

# Policy statement regarding compliance with human rights and environmental standards

*SCHÜCO RESPECTS INTERNATIONALLY RECOGNISED HUMAN RIGHTS, REJECTS ALL FORMS OF EXPLOITATIVE WORKING CONDITIONS AND ENDEAVOURS TO PREVENT NEGATIVE ENVIRONMENTAL IMPACTS*

As an international company, we firmly believe that all of our business activities should be founded upon the principles of respect and safeguarding of human rights as well as the protection of the environment. We will only be able to succeed if our business operations are in harmony with people and the environment, and we are fully conscious of this responsibility.

We undertake to comply with the following international standards:

- United Nations (UN) Universal Declaration of Human Rights under the International Bill of Human Rights
- Core labour standards of the International Labour Organisation (ILO)
- The Ten Principles of the UN Global Compact
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- Minamata, POP and Basel Conventions

We are committed to respecting internationally recognised human rights and to conducting our business practices in accordance with them. This includes, in particular, the prohibition of child labour and forced labour as well as all forms of slavery and discrimination. We believe that embracing and appreciating diversity can have a positive impact on our organisation and on society. That is why we pursue a holistic approach to promoting diversity in accordance with the *Charta der Vielfalt* (Diversity Charter) across the seven dimensions of age, ethnic origin and nationality, gender and gender identity, physical and mental capability, religion and world view, sexual orientation, and social background. We are also committed to the prohibition of forced evictions and of the release of harmful environmental pollutants, and do not advocate the deployment of security forces in cases where this poses a risk of abuse or restriction of human rights. Moreover, we undertake to safeguard the freedom of association, the right to bargain collectively, occupational safety and the payment of adequate wages.

In order to live up to our aspirations, we have drawn up our own guidelines and guiding principles based on the aforementioned international standards. These are enshrined throughout the entire company, and form a mandatory framework for all employees and business partners:

- **Schüco Code of Conduct:** In our Code of Conduct, we define the legal and ethical principles by which the entire Schüco Group is bound.
- **Supplier Code of Conduct:** The Supplier Code of Conduct governs the requirements set by the Schüco Group with respect to responsible procurement, and is intended to ensure that our suppliers comply with specific environmental, legal, social and ethical standards.
- **Company Directive on Compliance with Due Diligence Obligations throughout the Schüco Supply Chains (in accordance with the German Supply Chain Due Diligence Act [Lieferkettensorgfaltspflichtengesetz, LkSG]):** This internal directive defines and documents the rules and prohibitions applicable within the Schüco Group in line with the German Supply Chain Due Diligence Act.

Our commitment applies not only to our own business area, but also to our activities throughout our entire supply and value chain. The Executive Management of the Schüco Group is responsible for implementation and compliance. With regard to the implementation of supply and value chain due diligence requirements in connection with human rights, the appointed Human Rights Officer has an important role to play. This individual works in close collaboration with the Sustainability, Procurement, and Legal and Compliance departments, and regularly reports back to the Executive Management.

## *SUSTAINABILITY IS A COMPANY RESPONSIBILITY*

As a company in the construction sector, we have a long-term responsibility and can use our products and services to make an active contribution to a more sustainable world. We aspire to be trailblazers for effective sustainability in the construction sector. Through our actions, we want to make a contribution to achieving the United Nations Sustainable Development Goals and thereby show our support for their aims. The Sustainable Development Goals form the basis for our understanding of the concept of sustainability, and ensure that we view the challenge of sustainability from a holistic perspective that is not limited to climate and environmental protection. For us, sustainability is not an abstract idea but a concrete item on the agenda that we address every day through our six defined action areas: Environment, Products, Business Development, Supply Chain, Employees and Society.

As a developer and supplier of system solutions for windows, doors and façades, Schüco has a portfolio comprising more than 1000 products whose components originate from national and international suppliers. Among its suppliers, the Procurement department not only counts the suppliers in the services sector, but also product-relevant suppliers such as producers of aluminium and plastic profiles, fittings and safety technology. We procure our products from suppliers across the globe, many of whom are based in Europe, and endeavour to forge lasting business relationships based on a spirit of collaboration.

We are involved in various industry initiatives and collaboration projects. This allows us to have an impact on those aspects that are outside of our sphere of influence, such as compliance with human rights in upstream value creation stages. It also enables us to advocate for transparency, quality and adherence to sustainability standards throughout the entire supply chain:

- As a founding member of the KlimaWirtschaft foundation (formerly Stiftung 2°), we are committed to the successful completion of the energy transition and improved resource efficiency in business.
- Since 2018, we have been working in partnership with WWF Germany to make an effective contribution to improving sustainability in the construction industry. This collaboration project is primarily focused on climate protection and responsible raw materials procurement. Furthermore, with the WWF, we have a key partner by our side who is able to review the effectiveness of our supply chain measures and ensure that we continue to work in a solution-oriented, targeted way.
- We are a founding member of the Aluminium Stewardship Initiative (ASI), a global multi-stakeholder association which works to establish environmental and human rights standards along the aluminium value chain across all sectors. We are also a member of the recycling initiative AIUIF as well as the VinylPlus initiative, which is the sustainability programme of the European PVC industry.

We expect our business partners to respect human rights and internationally recognised labour and social standards too, and oblige them to establish appropriate due diligence processes. We also include among our business partners the suppliers who directly or indirectly provide Schüco with products or services.

## *IMPLEMENTATION OF CORPORATE DUE DILIGENCE OBLIGATIONS*

We perform a regular analysis of our own area of business and of our suppliers in order to identify potential risks of human rights violations or risks to the environment. This is done by way of an annual risk analysis and real-time risk monitoring. We also carry out ad hoc risk assessments in cases where changes to our business operations mean that our risk profile has changed or when we find out about potential infringements by indirect suppliers.

The results of the risk analyses are fed into our business processes. Based on the results, we draw up suitable measures for the action areas identified. These are intended not only to improve the status quo, but also to have a preventive effect. In the metal industry in particular we are faced with increased risks, which we analyse more closely as part of our established processes. At Schüco, people – and therefore health and safety – lie at the heart of what we do. We set and constantly further develop standards that guarantee compliance with legal regulations, a safe working environment and the protection of fundamental company values in an increasingly digital and global arena. We provide our employees with training to raise awareness and promote appropriate behaviour at work. As regards our supply chains, our approach comprises a range of different measures: we draw up specific requirements for suppliers and service providers, take human rights and environmental criteria into account when selecting suppliers and carry out monitoring measures.

## *COMPLAINTS PROCEDURE*

Even with all our due diligence with regard to human rights and the environment, we know that infringements can still occur. We at Schüco believe it is crucial to prevent violations of human rights, social standards, working conditions, environmental provisions and any other legal regulations or internal directives as far as possible, and to investigate them when they do occur.

To this end, we have set up a transparent complaints procedure which can be used to report breaches of the law and of compliance guidelines. Schüco employees and all those who are directly or indirectly affected by its business activities, such as customers, suppliers and service providers and their respective employees, are able to directly contact the Schüco legal counsel if necessary. As a matter of principle, this legal counsel provides independent, impartial legal advice. They are not subject to instruction from Schüco with regard to how they handle the information they receive about infringements of the law or other internal rules at Schüco.

Schüco guarantees the confidentiality of all its channels for whistle-blowers. The legal counsel's services are available free of charge to all individuals who wish to make a complaint.

## **CONTACT DETAILS FOR THE SCHÜCO LEGAL COUNSEL**

Dr Carsten Thiel von Herff, LL.M.  
[c.thielvonherff@thielvonherff.de](mailto:c.thielvonherff@thielvonherff.de)  
Tel. +49 (0)521 55 7 333 0  
Mobile: 00800 – OMBUDSMANN  
[www.report-tvh.com](http://www.report-tvh.com)

You can contact our Compliance Organisation using the following email address:  
[compliance@schueco.com](mailto:compliance@schueco.com).

## FURTHER PROCESS AND REPORTING

We are conscious of the fact that implementing due diligence with respect to human rights and the environment in our own field and vis-à-vis direct and indirect suppliers is an ongoing process. This process, our strategic approaches and our measures are subject to constant review and are continuously being developed in line with changing circumstances and our business activities. We regularly provide transparent information about the implementation of this due diligence in our annual report on compliance with the German Supply Chain Due Diligence Act.

Bielefeld, 1 February 2023



**Andreas Engelhardt**  
Managing Partner



**Philipp Neuhaus**  
Chief Financial Officer (CFO)



**Dr. Walter Stadlbauer**  
Chief Operating Officer (COO)  
Chief Technical Officer (CTO)