

POLICY STATEMENT OF WILH. WERHAHN KG ON HUMAN RIGHTS AND ENVIRONMENT-RELATED DUTIES OF CARE

I. Our Self-image as Part of the Global Supply Chain

As a mid-sized, internationally operating family business with over 180 years of tradition, we have always been aware of our corporate responsibility for the protection of human rights and the environment, which is now anchored in the German Act on Corporate Due Diligence for the Prevention of Human Rights Violations in Supply Chains ("**LkSG**"). As part of the global supply and value chains, we align our business activities in our three divisions Building Materials, Consumer Goods and Financial Services, which together form our "own business unit" within the meaning of the LkSG, in a way that they are in harmony with people and the environment.

Respecting the dignity and personality of every human being, not tolerating any form of discrimination, behaving sustainably and protecting our environment, natural resources and health are at the core of our corporate identity. We have therefore set out these and other core values that guide us as a group and for which we stand in our Code of Conduct, which is binding for all members of our group of companies. We also make an annual statement on the UK Modern Slavery Act.

In addition, we are committed to the principles set out in the following frameworks:

- United Nations Universal Declaration of Human Rights
- United Nations Civil and Social Covenants
- UN Convention on the Rights of the Child
- Core Conventions of the International Labour Organisation, in particular ILO C100, C105, C138, C182
- Minamata Convention on Mercury
- Stockholm Convention on Persistent Organic Pollutants (POP Convention)
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention)
- United Nations Guiding Principles on Business and Human Rights
- Guiding Principles of the United Nations Global Compact
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the International Labour Organisation
- Guiding Principles for Multinational Enterprises of the Organisation for Economic Cooperation and Development in Europe

We comply with applicable laws. Where local law goes beyond international human rights law, we comply with it.

II. How we comply with our Due Diligence Obligations under the LkSG

In Werhahn Group, the Board of Wilh. Werhahn KG is responsible for the observance and implementation of this Policy Statement and the fulfilment of the corporate due diligence obligations according to the LkSG. The EB is advised and supported by the Sustainability Officer and the central department of Wilh. Werhahn KG responsible for compliance.

The Sustainability Officer of Wilh. Werhahn KG reports directly to the Board. She coordinates and monitors the required activities in accordance with the LkSG in the corporate divisions and risk management, including risk identification, assessment and prioritisation. Appropriate resources are available for this purpose. She has also been equipped with the necessary competences within Werhahn Group's own business unit.

The Board of Wilh. Werhahn KG is informed about the work of the Sustainability Officer at regular intervals, at least once a year and as required. The responsibility for implementation lies with the individual divisions, which take appropriate measures to ensure compliance with this declaration of principles and the due diligence obligations throughout all relevant business processes. This includes in particular specific purchasing decisions, the management of priority risks in accordance with the LkSG (see III.) and the identification of any changes of the risk profile.

Our holistic risk management across all corporate divisions effectively contributes to identifying risks and avoiding violations of human rights or environmental obligations under the LkSG. In particular, we have taken the following measures to protect human rights and to change business activities in the event of human rights violations:

- We review annually and on an *ad hoc* basis whether and to what extent risks for the observance of human rights and the consideration of environmental issues exist or arise in our divisions and at our direct suppliers. The results of the risk analysis are incorporated into our decision-making processes with regard to business strategy, supplier selection and supplier management, among other elements. Details of the risks we have identified as priorities are set out below in section III.
- The companies of Werhahn Group operate an active and systematic supply chain management and take appropriate preventive measures within the meaning of Sec. 6 para. 4 LkSG towards our direct suppliers. In the Natural Stone business unit, we have *inter alia* published a Code of Conduct for Suppliers which is a fundamental component of all contracts with direct suppliers. In the Consumer Goods division, the amfori BSCI Code of Conduct forms the basis for

cooperation and must be accepted by the producers before a business relationship is entered into. In the Financial Services division, appropriate and risk-balanced precautions are taken.

- We sensitise and inform the management of our divisions about the due diligence requirements of the LkSG. In addition, training tailored to the specific risk situation of the respective division is offered and carried out in order to reduce concrete human rights and environmental risks as much as possible.
- A safe and healthy working environment for our employees is a particular priority for us. To this end, we maintain high standards at all company locations and continuously review opportunities for improvement.
- We are currently not aware of any violations of human rights or environmental legal positions or of violations of the LkSG in Werhahn Group's own business unit. In the event that such violation or infringement should occur in our own business unit Wilh. Werhahn KG will take appropriate remedial measures in order to put a lasting end to any violation, insofar as this is possible.
- If a direct supplier does not comply with the requirements of the LkSG, we will request him to take appropriate measures within a time schedule developed with the supplier based on a concept defined by us and to end or minimise any violation. In the event of serious failures or persistent non-compliance, we will also consider temporary or permanent termination of the business relationship.
- The companies of Werhahn Group have set up a compliance helpline that can be reached worldwide and through which any person may report human rights or environmental risks or any violations within our own business unit or in the area of our supply chains to an ombudsperson in writing, by telephone or via an online form - anonymously if desired. In particular, we encourage our employees to report suspected violations of this policy statement or the provisions of the LkSG to the ombudsperson. The rules of procedure of the Compliance Helpline are available in 17 languages at [helpline-werhahn.de](https://www.helpline-werhahn.de). The protection of whistleblowers in accordance with the LkSG is guaranteed.
- The companies of Werhahn Group shall review the adequacy and effectiveness of the preventive and remedial measures they have taken, as well as the complaints procedure, annually and on an ad hoc basis, and will continuously develop risk management in accordance with the LkSG.

- Compliance with legal requirements and due diligence obligations is documented on an ongoing basis. Wilh. Werhahn KG will report annually on the implementation of this policy statement and the further development of risk management in accordance with the LkSG in a publicly available annual report to the Federal Office of Economics and Export Control from the first quarter of 2024 on - for the first time for the financial year 2023.

III. Human Rights and Environmental Risks that have Priority for us

The activities within the Werhahn Group's own business unit are mainly concentrated in Europe. We are also active in the USA, Canada, Japan, India and China. Our direct suppliers are mainly located in Europe, East and Southeast Asia. In view of this, we are aware that different human rights and environmental risks can arise in our divisions and along their supply chains. As part of our risk analysis carried out in the business year 2023, we identified the abstract country and industry-specific risks relevant to our divisions in accordance with the LkSG with the support of an external team of experts. The industry-specific risks were identified with the help of the expert team on the basis of our purchasing categories, which are grouped into industry clusters.

We determined and assessed the country-specific risks on the basis of the World Bank Development Index, the Global Rights Index, the Global Slavery Index, the Children's Rights Index, the Global Gender Gap and the Environmental Performance Index.

We then assessed the plausibility of the abstract risks with regard to our business and purchasing activities. Subsequently we weighted the plausible risks taking into account the typically expected severity of the violation of a human rights or environmental protection position, in particular the degree, extent and reversibility of the impairment, as well as the probability of occurrence and our ability to influence any direct causes of risk. The resulting risk values were the basis for prioritising the risks. In addition, the type and scope of our business activities and the nature of our potential causal contributions were taken into account.

According to this, we currently consider and treat the following specific risks as priorities according to the LkSG in Werhahn Group's own business unit:

- Disregard of occupational health and safety and work-related health hazards
- Violations of the prohibition of forced labour and slavery
- Destruction of the natural basis of life through environmental pollution

We have only identified risks of violations of the prohibition of forced labour and slavery or of the destruction of the natural basis of life through environmental pollution for the production country India. We have taken these risks into account as a precautionary measure, despite the lack of information in some cases, in order to ensure a risk-conservative approach in line with the objectives of the LkSG. Notwithstanding this, we are already taking appropriate preventive measures to ensure

that these risks do not materialise and that the identified information gaps are closed. We have not become aware of any violations to date.

At our direct suppliers, we currently consider and treat the following specific risks as priorities according to the LkSG:

- Non-compliance with occupational health and safety and work-related health hazards
- Violations of the prohibition of forced labour and all forms of slavery
- Violations of the prohibition of withholding a decent wage
- Violations of the prohibition on child labour

Risks of violations against the prohibition of forced labour and all forms of slavery, against the prohibition of withholding an adequate wage or against the prohibition of child labour were essentially only identified for the countries China and India. Here, we have also taken these risks into account as a precautionary measure in the sense of a risk-conservative approach and are working to improve the information base regarding relevant suppliers in both countries. We are already taking appropriate preventive measures to ensure that the risks do not materialise and that the identified information gaps are closed. So far, we have not become aware of any violations.

We are not aware of any factual indications that suggest a violation of human rights or environmental obligations under the LkSG at an indirect supplier. Should Wilh. Werhahn KG obtain substantiated knowledge of this, it will immediately take the necessary measures in accordance with Sec. 9 Para. 3 LkSG.

In the event of a future change in the risks we consider to be of priority, we will publish a correspondingly updated version of this policy statement.

IV. Expectations towards our Employees and Suppliers

This policy statement applies to us as the Board, as well as to all managers and employees of Werhahn Group across all divisions. If there are further developments in our risk management in accordance with the LkSG, this policy statement will be updated accordingly as required.

We expect all managers and employees of Werhahn Group, as well as our suppliers and other relevant business partners, to recognise the principles and values set out herein, to comply with appropriate processes for respecting human rights and environmental protection, to cooperate in the identification of human rights and environmental risks and to promote the implementation of preventive and remedial measures to the best of their legal and actual ability.

Neuss, March 2023

signed.

Paolo Dell' Antonio
Chairman of the Board

Alexander Boldyreff
Board Member

Stephan Kühne
Board Member