

POLICY STATEMENT

ON RESPECT FOR
HUMAN RIGHTS AND THE ENVIRONMENT

**Implementation of due diligence according to § 6 Para. 2
Supply Chain Due Diligence Act (LkSG)**

**Adolf Schmidt Metallwaren- und
Holzschraubenfabrik GmbH**

Essener Straße 39
D-42327 Wuppertal
Tel: +49 (0) 202 69518-0
Fax: +49 (0) 202 69518-20
info@asw24.de
www.asw24.de
www.asw24.de/lksg



Foreword

We, Adolf Schmidt Metallwaren- und Holzschraubenfabrik GmbH, Wuppertal (hereinafter referred to as ASW), have decided to voluntarily formulate a policy statement analogous to the requirements of the German Supply Chain Act on our human rights and environment-related activities.

As a company with fewer than 100 employees, we are not covered by the Supply Chain Act, which became applicable to companies with more than 3000 employees as of 1 January 2023.

However, ASW has always been committed to ecologically and socially responsible corporate governance, which is why we are already fulfilling our due diligence in an effective and appropriate manner.

Policy statement on respect for human rights

ASW is committed to respecting human rights and the environment and to taking responsibility for its supply and value chain. We therefore commit ourselves to respecting human rights and environmental concerns within our own business operations and in our global supply chains, and to taking care to prevent violations of human rights and the environment and to provide affected individuals with access to remedies.

We also strive to continuously optimise our business activities and services in terms of sustainability. We likewise call upon our suppliers and service providers to make a holistic contribution in this regard.

Relevant human rights issues

We oppose any disregard for internationally recognised human rights and working conditions. In particular, ASW advocates for the following human and environmental rights:

- prohibition of child labour
- prohibition of slavery and forced labour
- prohibition of discrimination
- appropriate remuneration for work performance
- safeguarding labour rights and occupational safety
- lawful use of temporary workers and mini-jobbers
- protection of environmental rights
- right to health and safety at work and to safe working conditions

As an employer, we ensure that all legal health and safety requirements are met to ensure the health and safety of our employees. To help prevent occupational accidents and illnesses, we support the continuous improvement of our working conditions and of our employees' awareness for healthy and safe behaviour.

Procedures for identifying actual and potential adverse human rights impacts (risk analysis)

We safeguard our claim to comply with international human rights standards, national laws and internal procedural instructions with a risk management system that enables us to identify human rights and environmental risks.

In addition to our own employees, external service providers (e.g. temporary workers, cleaning and security staff), employees of business partners along the value chain, people involved in the extraction of raw materials, local communities at production sites and end consumers must be taken into account in the analysis.

This allows us to gain an overview of our own procurement processes, the structure of its direct suppliers and the most important groups of people affected by ASW's business

activities. The procurement areas are then assigned the identified risks that pose a threat to human rights, which are then subjected to a review process.

Risk analysis

An essential part of our due diligence is to be aware of potential and actual adverse human rights risks and impacts of our business activities on people along the entire value chain. Through established processes, we will identify and prioritise relevant human rights and environmental risk areas, as well as potentially affected parties from our own business sector and direct business relationships.

This includes, in particular, the analysis of human rights and environmental risks and impacts through all procured products and services. To this end, the company-wide risk and supplier management system is being expanded to include human rights and environmental due diligence.

If necessary (e.g. in the case of a supplier with increased risk), further relevant processes and measures are initiated.

Reported complaints and criticism from third parties are taken into account in the risk management processes. ASW will use the results as a basis for creating and adopting preventive and remedial measures, such as internal provisions, work instructions, processes and training.

Measures to avert potential negative impacts and review of the effectiveness of these measures

Should we identify violations of human rights-related or environmental obligations, we discuss possible appropriate remedial measures in the management team and initiate corresponding steps to minimise or eliminate the extent of the violation.

We maintain direct business relationships with suppliers in China. Our purchasing staff are in direct contact with them and make them aware of the importance we attach to ethical, social and environmental standards. If we find that our standards are not being complied with, we work with our suppliers to ensure that appropriate corrective measures are implemented. Thus, our own employees also carry out on-site inspection visits.

Prevention measures

In order to fulfil our responsibility to respect human rights, we rely on the interaction of various preventive measures in our own business sector as well as with direct suppliers. Our primary goal is to protect those potentially affected and to identify, prevent or at least minimise adverse human and environmental impacts on them.

Reporting

Even though ASW is not covered by the CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetz), we are nevertheless working intensively on sustainability reporting. We would like to continue this phase in the due diligence process over time in order to meet the increasing demand for information on sustainability in the value chain.

Complaints mechanism

In all our efforts, the prevention of human rights abuses and environmental violations is our top priority. Affected people can point out suspected human rights violations and demand remedy.

Employees can use our complaints procedure to point out human rights and environmental risks in the company or at suppliers.

Expectation of our business partners

The increasing integration of ASW into the global procurement and sales market offers opportunities and challenges, opening up new markets and production sites while creating jobs and wealth at the same time. However, the lack of transparency and the often inadequate enforcement of internationally recognised human rights in supply chains give rise to risks.

Therefore, we commit ourselves to preventing and mitigating the adverse effects on human rights within the scope of our worldwide business activities as much as possible. This commitment extends beyond our corporate boundaries and also applies to our business partners, especially direct suppliers.

In signing our 'Code of Conduct for Suppliers', all of ASW's suppliers are obliged to comply with this Policy Statement. This applies to both existing suppliers and future ones.

ASW expects its employees, suppliers, business partners and customers to commit to respecting human rights, to establish and comply with appropriate due diligence processes and to pass on this expectation to their own suppliers.

Continuous development of our human rights due diligence processes

For ASW, respect for human rights and the implementation of human rights due diligence in business processes is of paramount importance to improving the human rights situation. ASW accepts this challenge and is committed to the continuous development of human rights due diligence processes.

Contact for questions and information

If you have any questions about this Policy Statement or other human rights or environmental-law-related issues, please get in touch with our Human Rights Officer Mr Stefan Schmidt via e-mail at lksg@asw24.de

To report questionable behaviour or a possible violation, you can also use our contact form at www.asw24.de/LkSG at any time.

Wuppertal, July 2023



Stefan Schmidt
Managing Director