ENGINEERING KOMPETENZ

It is our brand promise to deliver the highest standards of engineering in the machining industry. This includes offering a wide range of highly productive precision tools as well as a comprehensive range of consultancy and other services to support our customers along the entire machining process chain. In all this, we are constantly working to increase the efficiency of their production processes – through digitalization, for example.

With our four competence brands, Walter, Walter Titex, Walter Prototyp and Walter Multiply,

we are a partner for our customers, and more than just a supplier. This range of services means that we are comprehensively attuned to the requirements of our target markets regarding all planning, purchasing and machining processes, as well as cultivated supplier relationships.

Walter was founded in 1919 and is today one of the world's leading metalworking companies. As a provider of specialized machining solutions, Walter offers a wide range of precision tools for milling, turning, drilling and threading applications. Walter works together with its customers to develop customized machining solutions for components in the aviation and aerospace industries, as well as automotive, energy and general engineering.

Richard Harris
President

Gerhard Schüßler
Director Quality & Risk Management
TABLE OF CONTENTS

1 GENERAL INFORMATION ........................................................................................................ 3
2 COMPANY DATA .................................................................................................................. 3
3 ORGANIZATION AND CORPORATE STRUCTURE ............................................................... 4
   3.1 HIERARCHICAL FUNCTIONS ......................................................................................... 4
   3.2 SALES UNITS ............................................................................................................. 4
   3.3 PRODUCTION SITES .................................................................................................. 4
4 SOCIAL AND ETHICAL RESPONSIBILITY ............................................................................. 5
   4.1 INTERNAL CODE OF CONDUCT .................................................................................. 5
   4.2 CODE OF CONDUCT FOR BUSINESS PARTNERS, SUPPLIERS AND SERVICE PROVIDERS .... 5
5 CORPORATE POLICY ........................................................................................................... 6
   5.1 ENGINEERING KOMPETENZ ....................................................................................... 6
   5.2 SAFETY AND HEALTH PROTECTION TAKES PRIORITY ............................................ 6
   5.3 WE CREATE VALUE FOR OUR SHAREHOLDERS ......................................................... 6
   5.4 WE ARE ONLY AS GOOD AS OUR EMPLOYEES ........................................................ 6
   5.5 WE ARE FAIR PARTNERS .......................................................................................... 6
   5.6 WE ARE PART OF OUR ENVIRONMENT ...................................................................... 6
6 OUR CORE VALUES ................................................................................................................ 7
7 PROCESS-ORIENTATION AND CONTINUOUS IMPROVEMENT ........................................... 8
   7.1 INTEGRATED MANAGEMENT SYSTEM ....................................................................... 8
   7.2 CERTIFICATES .......................................................................................................... 8
   7.3 STRUCTURE OF THE MANAGEMENT SYSTEM .......................................................... 9
   7.4 SCOPE OF MANAGMENTSYSTEMS .......................................................................... 9
   7.5 PROCESS LANDSCAPE .............................................................................................. 10
8 PRODUCTS AND SERVICES .................................................................................................. 11
9 FAIR, STRONG, WORKING TOGETHER AS A TEAM .......................................................... 11
   9.1 EMPLOYEE MANAGEMENT ...................................................................................... 11
   9.2 EMPLOYEE QUALIFICATION .................................................................................... 11
   9.3 WORKING CONDITIONS ............................................................................................ 11
10 BUSINESS RELATIONS ........................................................................................................ 12
11 LEGAL COMPLIANCE .......................................................................................................... 12
12 PRODUCTION AND SERVICE PROVISION ...................................................................... 13
   12.1 SUSTAINABILITY, ENVIRONMENTAL IMPACTS AND RESOURCE USE ..................... 13
   12.2 EMERGENCY PREVENTION, PROTECTION AND REACTION .................................. 13
   12.3 PRODUCT LIABILITY AND INSURANCE .................................................................... 14
13 INTERNAL AND EXTERNAL COMMUNICATION .................................................................. 14
14 PERFORMANCE MEASUREMENT AND MONITORING ....................................................... 14
   14.1 CUSTOMER SATISFACTION ...................................................................................... 14
   14.2 PERFORMANCE MANAGEMENT ............................................................................... 14
   14.3 AUDITS ..................................................................................................................... 14
15 SYSTEM- AND PROCESS-RELEVANT DOCUMENTS .............................................................. 15
This overview contains information on sales functions and processes of the Walter Group and provides information on sustainability issues including quality, the environment, energy and occupational safety.

It represents the framework of Walter's integrated management system that is binding for all employees who work within the scope of the systems.

1 GENERAL INFORMATION

<table>
<thead>
<tr>
<th>Address Headquarters:</th>
<th>Board:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walter AG</td>
<td>Richard Harris (Chairman)</td>
</tr>
<tr>
<td>Derendinger Straße 53</td>
<td>• Anette Skau Fischer</td>
</tr>
<tr>
<td>72072 Tübingen</td>
<td>• Menderes Kayhan</td>
</tr>
<tr>
<td>Deutschland</td>
<td>• Rüdiger Mannherz</td>
</tr>
</tbody>
</table>

| Mailbox 2049          | |
| 72010 Tübingen        | |

Phone +49 (0)7071/701-0
Service contact service@walter-tools.com
Sites Further specific information is provided on our website.
Homepage http://www.walter-tools.com

2 COMPANY DATA

<table>
<thead>
<tr>
<th>Sales Tax - No.</th>
<th>86119 28001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Added Tax - No. (VAT)</td>
<td>DE 146894402</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tariff affiliation</th>
<th>Walter AG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Association</td>
<td>Wood and Metal</td>
</tr>
</tbody>
</table>

Employees Walter Group (Figures are approx. values)

<table>
<thead>
<tr>
<th>Total number</th>
<th>3500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (total)</td>
<td>1200</td>
</tr>
</tbody>
</table>

Marketing 100
Sales / Customer service 1100

Engineering 450
Development 130
Production 1300
Facility Management 110
Purchasing & Logistic 100
Administration 210

<table>
<thead>
<tr>
<th>Finance</th>
<th>60</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT</td>
<td>50</td>
</tr>
<tr>
<td>Environmental/Safety</td>
<td>20</td>
</tr>
<tr>
<td>Quality assurance</td>
<td>80</td>
</tr>
</tbody>
</table>
3 ORGANIZATION AND CORPORATE STRUCTURE

3.1 HIERARCHICAL FUNCTIONS

Walter’s headquarters are located in Tübingen, Germany. The Walter Group is headed by the Walter Management Team, consisting of a President and 8 Vice Presidents.

![Walter Management Team Diagram]

Detailed descriptions of the organizational structures for the relevant markets are available to all employees on the Intranet in the form of organigrams.

3.2 SALES UNITS

Walter serves customers via a network of its subsidiaries and channel partners in over 80 countries of the world. This means that our customers can rely on on-site support from Walter field sales and application engineers and from our channel partners, supported by digital tools to select, purchase or optimize the best engineering solution. With their knowhow and dedication, Walter Engineers add value and work for the day-to-day business success of our customers. Engineering Kompetenz – our brand promise is based on the core values of Walter, which include social responsibility and sustainability.

3.3 PRODUCTION SITES

As a company with global operations and logistics, Walter implements machining solutions, from standard to customized solutions, quickly and locally at the customer's site. We see industrial health and safety as a basic prerequisite for high-performance production processes and these are just as important to us as sustainable environmental protection.

Walter production units are in:

- Germany: Tübingen, Münsingen, Niefern, Zell a.H., Frankfurt a.M.
- France: Soultz-sous-Forêts
- China: Wuxi
- USA: Cleveland
4 SOCIAL AND ETHICAL RESPONSIBILITY

4.1 INTERNAL CODE OF CONDUCT

Walter can look back on a long-established tradition of conducting business ethically and responsibly. Conducting all our business activities in this manner is a key factor in the global success of our company – and it always has been. Our customers can rely on our conscientiousness and this is something we can all be proud of. Doing business on a global scale and under complex market conditions is no easy task. Our Code of Conduct ensures the use of ethical and responsible business practices.

Our Code of Conduct lays down clear guidelines on these subjects. It affirms our serious commitment to following ethical and responsible business practices and to complying with the rules and regulations in force in the countries where we operate. Our Code of Conduct outlines the basic principles by which we should all conduct ourselves and provides practical guidance on transacting business and making day-to-day business decisions.

4.2 CODE OF CONDUCT FOR BUSINESS PARTNERS, SUPPLIERS AND SERVICE PROVIDERS

Walter is committed to the fundamental principles on human rights, labor rights, the environment and the fight against corruption throughout our entire operations. This also includes building sustainable relationships with our business partners, suppliers and service providers. In our daily business and throughout our operations, we support the International Bill of Human Rights, the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption as outlined in the ten principles of the United Nations Global Compact, in which we participate.

We are committed to adhering to these principles and also to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

We believe that by doing so, we create a solid foundation for a sustainable future for us and our stakeholders.

We take responsibility for the business partners, suppliers and service partners which we cooperate with and expect from them the same level of integrity, honesty and ethical behavior as they can expect from us. Together, we must take into consideration the economic, environmental and social impact our activities have on our world.

Our code of conduct is published on the Walter website at

Company → Management systems

made available for download and represent fundamental contractual components for business relationships.
5 CORPORATE POLICY

Our corporate policy is based on the code of conduct to which the organizations belonging to the Group are committed.

5.1 ENGINEERING KOMPETENZ

"Engineering Kompetenz" – this is our brand promise. We strive for adding value through world-class Engineering solutions and thus becoming the customers’ choice. The expertise required to do this is based on strong innovation and customer focus. In addition to high precision and quality, Walter offers value-adding services along our customers’ entire machining process chain. As a partner for highly efficient, digitalised process solutions, we increase our customers productivity when finding, buying or using Walter tools. Our teams strive every day to continuously improve products and processes. For Walter, this means employing a zero-defect strategy, which we ensure through awareness of potential risks and preventive measures.

5.2 SAFETY AND HEALTH PROTECTION TAKES PRIORITY

Protecting the health and safety of our employees is our top priority. Walter ensures a healthy and safe working environment to prevent work-related injuries and illnesses. For Walter, besides fulfilling legal and other requirements, continually evaluating processes and workflows is a matter of course. Corrective action is taken whenever hazards are identified. The employees are consciously involved in all decisions relating to occupational health and safety.

5.3 WE CREATE VALUE FOR OUR SHAREHOLDERS

We deal with the capital entrusted to us in a responsible manner and generate a dividend as interest in accordance with our code of conduct.

5.4 WE ARE ONLY AS GOOD AS OUR EMPLOYEES

We manage the performance of our employees by means of target agreements and regular performance dialogs. This way, we encourage an empowered way of working. We expect that our employees take personal responsibility. We develop skills at all levels, in all processes and all countries. We support team spirit and promote cross-boundary and cross-process collaboration. We place a high value on the personal development that is important for business success. We promote this through professional further training and investing in the skills of our employees.

5.5 WE ARE FAIR PARTNERS

We are fair with all employees, customers, business partners, suppliers, service providers and competitors and we maintain long-term business relationships.

5.6 WE ARE PART OF OUR ENVIRONMENT

Sustainability in all operational processes is an integral part of our corporate policy. We contribute to the preservation and protection of our environment and biodiversity. When developing and manufacturing our products, we want to assess the environmental impact and energy efficiency and reduce specific energy consumption in the short and long term. For this reason, considering commercial aspects, we make use of the best technology available to use energy, water and other resources as sparingly as possible. We regard the legal framework conditions as an absolute minimum requirement. Open dialogue with authorities, residents and media is another essential contribution to sustainable environmental protection.
6 OUR CORE VALUES

Customer Focus
We constantly strive to exceed our customers’ expectations and enable them to excel in their business.

Innovation
We shape the future by creating pioneering solutions throughout our operations.

Fair play
We conduct business in a sustainable and responsible manner.

Passion to win
We pursue and enjoy taking the lead.
7 PROCESS-ORIENTATION AND CONTINUOUS IMPROVEMENT

7.1 INTEGRATED MANAGEMENT SYSTEM

Our integrated management system is certified according to:

- **DIN EN ISO 9001:2015**: Quality management
- **VDA 6.4:2017**: Production equipment for the automotive industry
- **DIN EN ISO 14001:2015**: Environmental management
- **DIN EN ISO 45001:2018**: Occupational health and safety management
- **DIN EN ISO 50001:2018**: Energy management

These systems are used for continuous improvement (CIP) in order to respond appropriately and efficiently to the requirements of the market, customers, employees and the public. Our integrated management system ensures that processes within our organizations are well-structured. The financial and structural requirements for this are met.

All relevant processes and specifications are documented in our process landscape. The corresponding documents are available to our employees at any time. They are also communicated in meetings, by messages and via digital media such as video conferences or the intranet. Relevant legal obligations and other requirements are taken into consideration in all processes and procedures. Tasks, expertise and responsibilities are managed.

The system ensures that employees and their representatives are involved in all relevant decision-making processes. Even in the planning and development stage, environmentally friendly production processes and products are preferred in order to avoid or reduce waste, waste water and emissions. Our processes aim to make economical use of the required raw, auxiliary and operating materials. The reconditioning and recycling of worn tools and the environmentally friendly disposal of waste are also main priorities.

An energy management system supports us to continuously improve our energy efficiency and reduce energy consumption in the long term. As a basis for this, we regularly collect consumption data and have developed an efficiency-promoting program for sustainable energy consumption reduction.

Our global activities are exposed to a variety of risks but also offer opportunities for further development. Walter attempts to identify these risks in good times to prevent them responsibly and to seize opportunities. Risks and opportunities are recorded as part of a risk management system, their potential effects are assessed, and measures are subsequently defined and implemented.

7.2 CERTIFICATES

The Walter Group uses a matrix certification. With our external accredited certifier, we ensure compliance with the requirements of international and industry-oriented standards.

Our certificates are published and made available for download on the Walter homepage at

[Company → Management systems](#)
7.3 STRUCTURE OF THE MANAGEMENT SYSTEM

In all management systems, the organisation acts according to the PDCA model (Plan-Do-Check-Act). The processes are monitored using key data, audits, inspections, regular meetings etc. and the results are presented to company management regularly. Customers and interested parties are an integral part of our processes. Their requirements are regularly ascertained and incorporated in our processes.

7.4 SCOPE OF MANAGEMENT SYSTEMS

<table>
<thead>
<tr>
<th>Geltungsbereich</th>
<th>Typ</th>
<th>ISO 9001</th>
<th>ISO 14001</th>
<th>ISO 45001</th>
<th>ISO 50001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walter AG, Tübingen, Germany HQ</td>
<td>HQ, SU, PU</td>
<td>● / ●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Werner Schmitt PKD Werkzeuge GmbH, Niefern, Germany</td>
<td>SU, PU</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Walter Wuxi Co. Ltd., Wuxi, V.R. China</td>
<td>SU, PU</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Walter AG, Münsingen, Germany</td>
<td>PU</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Walter Titex - Günther &amp; Co, Frankfurt a.M., Germany</td>
<td>PU</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Walter Prototyp-Werke GmbH, Zell a.H., Germany</td>
<td>PU</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Walter Titex - Gunther Tools, Soultz-sous-Forêts, France</td>
<td>PU</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Walter Deutschland GmbH, Frankfurt a.M., Germany</td>
<td>SU</td>
<td>● / ●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Walter USA, LLC, Pewaukee/WI, USA</td>
<td>SU</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walter Italia, S.R.L., Cadorago, Italy</td>
<td>SU</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walter Tools India Pvt. Ltd., Pune, India</td>
<td>SU</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walter Polska sp.z.o.o., Warsaw, Poland</td>
<td>SU</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walter France, Soultz-sous-Forêts, France</td>
<td>SU</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walter GB LTD., Bromsgrove, Great Britain</td>
<td>SU</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walter CZ. s.r.o., Kurim, Czech Republic</td>
<td>SU</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

HQ = Headquarters, SU = Vertriebsstandort, PU = Produktionseinheit
7.5 PROCESS LANDSCAPE

Walter’s process landscape consists of three main business processes: Lead-to-Cash (L2C), Order-to-Delivery (O2D) and Product Lifecycle Management (PLM). The customer is the focus of this organization. Inquiries are controlled from left to right through all processes within the organization. In the end, the solution is delivered to the customer.

Business processes / added value

Our business processes describe value-adding processes. They represent our core competencies and are intended to guarantee our corporate success and the achievement of our goals.

Corporate management and operational support processes

These processes do not directly serve to manufacture products or provide services but are necessary to enable and support the execution of our business processes. They include procedures for measuring, monitoring and continuously improving the integrated management system, processes, products and services.

Innovation funnel

The innovation funnel describes the development process of all innovations (product, service or process) from the concept phase to implementation (market launch). All ongoing organizational changes are in line with this process organization and help us to support growth, become more efficient and be prepared for the future.
8 PRODUCTS AND SERVICES
Walter stands for Engineering Kompetenz in the machining industry. We develop innovative precision tools for milling, turning, drilling and threading. Every single product contains not only precision, perfection and quality, but also the know-how of our employees that has grown over generations. We understand our customers' machining processes. We analyze the process chain, define opportunities for improvement and support the customer in the implementation. Together with our customers, we develop tailor-made solutions for the complete machining of components in the general mechanical engineering, aerospace, automotive and energy industries.

Our teams work every day to continuously improve products and processes. For Walter, this means a zero-error strategy, which we safeguard through preventive measures and, if necessary, immediate corrective steps. With Engineering Kompetenz we are always striving to add value through world-class Engineering solutions that is the unmistakable character of Walter.

The services offered include, among others
- Digital solutions for selecting and purchasing the right tool
- Complete design and optimization of workpiece machining process including when necessary design and supply of fixtures and NC programs
- Consulting and supply of automated Tool Storage Systems (Vending machines)
- Tool Management Services
- Sale of integrated software solutions for the metal-cutting manufacturing
- Reconditioning of solid carbide tools
- Recycling of used tools
- Standardized and individual technical trainings for all machining issues

9 FAIR, STRONG, WORKING TOGETHER AS A TEAM

9.1 EMPLOYEE MANAGEMENT
With the company policy, the management of Walter defines the philosophy and long-term orientation of the company. Goals are worked out together, compared and divided between management and employees in target agreements. We lead our employees with target agreements and lead by example. In this way we promote an independent way of working.

9.2 EMPLOYEE QUALIFICATION
With the Walter Academy and its international trainer network, we promote professional training both for employees and customers on a global scale. In this way, we give personnel development the high priority that is important for entrepreneurial success.

9.3 WORKING CONDITIONS
Health and safety in the workplace is among our top company objectives just as important as top product quality and an optimum cost efficiency. To avoid accidents or to keep their impact as low as possible, we check our processes and procedures continuously and take preventive measures. A corporate health and safety management programs protects employees against influences that are harmful to health. We also provide our employees with targeted information and training on safety-related topics and encourage them to behave in an active, health-conscious manner.

We are compliant with occupational health and safety related laws and regulations. Since for example cobalt is released during the processing of hard metal, suitable measures have been taken in the production areas to avoid airborne pollutants. We comply with the statutory limits for permissible loads and monitor them regularly. Furthermore, urine tests are performed by the employees to determine a possible impact.
Necessary infrastructure for safe working is provided, checked on a regular basis and renewed if necessary. The statutory and regulatory requirements in relation to occupational health and safety at work are viewable for all employees in legal land registers.

10 BUSINESS RELATIONS

In close cooperation with our customers, we develop and manufacture tailor-made solutions for processing parts and components. With our products we are exposed to strong competitive pressure.

National and international customer visits take place regularly at our worldwide locations in order to deepen the technical exchange. We see our suppliers and service providers as partners with whom we work closely. Technical exchange and the development of new technologies take place jointly in order to achieve a solution-oriented result for both parties. In order to achieve constant tool quality, we also work closely with our suppliers and service providers when purchasing materials.

11 LEGAL COMPLIANCE

In order to support our customers and business partners in complying with legal compliance and to guarantee this in our business activities, we post on our website at

**Company → Management systems → Industrial health and safety → Product safety information**

necessary statements as well as product and safety instructions are available for download. These include, for example:

<table>
<thead>
<tr>
<th>Official statements for</th>
<th>Product relevant notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>REACH</td>
<td>Declaration of conformity</td>
</tr>
<tr>
<td>RoHS</td>
<td>Information data sheets</td>
</tr>
<tr>
<td>Conflict materials</td>
<td>Warning labels</td>
</tr>
<tr>
<td>Chrom VI</td>
<td></td>
</tr>
</tbody>
</table>
12 PRODUCTION AND SERVICE PROVISION

The production management system and the control system uses SAP and various key figures such as delivery capability and reliability, lead times, internal errors and reject rates with traceability back to the raw material.

Products are manufactured by Walter in standard and special production in shifts with in-house maintenance. Our production equipment and machines consist of:

- CNC, NC, manual processing machines
- Mechanical and optical measuring equipment
- Microscopes, 3-D / CNC measuring machines and hardness testers

The quality standards are secured through incoming goods inspections, worker self-inspections, intermediate inspections, final inspections, product audits and supplier evaluations.

Our products are available and delivered on request with test certificates, measurement reports, initial sample test reports, etc.

In order to secure the continuous international supply chain ("end-to-end supply chain") from the manufacturing of our products to delivery to our customers, Walter has been certified as an AEO (Authorized Economic Operator). This certification is carried out by customs and, in addition to facilitating access to simplifications of customs law, is also an essential element of the EU security concept. The approval of this status is linked to the requirements of reliability, solvency and compliance with legal provisions and compliance with security standards.

Orders for standard products until 4:30 p.m. are delivered the next day with various logistics partners such as UPS, GLS and TNT.

12.1 SUSTAINABILITY, ENVIRONMENTAL IMPACTS AND RESOURCE USE

Our corporate goal is to help preserve our natural environment. Therefore, protecting the environment and energy efficiency in all business processes are an integral part of our approach. We are convinced that economic efficiency, environmental protection and the conscious use of energy are not mutually exclusive.

When developing and manufacturing our products, Walter constantly checks the environmental impact of our work processes and strives continuously to reduce our energy consumption in the long term.

While keeping cost efficiency in focus, we use practical methods to reduce the use of energy, water and other resources as much as possible. An open dialogue with the authorities is another important contribution to our proactive environmental protection.

12.2 EMERGENCY PREVENTION, PROTECTION AND REACTION

Emergency preparedness is an integral part of an effective environmental management system at Walter. Particular emphasis is placed on identifying possible emergencies, recording legal requirements, ensuring personnel and material requirements, maintaining communication in an emergency, and implementing preventive measures.

Our locations have a wide variety of protective measures. This includes, for example, the use of plant security to ensure 24/7 surveillance or to secure the company premises by means of camera surveillance. Fencing, regulated main access roads and controlled access by persons are further protective measures.
12.3 PRODUCT LIABILITY AND INSURANCE
Product liability exists in accordance with general terms of sale, delivery and payment. Insurance exist for personal injury and property damage, fire and explosion damage to buildings and facilities and product liability cases.

13 INTERNAL AND EXTERNAL COMMUNICATION
Meetings, both face to face and online, are used for information, exchange, coordination, control and review, problem solving, decision-making and management of employees. Walter has large set of information routines for internal as well as external communication in order to provide comprehensive information to all relevant stakeholders. Quarterly information events are held with the entire workforce for employee information and exchange. Here our common goals / results are discussed with the employee and all relevant location issues are considered.

Our way of communicating externally is defined in specific guidelines.

14 PERFORMANCE MEASUREMENT AND MONITORING

14.1 CUSTOMER SATISFACTION
For Walter, determining customer satisfaction is an important factor for long-term success and is firmly anchored in our corporate principles. The results of regular and global surveys serve to define measures to improve our company's products, services and offers.

14.2 PERFORMANCE MANAGEMENT
Walter uses specific performance management to assess the efficiency and effectiveness of our corporate processes, to define corporate goals and to measure their achievement. Detailed key figures are used to make business processes measurable and controllable. A selection of the most important key figures is:

<table>
<thead>
<tr>
<th>Business administration and product quality</th>
<th>Ecology / environment</th>
<th>Occupational safety and Health protection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Product response rates (re-conditioning and recycling)</td>
<td>Hazards</td>
</tr>
<tr>
<td>Order Intake</td>
<td>Energy consumption</td>
<td>Accidents and near misses</td>
</tr>
<tr>
<td>Earnings (EBIT)</td>
<td>Consumption of raw materials</td>
<td>Frequency of injury rates</td>
</tr>
<tr>
<td>Net Working Capital</td>
<td>Waste</td>
<td>(LTIFR and TRIFR)</td>
</tr>
<tr>
<td>New Sales Ratio</td>
<td>Water consumption</td>
<td>Workplace measurements</td>
</tr>
<tr>
<td>Return on capital employed</td>
<td>Immission measurements</td>
<td>Downtime employees</td>
</tr>
<tr>
<td>Delivery reliability and ability</td>
<td></td>
<td>Occupational health care</td>
</tr>
<tr>
<td>Productivity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Downtimes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-conformant products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reject rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improve downtimes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14.3 AUDITS
Audits and inspections are used to assess management systems, processes, the work environment, products, suppliers and service providers.
Internal audits are carried out on the basis of an updated 3-year plan. This ensures that all areas at certified locations are audited at least once within this cycle. Supplier audits are carried out on the basis of updated planning in close coordination between the purchasing and quality & risk departments. The need to audit suppliers and service providers arises on the one hand from strategic decisions, intended future business relationships, as well as deviations that arise in the context of performance monitoring. Changes that result from organizational or process-related changes go directly into the respective planning.

Auditing by customers is possible at any time on the basis of justified cases and upon request.

15 SYSTEM- AND PROCESS-RELEVANT DOCUMENTS

All system and process-relevant documents are made available to our employees on the Walter intranet. They have a standard character and are binding. The documents published on the intranet are directed via the integrated management system. Printouts of these documents are for information and for work purposes.

Other internal and external documents such as directives, codes and standards are managed and reviewed to ensure that they are up to date and distributed to the appropriate persons responsible. Records are to be regarded as verification documents, and are for analysis, assessment and continuous improvement of products and processes. These are also managed. Archiving of relevant documents and records is fixed.

Fig. Document hierarchy