



Policy Statement

regarding Compliance with Human Rights and Environmental Standards



OTTO FUCHS KG

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Our Commitment

We as the OTTO FUCHS Group, headquartered in Germany and employing more than 3,000 people, are a globally active developer and manufacturer of innovative quality products for the automotive and aerospace industries, among others. As a family business with more than 100 years of history, we are aware of our corporate responsibility towards our employees, society and the environment.

We are committed to respecting human rights in our own business as well as in our global supply and value chains. In doing so, we are guided by international standards such as the UN Guiding Principles on Business and Human Rights, the United Nations Universal Declaration of Human Rights, the principles of the United Nations Global Compact, the International Labour Standards of the International Labour Organization (ILO) and other standards. We also consider environmental standards such as the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal.

We have already established this commitment in our globally applicable Code of Conduct, among other things. This Policy Statement amends the existing regulations and reflects the results of the risk analyses carried out. It applies to OTTO FUCHS KG and its subsidiaries.¹ Regular control and consideration of relevant changes ensures its effectiveness and continuous development.

The management of OTTO FUCHS KG is responsible for implementing and complying with our human rights and environmental due diligence obligations.

Our Approach

We recognize that our business activities and our global supply and value chains can have potentially adverse impacts on human rights and the environment. As part of our general risk management, we have therefore also carefully analyzed the issues of human rights and the environment, and carried out these analyses both within the OTTO FUCHS Group and with our business partners. We undertake these analyses on a regular and ad hoc basis. The aim of these analyses is to identify, name, and prioritize potential risks in order to take preventive measures.

Our Purchasing Department is responsible for the risk analysis of our direct suppliers. In OTTO FUCHS KG's own business area, this responsibility is carried out by the Compliance Department.

We have installed the function of a Human Rights Officer, who supports the implementation of human rights due diligence obligations, monitors compliance with legal obligations and works in close coordination with the HSE (Health, Safety & Environment), Sustainability, Purchasing and Legal & Compliance Departments. The Human Rights Officer reports to the management at regular intervals.

Our risk analysis has once again made it clear to us as a manufacturing company that the health and safety of our employees is of great importance. We take appropriate and preventive measures to reduce and avoid potential hazards: we ensure compliance with relevant legal regulations and ensure a safe working environment. To strengthen and promote awareness and appropriate behaviour in everyday work, our employees attend regular training sessions. Our management processes are reviewed accordingly and adjusted if necessary.

The risk analysis of the direct suppliers is carried out in several steps. In the first step, all relevant direct suppliers were identified across all OTTO FUCHS locations and categorised according to their location and industry. Based on this database, the next step was to carry out the abstract risk identification according to country- and indus-

¹The exception is Schüco International KG, which has drawn up its own Policy Statement as part of its own Compliance programme.

try-specific risks. Indices such as Children's Rights in the Workplace, Human Freedom and the Political Freedom Index were used for this purpose. As a result of the above-mentioned risk analysis, country- and industry-specific risks at the national and international OTTO FUCHS locations have arisen. These risks will be further mitigated by the implementation of our measures. Suppliers with a risk score of „high“ or „medium“ will be required to accept the Supplier Code of Conduct to ensure compliance with all applicable laws. In addition, supplier information is evaluated by means of questionnaires and, in individual cases, checked by on-site audits.

In addition to these measures, all relevant suppliers at the national and international OTTO FUCHS locations are continuously monitored using a risk tool. This risk tool ensures that indicator messages related to suppliers (violation of applicable laws, (imminent) insolvency, etc.) are reported and that the process of defined prevention or remedial measures (e.g. on-site auditing) is carried out.

We carefully select our suppliers and give preference to suppliers who practice management systems (e.g. ISO 45001 or equivalent).

We expect our suppliers to respect human rights and continuously monitor related risks within the supply chain, identify adverse impacts and take appropriate measures.

Our continuous development

Human rights and environmental due diligence obligations within our own business area and along our supply and value chains are subject to continuous development. We see this process as well as our strategic approaches and measures in the context of our business activities and legal regulations. We document our processes, analyses and measures and subject them to a continuous review of effectiveness. We report regularly and transparently about our progress on the status of implementation as well as on its updates as part of the annual report in compliance with the Supply Chain Due Diligence Act. The current versions are published on the homepage of OTTO FUCHS KG.

At the beginning of their work at OTTO FUCHS, our employees pass training courses at regular intervals and on an ad hoc basis, including on the Code of Conduct, proper behaviour at the workplace and compliance with laws and regulations.

We encourage everyone to point out circumstances that indicate a violation of laws or internal rules. This also includes information related to human rights and environmental risks. We have appointed contact persons for compliance and an external lawyer of trust (Vertrauensanwalt) to whom whistleblowers can turn in confidence. All information will be investigated with the greatest care and with due regard for the rights of all parties involved – if desired, also while preserving the anonymity of the whistleblower.

Our whistleblowing system is available to all persons who believe that they are being harmed or impaired by the business activities of OTTO FUCHS or its business partners – regardless of the existence of a contractual relationship.

Meinerzhagen, 30.11.2023



Martin Knötgen
CEO and General Partner



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Chief Compliance Officer