products from scrap in electric furnaces. The constant recycling of scrap for high-tech steels is an excellent example of responsible behaviour.

Reducing wear by using our special materials from the above-mentioned manufacturers makes a significant contribution to reducing climate-damaging emissions.

V. REACH

The REACH Regulation (EC) 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) came into force in June 2007. The REACH Regulation affects all players along the supply chain, from the manufacturer and importer to the downstream user of chemical substances as such and substances in preparations and articles. The European Chemicals Agency (ECHA) has published the candidate list of substances of very high concern (SVHC) on its website.

Regarding our current position on substances of very high concern and the associated candidate list, we can inform you that the products you purchase from us are to be defined as articles in accordance with the REACH Regulation. We

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ourselves do not act as an importer or manufacturer of substances and preparations. We are therefore not subject to any registration obligations under the above-mentioned regulation.

When our products are used as intended, there is no intended release of the ingredients and, to the best of our current knowledge, the products we supply to you do not contain any substances of very high concern from the currently published authorisation candidate list. Therefore, the information obligation according to Article 33 of the REACH Regulation does not currently apply to us.

VI. RoHS

Regarding EU Directives 2011/65/EU and 2015/863/EU, we would like to inform you:

As is well known, this regulation is primarily aimed at manufacturers, importers, and distributors of electrical and electronic equipment, for whom several obligations have been introduced. As a supplier of semi-finished steel products and mechanical machine parts, our products do not fall under the scope of the directive.

VII. POPs Regulation / POPs Convention

Regarding Regulation (EU) 2019/1021, we hereby inform you that our products are free from perfluorooctanoic acid (CAS No. 335-67-1). We further declare that we do not violate the Stockholm Convention on Persistent Organic Pollutants.

VIII. Per- and polyfluorinated chemicals (PFAS)

Regarding the question of the use of PFAS, we declare that we sell steel, semi-finished steel products and drawing parts made of steel that do not contain PFAS. In addition, we have also tested our packaging materials. It goes without saying that we comply with all applicable bans and restrictions and that no PFAS are used in our production processes.

IX. Minamata Convention

We declare that we do not violate the provisions of the Minamata Convention on the release of mercury.

X. Basel Convention

We declare that we are not in breach of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

XI. US EPA / Toxic Substances Control Act (TSCA)

We declare that our deliveries do not contain any substances according to TSCA 6 (h) (since March 2021: DecaBDE; PIP (3:1); 2,4,6-TTBP; HCBD; PCTP).

XII. WEEE 2012/19/EU

We declare that our deliveries are not affected by the directive on waste electrical and electronic equipment.

XIII. IMDS / GADSL

If you require the entry of a product in the IMDS database, please send us a message with full details of the company for which the entry is to be created / released.

XIV. Act on the Placing on the Market, Return and High-quality Recycling of Packaging (VerpackG)

Our packaging is not subject to system participation within the meaning of the law (Section 3 (8) VerpackG), which is why we do not register in the packaging register.

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XV. Regulation (EU) 995/2010 of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market

We hereby declare that we do not import or place on the market any timber products within the meaning of the regulation. If we receive imported goods in wooden packaging, we will ensure that they do not originate from illegal logging.

XVI. Code of Conduct

As such, respect for human and civil rights as well as compliance with applicable laws, the minimum standards of the ILO conventions and the pursuit of sustainability have always been a matter of course for us, and we are happy to assure you of this. We select our suppliers carefully and ensure that they are also honourable merchants. We are therefore pleased to confirm our agreement to the Code of Conduct you have submitted to us.

XVII. Act against Restraints of Competition (GWB)

We expressly confirm compliance with all provisions of the Act against Restraints of Competition. We declare that there are no grounds for exclusion pursuant to Sections 123, 124 GWB. We are aware that we could be excluded from participation in public procurement procedures as soon as the contracting authority becomes aware of the existence of such grounds for exclusion. As a purely precautionary measure, we hereby declare that we would present and provide evidence of any self-cleaning measures pursuant to Section 125 GWB separately.

XVIII. Politically exposed person

As part of your compliance checks, it is possible that you will find a reference to me, the undersigned Lutz Recknagel, shareholder and managing director of the company, as a so-called "politically exposed person", or more precisely "former politically exposed person". This is due to my mandate as a member of the Thuringian state parliament in the period from September 2009 to January 2014. At the time, I was a member of the Free Democratic Party (FDP) in opposition without ever having held a government office. I have not been politically active since 2014.

XIX. Occupational safety

We hereby declare that we comply with and continuously monitor all occupational health and safety regulations. These are in particular

1. First aid / training, ongoing training, and provision of first aiders
2. Firefighting, training of firefighters
3. Risk assessments of all workplaces
4. Safety instructions, including repeat instructions
5. Ensuring qualification for the job
6. Driving licences for cranes, forklifts, work platforms, vehicles
7. Personal protective equipment
8. Monitoring and regular testing of work equipment

page 6 from 6 Pages

9. Handling hazardous substances

XX. Supply Chain Due Diligence Act (LkSG)

We follow the model of an honourable businessman. As we employ fewer employees than required by the statutory thresholds (§1), the law does not apply to us. Nevertheless, we promise to support you in complying with the legal obligations in our capacity as a supplier. We observe "protected legal positions" (§2 (1)) and "human rights risks" (§2 (2)) when selecting our suppliers, check our supply chains with due diligence (§3) and, if necessary, take remedial action or refrain from dubious transactions. Risk management is also part of our internal control system. Reference is made to the complaint's procedure (see below).

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XXI. Dodd-Frank Act / EU Conflict Minerals Regulation

Regarding the Dodd-Frank Act on Conflict Minerals and the EU Conflict Minerals Regulation (EU) 2017/821), we would like to inform you: Our products / steel alloys do not contain the minerals in question. One exception is the material 1.2436 (contains tungsten). We process this material exclusively from a reputable source, but do not go to the expense of documentation for cost reasons. If necessary, please refrain from purchasing 1.2436. On this basis, we can certify that we will not supply you with affected products. A CMRT file (version 6.22) is available on request.

XXII. Whistleblower (HinSchG)

We have appointed an ombudsman and maintain a digital whistleblower protection system, which goes beyond the legal obligation for third-party reports. Further information can be found on our website.

XXIII. Business liability insurance / product liability insurance

We hereby declare that we

1. have and continuously maintain public liability and product liability insurance with a minimum sum insured of EUR 10 million per insured event and a maximum of EUR 20 million for all insured events in an insurance year.
2. For extended product liability, we have a limit of EUR 3 million per insured event and a maximum of EUR 6 million for all insured events in an insurance year.
3. The cover for environmental risks amounts to EUR 10 million and a maximum of EUR 20 million for all insured events in an insurance year.
4. The product liability insurance does not cover damage in the USA/Canada.
5. Recall costs are not covered.

We hope that we have been of service to you. Please do not hesitate to contact us if you have any questions.

Glück Auf!

Dipl.-Ing. Lutz Recknagel, Geschäftsführer

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