

Foreword

"If I want to improve the world, the best place to start is with myself!"

-Phil Bosmans-

Many economic, social and health challenges in recent years have made us all aware of the inequalities in our society. At the same time, we have been made aware of how companies and people interact.

Our business practices have always been characterised by a sense of responsibility and high moral and ethical principles. We are committed to sustainable development that takes equal account of the needs of the individual, society and the environment.

Our commitment to human and environmental rights applies to our employees in our own business area and, of course, also to those involved in the supply and value chains. Our goal is to promote and protect the rights of people and communities across the entire supply and value chain with the participation and support of all business partners.

This policy statement reaffirms our ongoing commitment to these fundamental issues. Together with our business partners, we want to follow our mission statement.

Thank you very much for supporting us in this endeavour.

Susanne Kunschert

Managing Partner

Thomas Pilz

Managing Partner

*In the text, the masculine form is predominantly used without any intention of discrimination, occasionally also the feminine form. However, all genders are included. This is purely for editorial reasons and not for reasons of content and therefore does not imply any judgement.

Our commitment

We are aware of our responsibility to respect human rights and protect the environment and are continuously working to fulfil this responsibility in the best possible way. This declaration describes the key steps and measures that we take as part of our business activities in order to identify and avoid potential human rights and environmental risks in the area of our business activities. It thus implements the requirements of the law on corporate due diligence to prevent human rights violations in supply chains. We are committed to the international principles regarding the protection of human rights and the environment. These include in particular

- Compliance with the prohibition of slavery, child labour and forced labour;
- Recognising the right of all employees to form employee representative bodies, to strike and to engage in collective bargaining;
- Compliance with the provisions on occupational health and safety and working hours;
- Equal treatment of all employees free from any form of discrimination;
- Granting of an appropriate wage, at least in the amount of the minimum wage stipulated by the applicable law;
- Compliance with the prohibition on causing harmful soil change, water pollution, air pollution, harmful noise emissions or excessive water consumption; compliance with the prohibition on unlawful eviction or deprivation of land, forests and waters;
- Compliance with the prohibition on the use of private and public security forces if this threatens a violation of human rights;
- Compliance with the prohibition on the use of other forms of behaviour that seriously violate human rights;
- Compliance with the ban on the production of mercury-added products and the use of mercury and mercury compounds in manufacturing processes and the unauthorised treatment of mercury waste;
- Compliance with the ban on the production and use of banned chemicals;
- Compliance with the prohibition on the improper handling, collection, storage and disposal of waste and the unauthorised export and import of hazardous waste

We have implemented guidelines that integrate this commitment into our daily activities, such as our internal Pilz Code of Conduct, as well as our Code of Conduct for Suppliers, Code of Conduct for Business Partners and our Labour Conditions and Human Rights Policy.

Risk analysis

We carry out appropriate risk analyses in relation to human rights and our environmental obligations in our business area and our supply chain in order to identify, assess and prevent potential and actual negative impacts in good time.

In our own business division, risks are evaluated with the support of the relevant specialist departments, which provide assessments of the risk situation in their respective areas.

The risk analysis along our supply chain is based on a multi-stage analysis of our direct suppliers.

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This is based on an assessment of the direct suppliers, particularly with regard to their country of origin and the product group of the products supplied. The results obtained in this way are checked for plausibility. In addition, a random check of the assessment is carried out in individual cases. If the risk analysis reveals an increased human rights or environmental risk, the suppliers concerned are subjected to an in-depth review and, if necessary, appropriate remedial and preventive measures are taken. The results of the risk analysis are incorporated into our decision-making processes with regard to supplier selection and third-party risk management.

In addition, we use the results as a basis for creating and, where necessary, adapting our preventive measures, such as processes, work instructions, guidelines and training. The risk analysis is updated at least once a year, but also on an ad hoc basis in the event of significant changes to our business activities.

Preventive and remedial measures

If a human rights or environmental violation is discovered, we immediately take appropriate remedial measures. Depending on the severity of the violation, these measures may even include the termination of business relationships. We recognise that comprehensive protection of human rights and environmental rights can only be guaranteed if human rights and environmental risks of any kind are not only pursued, but also avoided before they arise through preventive measures. To this end, we carefully scrutinise our direct suppliers before entering into new business relationships.

Complaints procedure

Complaints mechanisms are of particular importance in the detection and avoidance of human rights and environmental risks and violations. For this reason, our whistleblower system (Pilz Integrity Line) for complaints regarding potential human rights and environmental risks or violations has been introduced.

This whistleblower system enables all stakeholders, both from our own business unit and the supply chain, to submit anonymous reports of violations in our own business unit and at our direct and indirect suppliers.

Only in this way can we effectively detect, prevent and remedy violations within the Pilz Group or the supply chain.

Everyone has the opportunity to contact the Pilz Compliance Office and, if they wish, to report actual or suspected violations by Pilz employees, business partners or suppliers anonymously.

Reports and notices are processed by independent persons (independent of instructions and sworn to secrecy). These are employees of the PILZ Compliance Office.

The whistleblower can be involved in the processing on an anonymous basis in the event of queries. At the end of the procedure, the whistleblower is usually informed of the outcome in writing. We follow up information about violations at our indirect suppliers in cooperation with our business partners and take the necessary measures depending on the severity of the violation. The whistleblower is protected from disadvantages and reprisals. The accused is protected from denunciation.

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Responsibilities

We have set up the necessary processes in line with the existing compliance management system. In doing so, we have designated subject responsibilities. Any preventive or remedial measures that may become necessary in the course of the risk analysis are formulated and initiated by the persons responsible for the topic. The Human Rights and Sustainability Steering Committee has overall responsibility in accordance with legal requirements. The committee is headed by the Compliance Officer. This responsibility includes, in particular, the monitoring of risks in accordance with legal requirements, including reporting and overall coordination.

Reporting

Pilz reports annually on the progress of the implemented processes and their effectiveness in accordance with legal requirements. These include the human rights and environmental risks identified in the reporting period, the impact of business activities along the supply chain and the preventive and remedial measures implemented in our own business area and at direct suppliers.

Expectations of our business partners

We expect our business partners to commit to respecting human rights and protecting the environment to the same extent and to establish appropriate due diligence processes in order to recognise and avoid human rights and environmental risks. To ensure that our business partners fulfil these obligations, we have introduced a Code of Conduct for suppliers and business partners.

Closing words

We are committed to the continuous development of our human rights and environmental due diligence processes. To this end, we will review and optimise the implementation of these principles as part of our activities on a regular and ad hoc basis. The management bears overall responsibility for the implementation of this declaration of principles within the Pilz Group. This ensures that both the headquarter and our subsidiaries are aware of their own responsibility with regard to their human rights and environmental obligations.

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Contact for questions and information

If you have any questions about this declaration or other human rights or environmental issues, please email compliance@pilz.com.

D. Change history:

Policy	Creation date	Author/Creator	Version	Status
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