

# Policy Statement

on Social Responsibility and Human Rights of WashTec Group



# 1. Commitment to respect for human rights and international standards

For the WashTec Group<sup>1</sup> (hereinafter also referred to as “WashTec” or “we”), respect for human rights is a fundamental element of responsible corporate governance.<sup>2</sup> We are aware of the potential impact of our products, production and procurement processes on the environment and people and acknowledge our responsibility in this regard. Our aim is therefore to ensure that human rights and environmental protection are respected in all of our Group companies and also by our business partners and suppliers.

We therefore align our business activities with the following internationally applicable standards and guidelines, among others, in order to underscore our commitment to human rights and environmental standards within our own operations and in our global supply relationships:

- The International Bill of Human Rights
- The UN Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework
- The ten principles of the UN Global Compact
- The ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up
- The ILO Core Labor Standards
- The Minamata Convention prohibiting the production, use or treatment of mercury or mercury-added products
- Article 3 (1) and Article 6 (1) d) of the POPs Convention prohibiting the production or use of persistent organic pollutants
- The Basel Convention prohibiting the import and export of hazardous waste.

With this **WashTec Group Policy Statement on Social Responsibility and Human Rights (“Policy Statement”)**, we make a strong commitment to our social responsibility.

<sup>1</sup> “WashTec” refers to WashTec AG and the WashTec Group companies it controls

<sup>2</sup> The German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz; LkSG) entered into force on January 1, 2023. The WashTec Group does not currently fall within the scope of the Supply Chain Act.



## 2. Scope

This Policy Statement sets out the overarching principles for human rights and environmental due diligence that WashTec has embedded in its operations. We have set out our expectations regarding ethical conduct in detail in our internal WashTec [Code of Conduct](#) and our WashTec [Supplier Code of Conduct](#).

The WashTec [Code of Conduct](#) is binding for all employees, governing bodies and managers. It applies worldwide, regardless of whether other conduct is customary or tolerated in a particular country.

We expect our suppliers and service providers to follow the same principles. They are expected to embrace and promote these principles as actively as we do. WashTec does not tolerate business partners who discriminate against employees or who violate laws or moral principles. These core principles are set out in the WashTec [Supplier Code of Conduct](#), which lays down the minimum standard for business relationships with WashTec. It is available on our website at <https://ir.washtec.de/en/corporate-governance/> and forms the basis of our mutual business dealings.



# 3. Corporate due diligence obligations

## 3.1. Risk analysis and risk assessment

WashTec regularly obtains an overview of its own procurement processes, the composition of its direct supplier base and the most important stakeholder groups affected by the WashTec Group's business activities. We assess potential negative effects of our business activities annually, and also on an ad-hoc basis.

The results of this risk analysis form the basis for defining and, if necessary, adjusting effective preventive and corrective measures.

We take a two-step approach to risk analysis, both in our own operations and for our direct suppliers and service providers. The first step is an abstract risk analysis of country risk and product risk. In the second step, for the risks identified in this combined analysis, a detailed risk analysis is performed to evaluate and assess the nature and scope of the business activities concerned, the probability of occurrence, the severity of any potential non-compliance, the impact contribution and the scope of our influence.

On this basis, we work to observe in particular the following

prohibitions, with regard to which we have identified increased risk:

- Prohibition of disregard for occupational safety and health and related health hazards (see the International Covenant on Civil and Political Rights (list item 10 of the Annex to the German Supply Chain Act) and the International Covenant on Economic, Social and Cultural Rights (list item 11 of the Annex to the German Supply Chain Act))
- Prohibition of withholding fair wages (see the International Covenant on Economic, Social and Cultural Rights (list item 11 of the Annex to the German Supply Chain Act))
- Prohibition of causing harmful changes to the soil or contamination of waters (see the International Covenant on Civil and Political Rights (list item 10 of the Annex to the German Supply Chain Act) and the International Covenant on Economic, Social and Cultural Rights (list item 11 of the Annex to the German Supply Chain Act))



- Prohibition of discrimination (see the International Covenant on Civil and Political Rights (list item 10 of the Annex to the German Supply Chain Act), the International Covenant on Economic, Social and Cultural Rights (list item 11 of the Annex to the German Supply Chain Act) and ILO Convention No. 111 (list item 7 of the Annex to the German Supply Chain Act))

If we have specific indications of a violation of a human rights or environmental obligation at any of our indirect suppliers, we also conduct an ad-hoc risk analysis for those suppliers.

### 3.2. Preventive and remedial measures

WashTec takes preventive and remedial measures to avoid human rights and environmental risks. These are prioritized according to the above-mentioned risks.

#### Preventive measures

The WashTec Code of Conduct and the WashTec Supplier Code of Conduct are key elements in raising awareness among our employees and business partners regarding our

corporate due diligence obligations and principles. Special training courses are provided to familiarize all employees with the Code of Conduct and other relevant internal guidelines together with their practical significance and application. Compliance training and occupational safety and health inspections are also carried out on a regular basis.

We take social and environmental concerns into account in our procurement practices by assessing suppliers' human rights and environmental performance in the selection process and incorporating this assessment in selection decisions. The WashTec Supplier Code of Conduct is a key element here. Our goal is for all business partners to commit to compliance with the Supplier Code of Conduct. Clear rules set out in the WashTec Supplier Code of Conduct regarding the risks referred to under heading 3.1 are intended to prevent any non-compliance. We expect our business partners to impose the obligations and standards under the WashTec Supplier Code of Conduct on their own suppliers. Raising awareness and requiring suppliers and service providers to acknowledge the WashTec Supplier Code of Conduct creates clear rules for the implementation of human rights and certain environmental concerns along the entire supply chain. We check suppliers and service



providers on a risk basis and ad-hoc basis and may also take additional measures, such as exercising the right to request information and carrying out on-site checks.

Further measures are specified and where possible implemented depending on the risks identified. Examples include making a supplier relationship subject to special termination rights, regular contact with suppliers, agreeing special action plans and custom training).

#### **Remedial measures**

If a violation of a human rights or environmental obligation has occurred or is about to occur in our own operations or those of a business partner, we promptly take appropriate remedial action to prevent, stop or minimize the violation.

In our own operations, such remedial measures are designed and implemented so as to prevent or stop the violation, usually by suspending the risk-related activities. Where human rights or environmental violations have occurred, or are imminent, in the operations of direct suppliers or service providers, we work to ensure that the responsible persons, together with the suppliers or service providers concerned, promptly develop a corrective action plan

(including a timetable) to stop, minimize (or prevent) the violation. If the business relationship can be continued, we monitor the ongoing implementation of the action plan. In the event of substantiated knowledge of an (imminent) violation at indirect suppliers, we develop and implement a plan to prevent, end or minimize the human rights or environmental violation.

#### **3.3. Regular review**

The above-mentioned processes for implementing human rights and environmental due diligence are continuously extended, improved, reviewed – both on a regular basis and as the need arises (for example, if there are specific indications of violations or following changes in international laws and standards) – and suitably documented.

Lessons learned from the processing of information received through the grievance procedure and from risk analysis are taken into account in the review of procedures. If necessary, we will adjust our processes and this Policy Statement accordingly.



## 4. Grievance procedure

An appropriate and effective grievance procedure is a fundamental part of our human rights strategy. Human rights and environmental due diligence obligations can only be successfully met if there is a mechanism for addressing grievances.

An electronic whistleblowing system is available to employees, suppliers and other third parties, both internally and externally, to report potential human rights or environmental risks or violations. Among other channels, information can be submitted confidentially and, if desired, anonymously on the [whistleblower system website](#).

A [grievance and reporting procedure](#), available on our website at <https://ir.washtec.de/en/corporate-governance/>, describes the whistleblower system and ensures proper investigation of any suspected human rights or environmental risks or violations within the meaning of the German Supply Chain Act, other violations of applicable law or of internal stipulations. This procedure is standardized for the entire WashTec Group.



## 5. Responsibilities and reporting

**This Policy Statement has been adopted by the Management Board of WashTec AG, the parent company of the WashTec Group.**

Primary responsibility for its operational implementation lies with Global Procurement and Global Human Resources. They are supported in this by the Legal and Compliance Department. The implementation and review of human rights and environmental due diligence obligations is monitored and supported by the WashTec AG Human Rights Committee. This regularly informs the Management Board of WashTec AG about relevant human rights issues and any incidents.

We are aware that the implementation of human rights and environmental due diligence obligations is an ongoing process. We report regularly and transparently on developments and implementation in our annual sustainability report and on our website in accordance with our legal obligations under the German Supply Chain Act.

Augsburg, December 2023

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