



Declaration of Principles on Human Rights and Environmental Rights

07.07.2025

As part of our international business activities, we, the Scheidt & Bachmann group of companies, are aware of our corporate responsibility within the global value chain. Our actions are geared towards ensuring that the impact of our business activities and those of our suppliers are in harmony with people and the environment. It is therefore our goal to strengthen human and environmental rights along our value chain and to prevent, mitigate and remedy any violations of these rights.

This policy statement applies to the executive management and all employees of Scheidt & Bachmann GmbH and its affiliated companies in accordance with § 15 ff. AktG (German Stock Corporation Act). It complies with the requirements of § 6 (2) of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG).

When embedding human rights and environmental rights within its own business activities and global supply chains, Scheidt & Bachmann is guided by the principles of the following internationally applicable standards and guidelines:

- Universal Declaration of Human Rights of the United Nations (UN)
- United Nations Guiding Principles on Business and Human Rights (UNGP)
- National Action Plan on Business and Human Rights of the Federal Republic of Germany
- Principles of the United Nations Global Compact (UNGC)
- ILO core labour standards

We undertake to conduct an annual risk analysis and assessment in accordance with the process described below.

In order to manage risks in our own business activities, and along the supply chain in a proportionate and targeted manner, we have established a multi-stage risk management process. This process enables us to identify human rights and environmental risks in our own business activities and within our supply chains. We then take targeted measures and remedy any issues where necessary. The procedure described below forms the basis of this comprehensive and continuous risk management system within the framework of the LkSG. The central purchasing department of the Scheidt & Bachmann group of companies is the interface between all companies in the group and suppliers and is therefore responsible for supply chain risk management.

Risk analysis of our own business activities and supply chains

Risk analysis is used to identify and assess human rights and environmental risks in our own business activities and supply chain. The starting point for this process is an abstract risk analysis in which our own business activities and supply chains are examined for country- and industry-specific risks. Scheidt & Bachmann consults external experts for this purpose.



As part of the risk analysis of its own business activities, all affiliated companies are analysed and assessed with regard to their own location and business activities.

The risk analysis of direct and indirect suppliers (on an ad hoc basis) comprises an abstract analysis based on locations and industries in the first step and a concrete analysis of the significant risks per supplier in the second step. To this end, the relevant suppliers are confronted with any risks and requested to provide further information so that a comprehensive assessment can be made.

Prioritisation of risks

Given our global business activities and our diverse product portfolio, we source a wide range of products, components and services. Many of our direct suppliers are distributors and manufacturers based in Europe. The indirect supply chain extends across a large number of countries, including East and Southeast Asia for electronic components. In this respect, we initially see prioritised risks for human rights and environmental rights as being greater in the indirect supply chain. We are aware that different causes of human rights and environmental risks can arise in our own business activities and along our supply chains.

Various purchasing and supplier data are used to assess the plausibility of the risks. Plausible risks are weighted taking into account the expected severity of the violation of a human or environmental right. This includes the degree, scope and reversibility of the impairment, as well as the probability of occurrence and our ability to influence it. The latter results from the form of our business relationship and a potential causal contribution based on the purchase volume from the supplier.

The risk analysis in accordance with the LkSG was carried out for the first time in the 2024 financial year. This resulted in the following priority risk in our own business area in accordance with the LkSG:

- Labour rights

Preventive measures were taken to minimise the probability of future violations.

We currently consider and treat the following specific risks as priorities in accordance with the LkSG, particularly due to the lack of certificates:

- Environmental rights
- Human rights

Here, too, we have taken these risks into account as a precautionary measure in line with a risk-averse approach and are working to improve the information base regarding relevant suppliers. We are also already taking appropriate preventive measures to ensure that the risks do not materialise and that the identified information gaps are closed. We are not aware of any violations to date.

Implementation of comprehensive risk management

In the context of risk management, we have implemented the following fundamental measures:

- We review annually the extent to which risks of human rights and environmental violations exist in our own business activities and, where relevant, in those of our direct and indirect suppliers, and whether there have been any changes in the existing risk assessment.
- The results of the risk analysis are incorporated into the decision-making processes both in the selection of suppliers and in the strategic orientation of supplier management.
- Direct suppliers are subject to a corresponding risk analysis at the beginning of the business relationship.
- Preventive and remedial measures are taken in accordance with Sections 6 and 7 of the LkSG. These measures are based on the identified risks and violated rights, taking into account proportionality and appropriateness.



- Preventive and remedial measures are reviewed for effectiveness as part of a risk reassessment and further developed.
- All results, measures, procedures, and effectiveness are documented and published annually in a report. Scheidt & Bachmann GmbH will report to the Federal Office for Economic Affairs and Export Control for the first time for the 2024 financial year in accordance with its legal obligation under the LkSG.

Complaints management

A complaints procedure has been established for the entire Scheidt & Bachmann group of companies. Potentially affected parties can report their concerns via the channels listed on the company website. The protection of whistleblowers is ensured in line with local laws. Internally defined processes ensure efficient and controlled processing, which is coordinated by the compliance management team with the involvement of the human rights officer. We encourage our own employees to report potential violations of the protected legal interests of the LkSG.

The executive management and managers provide the necessary resources to implement the processes described and support the risk analysis. The central purchasing department of Scheidt & Bachmann GmbH is responsible for carrying out the risk analysis. The compliance management team is responsible for the complaints procedure. The human rights officer appointed by the executive management monitors the processes.

We expect our suppliers and business partners to also live by the values and principles to which we committed in this policy statement and to proactively support us in preventing and remedying any violations.

The risk management processes and this policy statement are reviewed annually and adjusted as necessary.

Mönchengladbach, 07.07.2025

Scheidt & Bachmann GmbH Management Board