

Policy statement on human rights

This statement applies to all areas of the WIKA group of companies

September 2023

**As trusted partner for superior sensing solutions
we enable safe, efficient and
sustainable processes.**

1. Introduction

WIKA is a global company in the field of measurement and control technology with subsidiaries in 48 countries. As a family business, WIKA's actions have always been characterised by responsibility towards people and the environment, throughout our 75-year existence. In this respect, it is a matter of course to comply with human rights and environmental standards within our own company and to communicate this implicitness along the supply chain in order to protect those affected as best as possible from rights violations.

Human rights and social standards are a self-evident minimum basis on which WIKA's guidelines and values are built. With this policy statement, WIKA therefore commits itself to respect human rights in its own business divisions and expects the same from its suppliers. In particular, the rights of vulnerable groups are to be protected, and those affected by human rights violations are to be given the opportunity to report them in order to be able to initiate appropriate remedial measures.

In addition to social responsibility, awareness of sustainability and environmentally friendly processes is also part of the company's mission. Influenced by current megatrends such as “demographic change” and “decarbonisation”, these values also flow directly into the global product strategy.

To ensure process quality within the entire group of companies, a matrix certification was established, which standardises the processes mentioned and initiates permanent improvements. The audits are carried out – externally and independently – by a world-renowned certification body. WIKA will establish and continuously improve these quality standards, also for Environment Social Governance (ESG) risks.

All genders are addressed in these statements. Wording should generally be understood as gender-neutral.

2. Commitment to human rights

2.1 Guiding principles

The corporate strategy in the area of ESG is based on the Sustainable Development Goals (SDGs) of the United Nations.

Corporate actions are primarily based on the internationally recognised guiding principles for business and human rights of the United Nations and the requirements of the German Supply Chain Due Diligence Act.

The understanding and human rights due diligence processes are based on the following international human rights reference instruments:

- United Nations Universal Declaration of Human Rights ((UDHR (A/RES/217, UN-Doc. 217/A-(III))
 - The OECD Guidelines for Multinational Enterprises
 - The core labour standards of the International Labour Organisation (ILO) with their four basic principles on freedom of association and the right to collective bargaining, the elimination of forced and child labour and the prohibition of discrimination in employment and occupation
 - European Convention for the Protection of Human Rights and Fundamental Freedoms
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WIKAL already complies with all national and international labour and environmental laws. In addition to our own Code of Conduct, we have also adhered to the Code of Conduct of the German Electro and Digital Industry Association (ZVEI e. V.). Our employees and relevant suppliers must comply with this Code of Conduct.

As a family business, valuing its employees is particularly close to WIKAL's hearts. Trust, cooperation and the promotion of talent play a major role in the employee culture; respect for human rights is the cornerstone of this. WIKAL also wants to pass on the values on which this employee culture is based along their supply chains so that business partners commit to respecting human rights and implement appropriate due diligence processes in their own supply chains.

2.2 Legal priorities

As part of the due diligence processes implemented, WIKAL strives to prevent all human rights and environmental violations within the supply chain as best as possible. If there are risks in certain areas, it is part of the duty of care to identify them, to minimise their extent in the event of a violation and to end a violation as quickly as possible. In practical implementation, it is essential to set appropriate priorities in the risk analysis.

WIKAL proceeds in such a way that risks are prioritised by which the consequences are typically expected to be the most serious (irreversible) for potentially affected groups of people. Indications for this prioritisation are country, industry and product group-specific risks, a high probability of occurrence and WIKAL's ability to influence the causer.

In particular, the following priorities were set as part of our risk analysis:

- forced and child labour,
- discrimination of any kind,
- risks to health and safety at work,
- disregard for freedom of association,
- precarious employment and working conditions, and also
- harmful changes to soil, water pollution, air pollution, harmful noise emissions and excessive water consumption.

2.3 Identification of potentially affected groups of people

WIKAL is aware that every business activity in a global environment, with increasing lack of transparency in supply chains, carries the risk of having a negative impact on certain groups of people. As part of the business activity, the following groups of people were identified as potentially affected, similarly to the UN Global Compact:

- Our own employees & temporary workers,
 - Employees in the supply chain,
 - Employees of our business partners,
 - Communities near production sites,
 - Consumers and end users,
 - Those affected by negative environmental impacts.
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Within the above-mentioned groups of people, the following have been identified as those who are considered particularly vulnerable to rights violations and for whom there is therefore a higher potential for danger. Here too, WIKAI is guided by the UN Global Compact.

- Children & young people,
- Women,
- Elderly people,
- People with impairments or illnesses,
- Religious, ethnic and other minorities,
- People of all genders, gender identities and sexual orientations who deviate from binary and heterosexual norms and
- People with little education or limited access to education.

3. Measures to implement due diligence obligations

As part of the establishment of an appropriate and effective due-diligence process, WIKAI has defined the following implementation measures, which are described in more detail in the following points:

- Risk analysis
- Prevention measures
- Complaints procedures
- Corrective actions
- Reporting

3.1 Risk analysis

WIKAI views the implementation of human rights due diligence as a continuously growing process that is subject to constant review, depends on continuous development and can also react to changing circumstances at short notice. Therefore, as a first step, appropriate due diligence processes are implemented within the German locations and their direct suppliers, and the process is continuously expanded to foreign locations and their suppliers. Our internal risk management and supplier processes were reviewed accordingly for human rights and environmental issues and supplemented where necessary.

WIKAI receives support from an external service provider for an initial risk assessment of suppliers. The risk analysis first looks at all suppliers of production materials and also services which flow directly into the products and services. This process will also be continually expanded to include more and more suppliers. If there are any abnormalities, WIKAI initiates appropriate prevention and remedial measures.

At the same time, most of our suppliers are checked in the “Image and Compliance” sector, among other things, using an AI-based supply chain risk management tool. These include, for example, abnormalities in the areas of human rights, working practices by the business partner or the use of dangerous substances. If there are any abnormalities, the severity of the process is assessed, a statement is requested from the supplier and, if necessary, appropriate countermeasures are initiated and documented.

3.2 Prevention measures

In order to prevent risks actively, and to be able to clearly communicate human rights positions internally and externally, preventive measures are taken within our own company and with direct suppliers.

This includes regular training for employees (e.g. Code of Conduct), communicating the strategy to suppliers, taking risks into account when qualifying suppliers using an AI-based tool, and risk-based control measures (such as regular implementation and effectiveness checks internally or in supplier audits).

3.3 Complaints procedures

Compliance with laws, rules and internal guidelines is a top priority at WIKAL. Only if WIKAL behaves legally and with integrity will the company, employees and business partners be protected. But wherever people work, mistakes can also be made. In order to meet the requirements of various laws and to be able to investigate reports of violations or misconduct fairly and appropriately, a whistleblower system has been introduced.

Suspected cases can be reported confidentially to the communication interfaces of the whistleblower system and, so long as national legal requirements permit, anonymously if desired. This includes, for example, violations of our code of conduct, competition law, environmental regulations, violations of human rights as well as suspicion or evidence of corruption, theft, discrimination or bullying, violations of applicable laws or other regulations.

In addition to employees, also business partners, customers and other third parties can provide specific information about rights violations. A report can be submitted in all languages and, optionally, anonymously. If necessary, a translation will be arranged.

Contact can be made in various ways, all of which are explained on the WIKAL website:

- Telephone hotline +49 160 96210839 (Mon-Fri 08:30-17:00)
- E-mail compliance@atarax.de
- [Whistleblower portal](#)
- By post: atarax Unternehmensgruppe, Luitpold-Maier-Str.7, D-91074 Herzogenaurach
- Personal meeting upon prior request via one of the other methods

3.4 Corrective actions

WIKAL sees complaints and tip-offs as opportunities for improvement. Therefore, even in reporting cases in which no violation of legal requirements or culpable behaviour by individuals could be identified, such measures are taken into consideration to lead to a better understanding and create more transparency.

3.4.1 Our own business

If, in individual cases, it turns out that legal requirements have been violated or employees have acted contrary to legal or operational requirements, concrete, proportionate and effective measures will be developed and implemented to counteract this in the future. If serious, this can also lead to legal action under labour law. If necessary, WIKAL will work with the appropriate authorities.

3.4.2 Immediate suppliers

If violations are discovered with direct suppliers, through legitimate complaints or other violations, the joint development of an implementation plan should ensure that the violation is stopped or at least minimised.

In the event of serious violations or failure to comply with defined measures within a reasonable period of time, WIKAL will be forced to terminate the business relationship.

3.5 Effectiveness review

The effectiveness of the prevention measures, the corrective actions and the complaints procedures are checked at regular intervals in accordance with the plan-do-check-act principle and continuously improved.

3.6 Regular reporting

The WIKAL Group's annual report reports, each year, on the human rights due diligence process and its findings and measures at group level. Further information on focal points, and business area-specific risks or measures, is published by individual group companies.

4. Requirements on us and our partners

WIKAL complies with legal requirements and other obligations in order to ensure the protection of its employees and the environment. Training and information are used specifically to promote awareness and responsibility for occupational safety and environmental protection among all employees and business partners.

Since 2020, WIKAL has created a code of conduct for all companies belonging to the group, which is mandatory for all employees. The ZVEI CoC or a comparable CoC is mandatory for all relevant suppliers. The principle of this agreement is the commitment to relevant international standards and guidelines - in particular the provisions of the United Nations and the International Labour Organisation (ILO). Other notable core elements include topics such as fundamental human rights, employee-related human rights, bans on discrimination, but also the environment, occupational safety and health protection.

The WIKAL purchasing strategy follows a methodical supplier management, which ranges from procurement market observation through supplier search, selection, qualification and evaluation to active supplier development.

WIKAL expects all of its suppliers to behave in an environmentally friendly manner and have a conscious use of resources in their production processes, as well as to comply strictly with national and international environmental laws, regulations and human rights.

In the product development process, purchasing strives to involve the most-important suppliers in the product life cycle as early as possible. Particular emphasis is placed on open, long-term and cooperative collaboration with a limited number of suppliers, which is characterised by mutual trust and the common striving for continuous improvement.

Knowledge of market and structural conditions in the procurement markets that are most important to us makes it possible to find the optimal source of supply, locally or internationally, for the WIKAL production network for the respective procurement objects.

External suppliers are mainly located in Germany, USA, China, Poland, Italy and Switzerland.

5. Internal responsibility

WIKAL's internal SEC (Sustainable and Environmental Compliance) department takes care of ensuring due diligence using the email address Sustainability@wika.com.


6. Improvement processes

The world and the market are constantly changing. WIKAL therefore continually reviews the risk assessment and measures. Also, processes, this policy statement and communication are also subject to regular reviews and, if necessary, adapted to changing circumstances. For example, we are continually working to report more transparently on risks and measures.

Obligation for the future

With this policy statement, WIKAL commits to complying with human rights and environmental standards within its own business areas and also expects the same from its suppliers.

WIKAL is committed to transparency and monitoring and works to avoid human rights violations and environmental damage in its own supply chains. WIKAL promotes dialogue and exchange with business partners and suppliers and is committed to open and trusting collaboration.

A handwritten signature in black ink, appearing to read "A. Wiegand".

Alexander Wiegand

CEO