

WEIDMANN RESPONSIBLE SOURCING POLICY



WEIDMANN

1 INTRODUCTION

For us at Weidmann, responsible sourcing and addressing environmental and social issues related to our supply chains is a key driver to safeguarding human rights and to preserve the environment. Upholding the principles included in this Responsible Sourcing Policy (hereafter: Policy) is essential to all our company's operations, our business practices with partners and stakeholders.

This Policy outlines the framework to ensure legally compliant and environmentally sound sourcing practices while keeping our commitment to minimizing negative impacts on human rights at every supply chain level. This Policy is in alignment with OECD Guidelines, relevant Conflict Minerals and Child labor regulations, Swiss Timber Trade Ordinance (TTO), EU Timber Regulation (EUTR) and EU Deforestation Regulation (EUDR), as well as other international conventions and standards,

The implementation of this Policy includes consistent policy reviews and updates, continuous supplier engagement, defining measurable goals, transparent reporting, and the implementation of an effective grievance mechanism. All these measures are aimed at fostering supply chains that reflect our commitment to environmental integrity, ethical practices, and social responsibility.

2 SCOPE

This Policy applies to all direct material procurement and other sourcing activities with substantiated risks or concerns.

3 GUIDING PRINCIPLES

At Weidmann, our responsible sourcing guiding principles go beyond compliance. We are aligning our corporate values with our sourcing practices.

Regarding **Environmental Responsibility** we:

- Strive to act in accordance with the applicable statutory and international standards regarding environmental protection.
- Foster legally compliant and environmentally sound sourcing practices at every supply chain level. This includes that all raw materials for our products have been produced according to the relevant legislation in the country of origin and/or production, covering proper land use rights, environmental protection, and forestry rules, including forest management, and biodiversity conservation.
- We do not own any forests or forest tenures; therefore, we rely entirely on third parties to manage the forests. Thus, we ensure that none of our timber products and associated supply chains are sourced from areas that have been converted from forest to agricultural land, or where primary forests, naturally regenerating forests, or other ecosystems with high conservation values have suffered degradation, after 31 December 2020 as per EU Deforestation Regulation.
- Prioritize sourcing from suppliers that demonstrate a commitment to environmental sustainability through certifications such as ISO 14001 for environmental management systems, FSC (Forest Stewardship Council), PEFC (Program for the Endorsement of Forest Certification), and other recognized standards.
- Promote the use of recycled and recyclable materials in our products and packaging.
- Promote best practices in environmental efforts across all processes by actively reducing our carbon footprint, improving energy efficiency, minimizing waste generation, and integrating circular economy principles into our supply chain.
- Encourage cooperation with suppliers in integrating circular economy principles into their operations.

Regarding **Social Responsibility** we:

- Ensure that all suppliers, as well as the practices involved in the production and delivery of their products to us, comply with international human rights, labor rights, and standards, including fair wages, healthy and safe working conditions, and the prohibition of child and forced labor.
- Request that all suppliers respect the rights of workers to freedom of association and collective bargaining in accordance with international labor standards and the relevant legislation in their country of operation.

- Support suppliers that contribute to the social and economic development of their communities and are recognizing and respecting the rights of Indigenous Peoples and local communities (third parties' rights) in their value chain, which includes adhering to the Free, Prior and Informed Consent principle (FPIC) and in accordance with the legislation in the countries of production.

Regarding **Economic Responsibility** we:

- Evaluate total cost of ownership, including environmental and social factors, rather than just the purchase price.
- Foster long-term relationships with suppliers that align with our sustainability targets and demonstrate continuous improvement in their practices.
- Promote transparency and accountability in the supply chain, ensuring trade and transport are conducted in accordance with the relevant legislation.

4 IMPLEMENTATION

The implementation of this Policy is crucial for achieving our sustainability targets, and it involves thorough due diligence practice, supplier collaboration, and ongoing monitoring.

As a part of our **Due Diligence**, we:

- Ensure that information about suppliers, material sources and products is maintained and evaluated to enable their traceability and effective risk assessment.
- Conduct risk assessments on all suppliers of regulated commodities and products to determine compliance with our policy requirements.
- Carry out appropriate risk mitigation actions in case identified risks cannot be classified as negligible.
- Implement an annual internal review and independent audit of our Due Diligence System.

As a part of our **Supplier Selection, Evaluation and Collaboration**, we:

- Integrate sustainability criteria into the supplier selection process and assess suppliers' compliance with such criteria, e.g. responsible sourcing, conflict minerals policies, and environmental certifications (e.g. FSC, PEFC).
- Assess supplier's anti-corruption practices during audits and evaluations, ensuring compliance with our standards for ethical conduct and legal compliance.
- Approve new strategic suppliers for direct materials only after conducting an audit that evaluates their business operations, environmental and social performance.
- Encourage collaboration with suppliers to develop and implement sustainability improvement plans, such as reducing emissions, adopting renewable energy, and increasing the use of recycled materials.

As a part of our **Employee Training and Engagement**, we:

- Provide training for procurement staff on responsible sourcing practices.
- Encourage employees to identify and suggest opportunities for sustainability improvements in the procurement process.

As a part of our **Performance Evaluation and Reporting**, we:

- Establish, monitor, and report key performance indicators (KPIs) to measure the effectiveness and improve our responsible sourcing practices.
- Ensure compliance and areas for improvement through internal and/or external audits and evaluations.

5 COMMUNICATION

This Policy will be communicated to all relevant employees, suppliers, and stakeholders. It will be made publicly available on our company website and included in internal and supplier onboarding processes.

Our Supplier Quality Engineers are responsible for auditing and evaluating suppliers, while our Strategic Sourcing Managers oversee supplier governance and communication.

The responsibility for implementation is with our Procurement and Sustainability functions, they review the Policy annually for updates.

Released by Weidmann Group Executive Board

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