

Human
Rights

Compliance

ACT ON CORPORATE DUE DILIGENCE
OBLIGATIONS IN SUPPLY CHAINS
(LIEFERKETTENSORGFALTSPFLICHTENGESETZ)

Policy statement

Our commitment to respect human rights
and environment-related obligations

Content

Foreword	3
Human rights and environmental strategy	4
Respect for human rights	4
Holistic environmental protection	5
Procedure description	6
Risk management	6
Risk analysis	7
Preventive measures	7
Remedies	8
Complaints proceedings	9
Reporting obligations	9
Regular review	10

The designation of persons or groups of persons in this document refers to persons of any gender for linguistic simplification and better readability. The term “employees” also includes managers at all levels and members of executive bodies.

Foreword

Human rights principles and environmental protection principles are firmly embedded in the United Nations 2030 Agenda for Sustainable Development. As a global company, we are aware of our social responsibility and are committed to respecting human rights and the environment along our company's value chain, identifying human rights and environment-related risks, and responsibly mitigating identified risks.

In doing so, we are guided by international standards that help companies to define and continuously optimize their approach to human rights in particular. These include, in particular, the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles) and the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD Guidelines). They highlight the importance of a due diligence process that makes it possible to proactively identify, assess and at least mitigate violations of human rights or environmental obligations in order to protect the holder of the rights in question.

In implementing its human rights and environmental due diligence, Innomotics is subject to the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). Among other things, the LkSG requires pursuant to Section 6 para. 2 LkSG, the publication of a policy statement outlining the company's strategy for the protection of human rights and the fulfilment of its environment-related obligations. Key elements of this policy statement include a description of the procedures Innomotics uses to fulfill its legal obligations and a description of the human rights and environment-related risks and expectations for our employees and suppliers identified on the basis of an annual risk analysis.

As a core requirement of the LkSG, we regard the area-wide risk analysis as an important basis for continuous progress in our human rights and environmental due diligence.

This policy statement applies to Innomotics GmbH.

Nuremberg, October 1, 2024

Innomotics GmbH

Human rights and environmental strategy

Our human rights and environmental expectations regarding our employees and suppliers

Respect for human rights

Our commitment to international standards

Innomotics is a supporter of the United Nations Global Compact. As part of our related obligations, we expect our employees worldwide to comply in particular with the following guidelines, which are embedded in our **Business Conduct Guidelines (BCGs)**:

- OECD Guidelines for Multinational Enterprises,
- UN Guiding Principles on Business and Human Rights,
- International Bill of Human Rights,
- European Convention for the Protection of Human Rights and Fundamental Freedoms,
- International Labour Organization (ILO) Tripartite Declaration of Principles on Multinational Enterprises and Social Policy,
- ILO Declaration on Fundamental Rights and Principles at Work,
- Ten principles of the UN Global Compact,
- International Framework Agreement on the Fundamental Rights of Workers (signed in 2012 jointly with trade unions and workers' representatives).

Implementation in the company

In addition to the full commitment to respect the human rights of all rights owners, the aforementioned agreements and guidelines, as well as our BCGs, set forth, among other things, the following fundamental rights, whose compliance Innomotics guarantees to all of its employees worldwide and, at the same time, expects all employees to comply with; this is bindingly set forth in the BCGs.

- Prohibition of discrimination,
- respect for the principle of equal opportunities and equal treatment,
- free choice of employment (no forced labor),
- prohibition of child labor,
- appropriate remuneration,
- freedom of collective bargaining and association,
- compliance with safety regulations.

The full commitment to respect human rights contained in our company's BCGs includes the prohibition of operational effects of business activities pursuant to Section 2 para. 2 No. 9 LkSG, the prohibition of the unlawful taking of natural resources according to Section 2 para. 2 No. 10 LkSG as

well as the prohibition with regard to the hiring or use of security forces in accordance with Section 2 para. 2 No. 11 LkSG.

Human rights strategy

According to the BCGs, all business activities of our company must always be in compliance with the applicable law and the BCGs conduct requirements of our company. As far as possible, we integrate the human rights and environment-related due diligence requirements of the LkSG into our company's existing management systems, rules and procedures, for example for occupational health and safety, environmental protection, supplier management, site management and cooperation with security forces. We also use the company-wide compliance management system, for example in connection with the provision of protected complaint channels and the handling of incoming complaints, or for comprehensive risk analysis in accordance with the requirements of the LkSG.

The rules and procedures for respecting human rights and protecting the environment of Innomotics go beyond the prohibitions set forth in the LkSG. In this regard Innomotics is taking a comprehensive approach, which is embedded in the BCGs and additionally implemented in other internal regulations.

More detailed information on this as well as on the respective rules and procedures can be found in this Policy Statement and the **Complaints Procedure Rules** as per LkSG (available at Innomotics.com),

Human rights in the supply chain

Maintaining sustainable and fair supply chains is a core element of our efforts with regard to our human rights strategy. Therefore, Innomotics expects all suppliers to commit to comply with the Innomotics Code of Conduct for Suppliers and Third Party Intermediaries ("**Innomotics Code of Conduct for Suppliers**"). This Code of Conduct includes numerous behavioral obligations and, above all, safeguards the fundamental human rights of our suppliers' employees. In addition to the comprehensive obligation of our suppliers to comply with applicable law and other behavioral requirements, this includes:

- Fair employment conditions (wages, working hours, holidays),
- the right to freedom of assembly and association,
- responsibility for health and safety standards,
- prohibition of discrimination,
- prohibition of forced and child labor,
- provision of anonymous complaint mechanisms.

These principles are part of our contractual agreements with our suppliers. We expect them to also commit to respect human rights and environmental protection, to commit to establish appropriate due diligence processes and to pass these principles on to their own suppliers.

Holistic environmental protection

As a company with many products, systems, solutions, and services, we have far-reaching impacts on the environment. Managing these environmental impacts goes beyond compliance with legal requirements to achieve the next level of environmental protection: We balance economic, environmental, and social requirements and embrace our social responsibility. Our forward-looking commitment strengthens the competitiveness of our customers and creates the basis for our future success. Our objectives are to record and manage the environmental impact of the company's activities in the value chain. In many areas, this is also done in cooperation with our business partners.

As a supporter of the UN Global Compact, we expect our employees worldwide not only to comply with the environmental principles of the UN Global Compact, but also to comply with the following guidelines, which are embedded in our BCGs:

- OECD Guidelines for Multinational Enterprises,

- Agenda 21 on Sustainable Development (final document of the fundamental UN Conference on Environment and Development, Rio de Janeiro).

With the Innomotics Code of Conduct for Suppliers, Innomotics comprehensively obligates the company's suppliers to protect the environment. Accordingly, our suppliers have to:

- act in accordance with applicable legal norms and international standards relating to the environment,
- minimize environmental pollution and continuously improve environmental protection, and
- establish and implement an appropriate environmental management system.

We believe that responsibility for holistic environmental protection and compliance with environmental due diligence is an important factor for the long-term success of our company and therefore expect all our employees and suppliers to adhere to these principles.

PART 2

Procedure description

Our procedures for implementing human rights and environment-related due diligence

Risk management

Identifying risks and potential impacts and deriving effective measures are core elements of implementing human rights and environment-related due diligence. We understand the fulfillment of this responsibility as a continuous improvement process. The early identification of human rights and environment-related risks plays a key role in an effective risk management system.

We therefore ensure that sufficient financial and human resources are available for monitoring the supply chain. Effective risk management enables us to deal more comprehensively and at an earlier stage with the assessment of any human rights and environmental risks in our operating business and to integrate the main risk areas. This includes so far:

- results from the annual Environment, Health, and Safety Risk Workshops,
- risk analyses in the areas of project security, property protection and executive & event protection,
- our experience in dealing with critical/controversial projects,
- expertise of external human rights experts and
- insights from dialogues with investors, Innomotics' shareholders, and peer groups.

In this way, we also ensure that the situation and expectations of relevant rights owners are taken into account. The dialogues and cooperation with employee representatives and between the collective bargaining partners are also important sources in this context.

In addition to business-related controls, we use our company's internal control system and the auditing of corporate units by our audit function to ensure and monitor the implementation of our human rights strategy.

Risk analysis

Innomotics uses a risk-based approach to identify potential **risks in our supply chain**. The existing processes for risk analysis already cover the prohibitions of the LkSG to a large extent and in some cases go beyond the prohibitions set forth in the LkSG. We have now further specified the risk analysis with regard to the requirements of the LkSG.

The risk analysis is carried out in two phases: (1) risk analysis for the individual prohibitions of the LkSG and (2) overall risk analysis. As part of the risk analysis for the individual prohibitions, we determine whether human rights or environmental obligations are violated or whether there is a risk of such a violation in our own operations or in the context of business activities of direct suppliers of Innomotics (according to Section 9 para. 3 LkSG in the case of substantiated information also indirect). We have developed specifications for carrying out the risk analyses, which include the weighting and prioritization of individual risks (in accordance with Section 5 para. 2 and Section 3 para. 2 LkSG). In this process, the risks for potentially affected rightsholders or the environment are determined, not the risks for Innomotics itself, which are, however, additionally evaluated.

We have created a comprehensive process for the overall risk analysis for our company as per the LkSG, as well as for the weighting and prioritization of the identified risks, in particular on the basis of the criteria specified in Section 3 para. 2 of the LkSG, and the definition of any preventive measures beyond the existing regulations and procedures with the introduction of a joint workshop. Together with the responsible person within the meaning of Section 4 para. 3 LkSG, all functions of the company involved in the risk analysis take part in the workshop and provide the risk analyses for the individual prohibitions of the LkSG.

This risk analysis process is carried out regularly – at least once a year – and on an ad hoc basis, in particular if we have substantiated knowledge of factual indications that suggest a violation of human rights or environmental obligations by an indirect supplier. For this purpose, we use our experience from the compliance risk management of Innomotics. The results of the risk analysis are communicated to the Innomotics Managing Directors.

Preventive measures

Implementation of the human rights strategy in the relevant business processes and implementation of appropriate procurement strategies and purchasing practices

In the event of an identified risk, business units of Innomotics are obligated to immediately develop and embed appropriate preventive measures in their own business unit or purchasing practices and to monitor them on a risk basis. The measures must be suitable for preventing or minimizing human rights and environmental risks. We also ensure that the defined measures are complied with and implemented in the individual business areas.

If a risk is identified with regard to direct suppliers, appropriate preventive measures are immediately established vis-à-vis the direct suppliers and their implementation is monitored on a risk-based basis. Innomotics has also adapted the Innomotics Code of Conduct for Suppliers to implement appropriate procurement strategies and purchasing practices. This contains clear specifications that the contractual partner of Innomotics must observe. Depending on the outcome of the risk analysis, our contracts with the respective suppliers contain special clauses to prevent or minimize the risk of human rights or environmental violations.

If we have substantiated knowledge of factual indications that suggest a possible breach of duty by an indirect supplier, we will also take appropriate preventive measures in this respect and thus also support our indirect suppliers in complying with human rights or environmental obligations.

We have come to the conclusion – particularly within the scope of the risk analysis conducted for 2024 – that the preventive measures already implemented in our company are appropriate and effective in addressing the specific risks in accordance with the German Supply Chain Due Diligence Act (LkSG).

Training and capacity building

Sustainability principles can only be lived effectively if they become a voluntary commitment based on conviction. Continuous and target-group-oriented competence building plays a key role in this. In addition to our training measures for suppliers and business partners, we also rely on interactive training formats for employees and tailored competence development for global and regional sales and specialist functions, such as compliance and EHS. Existing training courses for employees will be expanded where necessary to include the topic of “Act on Corporate Due Diligence Obligations in Supply Chains”. Employees are also trained on preventive measures or their adjustments where necessary.

With the Innomotics Code of Conduct for Suppliers, we support and sensitize our suppliers and business partners to integrate these values and the associated sustainability requirements more strongly into their own supply chain.

Implementation of risk-based control measures in the supply chain

The risk analysis includes the sustainability self-assessments of suppliers (CRSA), internal quality audits with sustainability issues and external sustainability audits.

If a risk is identified in the supply chain, we immediately implement appropriate preventive measures vis-à-vis suppliers and monitor their implementation on a risk basis. We ensure that the defined measures are also implemented. Suppliers are monitored according to the results from the risk analysis.

Networks and coalitions

Through regular dialog with peer group companies, we create a trusting platform for a more in-depth exchange on the subject of human rights and our responsibility for environmental protection. From this, we derive continuous improvement measures for our company. The aim is to discuss challenges and solutions, address conflicting goals, and identify opportunities for joint action, because we can make faster progress through joint and concerted action than by solo effort.

Remedies

If we become aware of possible imminent or actual violations of the prohibitions of the LkSG or our Innomotics Code of Conduct for Suppliers, we will take immediate corrective action to prevent, end or minimize such violations. In this regard we will ensure that any information we receive or become aware of regarding possible violations of the provisions of the LkSG by Innomotics or its suppliers is immediately forwarded to the responsible employees.

In its own business operations, the remedial measures shall result in the prevention or termination of the violation. In the case of (imminent) violations in the business area of direct suppliers, we work towards ensuring that the responsible purchase managers immediately draw up a corrective action plan and associated schedule for ending or minimizing (or avoiding) the violation together with the affected suppliers and monitor its sustainable implementation, provided that the business relationship is to be continued. In the case of indirect suppliers, in the event of substantiated knowledge of a (threatened) violation, we shall draw up a concept for the prevention, termination or minimization of human rights or environmental violations and ensure its implementation.

Based on the principle of “development before termination”, we reserve the right to terminate the business relationship in accordance with the requirements of the LkSG, at least in exceptional cases. Exceptional cases include:

- Very serious violations of the law,
- No remedy through implemented measures after the specified time has expired,
- No milder means recognizable and ability to exert influence does not appear promising.

Complaints proceedings

Innomotics offers all employees and all external third parties protected reporting channels to report violations of external and internal rules, including human rights or environmental risks as well as violations of human rights or environmental obligations arising from the economic actions of a direct or indirect supplier. Reports made in this way are forwarded to our compliance organization and followed up.

Our “**INtegrity Channel**” is a company-wide, transparent, public and barrier-free tool. The “INtegrity Channel” offers a more secure reporting channel, through which information can be given around the clock, seven days a week worldwide in various languages, online or by telephone, anonymously if desired. Innomotics employees and managers as well as customers, suppliers and other stakeholders of our company can turn to the “INtegrity Channel”. It is technically supervised by an independent operator. The data is stored on protected servers in the European Union. The content of the reports is processed exclusively by Innomotics.

“**INtegrity Channel**” is Innomotics' reporting channel for complaints within the meaning of Section 8 LkSG.

In addition, violations – especially by employees – can also be reported to the respective manager, the Chief Compliance Office, employees of Legal and Compliance, the responsible personnel managers, and the employee representatives of the company.

All incoming reports of possible violations of the BCGs are dealt with in a **binding company-wide procedure**. This procedure is impartial and takes into account the **presumption of innocence** in favor of the accused as well as the **participation rights of employee representatives**. The confidentiality of the whistleblower's identity is maintained unless the whistleblower has remained anonymous. In the event of verifiable violations, appropriate disciplinary measures will be taken.

Innomotics tolerates **no retaliation** against complainants or whistleblowers and strives to prevent them through comprehensive clarification. Violations of this prohibition will be punished as compliance violations.

The **Complaint Procedure Rules of Innomotics** are available on the global Innomotics website (innomotics.com).

Reporting obligations

Our commitment to respect for human rights and environmental protection as well as the implementation of the UN Guiding Principles on Business and Human Rights are monitored by the Innomotics Managing Directors. Both progress and challenges are discussed, and improvement measures are derived.

The Chief Compliance Officer and the responsible person of our company (pursuant to Section 4 para. 3 LkSG) report regularly and on a case-by-case basis to the Managing Directors on compliance with human rights, environmental and other obligations under the LkSG.

Regular review

The aforementioned procedures for the implementation of human rights and environment-related due diligence according to the LkSG are reviewed regularly – at least once a year – and on a case-by-case basis. The risk analysis for the individual prohibitions of the LkSG also includes continuous monitoring of risk developments.

Findings from the handling of information from the appeal proceedings shall be taken into account in the review of procedures.