

# POLICY STATEMENT ON THE HUMAN RIGHTS STRATEGY





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V01.0	First version	

## I. Preamble

Our shareholders, customers and business partners, authorities, and the public expect us to act lawfully, competently, and responsibly at all times. For us, this means that in all countries in which we conduct our business, without exception, we observe the legal system in force and respect the respective moral concepts. Furthermore, as a company, we take responsibility for society and the environment. In addition to absolute integrity, occupational health and safety are indispensable components of our actions. These common principles form the basic framework of our entrepreneurial activity.

As a company, we are committed to the standards resulting from these convictions. Following our understanding of entrepreneurial thinking and local responsibility, in addition to our joint responsibility, each employee also must comply with the legal and company-specific principles in his or her area of activity. To this end, we assure each individual of the necessary support and backing to be able to fulfill the associated responsibility.

To ensure that the requirements of the Supply Chain Due Diligence Act (hereinafter: SCDDA) are complied with in the companies of the SARIA Group without exception, the Executive Board of SARIA SE & Co. KG adopts the following Policy Statement:

## II. Scope

This Policy Statement applies to SARIA SE & Co. KG's own business operations within the meaning of the SCDDA as the parent company of the SARIA Group. The SARIA Group is part of the RETHMANN Group and includes all companies which are directly or indirectly held by SARIA SE & Co. KG with a share of at least 50.01% of the capital and voting rights or which are controlled by SARIA SE & Co. KG in any other way (hereinafter: SARIA Group).

If this Policy Statement is not directly mandatory for the companies of the SARIA Group, the management of the direct shareholdings of SARIA SE & Co. KG is hereby instructed to ensure that the Policy Statement is mandatory for their company and all sub-participations.

In terms of content, this Policy Statement concerns all human rights-related risks and human rights-related environmental risks that are also covered by the SCDDA.

## III. Human rights and environmental expectations of workers and suppliers

We expect our employees and suppliers alike to act in accordance with our principles, which we have set out in our Code of Conduct and Supplier Code of Conduct (available at: <https://www.saria.com/de/de/ueberuns/corporate-compliance/>). We do not accept any violation or disregard of the principles formulated in these documents, neither within our company nor with external partners. We can only live up to our corporate responsibility if we all unconditionally comply with the applicable legal, ethical, social, and ecological standards and ensure fair and respectful cooperation.

## IV. Risk management:

### (1) Responsibilities

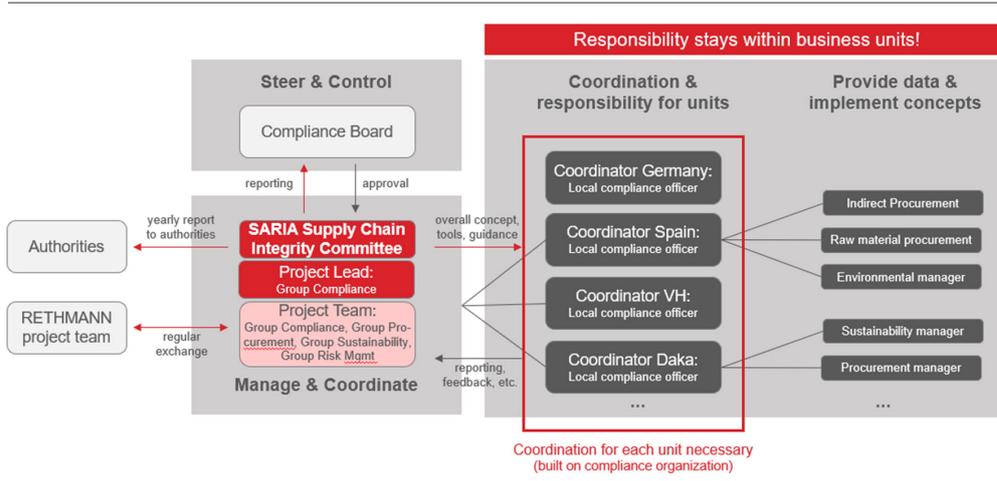
The responsibilities for risk management according to the LkSG are distributed as follows:

At Group level, the activities are coordinated by the SARIA Supply Chain Integrity Committee (SSCI Committee). The project is led by Group Compliance. Other project members come from the Group Procurement, Group Sustainability and, if required, Group Risk Management departments for individual aspects.

The SSCI Committee's main task is to develop and adapt the concept for compliance with the legal requirements. Furthermore, the SSCI Committee is responsible for communication with the competent authority and reporting to the Management Board and the Compliance Board as well as the collection of documentation and the preparation of the annual report. The SSCI Committee maintains a lively exchange with the other persons responsible for the topics in the RETHMANN Group.

Internationally, the SCDDA duties are coordinated by the responsible Compliance Officers. They act as a „single point of contact“ for the SSCI Committee in the respective unit. Locally, it is the responsibility of each Compliance Officer to implement the SCDDA duties, if necessary, in coordination with colleagues from the local departments, and to forward the results and documentation to the SSCI Committee.

The following overview summarizes the responsibilities:



Overview of responsibilities

## (2) Risk management in the own business area

In our own business area, risk management mainly consists of risk analysis, preventive and remedial measures.

### **a. Risk analysis in own business area**

#### ***i. Regular risk analysis***

The regular analysis of LkSG-related risks in SARIA SE & Co. KG's own business unit is carried out annually using a structured questionnaire.

On the one hand, company-related information is requested. The „Handreichung zur Umsetzung einer Risikoanalyse nach den Vorgaben des Lieferkettensorgfaltspflichtengesetzes“ of the Federal Office of Economics and Export Control (as of August 2022), section 4.1, was used as a guideline. The complexity and depth of detail of the information requested are to be continuously increased so that a comprehensive and increasingly transparent picture of the supply chain of the companies in their own business area is created.

Furthermore, a questionnaire was developed which is specifically adapted to the protected legal positions listed in § 2 para. 1-4 SCDDA.

The questionnaire is completed by each Compliance Officer, if necessary, in coordination with other local departments, specifically for the respective area of responsibility, and is collected and evaluated centrally by the SSCI Committee. A risk catalog is created, which evaluates the identified risks according to the probability of occurrence and consequences of a possible violation.

#### ***ii. Occasion-related risk analysis***

The event-related risk analysis must always be carried out if a significantly expanded risk situation is to be expected, for example due to the introduction of new products, projects, or a new business field. Methodologically, the event-related risk analysis follows the same guidelines as the regular risk analysis according to IV.(2)a.i. of this Policy Statement.

### **b. Preventive measures in the own business area**

The following preventive measures are anchored in SARIA SE & Co KG's own business division:

#### ***i. Code of Conduct***

The Code of Conduct (see attachment) formulates the binding expectations of the SARIA SE & Co. KG Management Board regarding the conduct of the SARIA Group's employees. The document has been adapted to the specific requirements of the LkSG.

**ii. Sustainable Procurement Policy**

To ensure the awareness and commitment of our employees, we have implemented an internal Sustainable Procurement Policy. It promotes our commitment to continuously improve our environmental performance, protect human and labor rights and act in accordance with legal and ethical responsibilities. The policy forms the basis for our sustainable procurement program and provides our purchasing team with clear guidelines for their daily work.

**iii. E-Learning „Fair Working Conditions in the Supply Chain**

To raise awareness among employees and create a better understanding of possible risks, the e-learning „Fair Working Conditions - Preventing Modern Slavery in the Supply Chain“ was introduced. It deals particularly with content from the areas of fair working conditions, child labor, forced labor, health hazards in workplaces, and wage dumping.

All functions within the entire SARIA Group affected by the provisions of the SCDDA will be required to participate in the training from 01.01.2023.

The training includes a final exam and attendance is documented accordingly.

**iv. Further preventive measures**

We assume that the risks resulting from the risk analysis can be prevented by the aforementioned preventive measures. Should it become apparent that specific risks require further measures, these measures will also be taken outside of the regular review (cf. under (5)).

**c. Remedial action in own business area**

If we determine that a violation of a human rights-related or environmental obligation within the meaning of the SCDDA has already occurred or is imminent in our own business area, the responsible Compliance Officer, in consultation with the locally responsible management (management of the affected SARIA Group company), shall take immediate action to prevent or end the violation or to minimize the extent of the violation.

Any such incident shall be reported immediately to the SSCI Committee. The measures taken shall be documented and the documentation shall be made available to the SSCI Committee. The success of the measures taken shall be monitored, documented and the documentation made available to the SSCI Committee.

### (3) Risk management for immediate suppliers

#### **a. Risk analysis of immediate suppliers**

To carry out the risk analysis of the immediate suppliers, they are analyzed based on several criteria.

The assessment is made according to the specific risk in the country and sector in which the supplier operates and covers the following risk areas: environmental risks, labor & human rights risks, ethical risks, and risks related to sustainable procurement. These factors are each combined equally into a „Sustainability Risk“ factor. Furthermore, the sales made with the respective supplier and, in the future, the criticality of the supplier for the company are included in the assessment.

The various components of the risk analysis are weighted and combined into an „Overall Risk“. Suppliers are then classified („very low“ to „very high“) according to this overall score:

The Compliance Officers of SARIA Group are responsible for coordinating the risk analysis of the immediate suppliers. They are responsible for ensuring that the risk analysis is carried out annually as well as event-related.

First, the risk analysis is to be completed as soon as possible and then carried out annually. To make this possible in terms of time, only the largest suppliers are considered in the initial risk analysis, which accounts for 80% of the total volume implemented in the respective unit with direct suppliers (80:20 method). This scope of application is to be expanded in the following risk analyses.

#### **b. Preventive measures at immediate suppliers**

As a first step, preventive measures are taken with those suppliers who have been categorized with an „Overall Risk“ from the categories „very high“ or „high“ based on the risk analysis described above. These are referred to as „risk suppliers“.

The following measures are taken with these suppliers:

##### ***i. Supplier Code of Conduct***

Among other things, the SARIA Group has set out human rights-related and environmental expectations towards its suppliers in its Supplier Code of Conduct. Risk suppliers are required to accept these values by countersigning the Supplier Code of Conduct.

##### ***ii. Contractual assurance***

To ensure that, SARIA Group's expectations are complied with by our immediate suppliers and that they ensure compliance with these expectations along their supply chain, a contractual obligation is required of the risk suppliers to do so.

**iii. Offer training measures**

To support risk suppliers in implementing the contractual assurances in the best possible way, SARIA Group offers training measures to risk suppliers. This includes participation in the e-learning program „Fair working conditions - preventing modern slavery in the supply chain“, which is also used as a preventive measure in SARIA Group’s own business division. On-site trainings by SARIA Group employees are also conceivable, if necessary.

**iv. Agreement on appropriate contractual control mechanisms**

To be able to determine on a risk basis whether the risk suppliers have taken appropriate measures to implement the contractual assurances (see above), SARIA Group contractually reserves the right to carry out control measures.

**c. Remedial actions at immediate suppliers**

If we discover that a violation of a human rights-related or environmental obligation has already occurred or is imminent at one of our direct suppliers, we immediately take the following measures:

Where possible, efforts shall be made to bring the violation to an end without delay.

If this is not possible due to the nature of the breach, a concept for termination or minimization must be drawn up and implemented immediately with the supplier concerned. The responsible Compliance Officer decides in consultation with the locally responsible management (management of the affected SARIA Group company) which specific measures are to be taken. The following measures can be considered:

- The joint development and implementation of a plan to end or minimize the violation with the violator
- Joining forces with other companies in industry initiatives and industry standards to increase the ability to influence the violator
- A temporary suspension of the business relationship during one of the aforementioned measures
- The termination of the business relationship (as ultima ratio)

Any such incident shall be reported immediately to the SSCI Committee. The measures taken shall be documented and the documentation shall be made available to the SSCI Committee. The success of the measures taken shall be monitored, documented and the documentation made available to the SSCI Committee.

#### (4) Indirect suppliers

If actual indications become known that suggest a violation of a human rights-related or environmental obligation at an indirect supplier, the SARIA Group will take action.

A risk analysis of the indirect supplier concerned is then carried out and, if necessary, appropriate control and remedial measures are taken. The procedure is similar to the procedure for immediate suppliers.

#### (5) Verification of the effectiveness of the measures taken

The effectiveness of the risk management measures is reviewed regularly. For this purpose, the SSCI Committee holds one meeting per quarter in which individual measures and concepts are discussed and evaluated. If necessary, changes are planned and implemented.

The fulfillment of the SCDDA obligations in SARIA Group's country units is monitored by the SSCI Committee randomly. A corresponding concept will be developed and implemented in the course of 2023. This Policy Statement will be amended accordingly.

#### (6) Complaints procedure

SARIA Group attaches great importance to the fact that both internal and external parties can provide information about grievances. We have therefore been operating the SARIA Integrity Line since 2020. This is an externally hosted whistleblowing system through which employees, suppliers, other stakeholders or third parties can leave tips either anonymously or personally. The SARIA Integrity Line can be reached internationally at any time at:

**[saria.integrityline.org](https://saria.integrityline.org)**

SARIA Group ensures that the persons entrusted with the complaint procedures offer a guarantee of impartiality. They are not bound by instructions for the implementation of the complaints procedures and are obliged to maintain confidentiality.

The handling of the complaints procedure as well as the information received in this regard is laid down in detail in a separate guideline.

## (7) Documentation and reporting

### **a. Documentation**

It is the responsibility of each Compliance Officer to properly document the actions taken in relation to this Policy Statement. The SSCI Committee shall provide Compliance Officers with handouts and templates for this purpose. The documentation shall be collected centrally by the SSCI Committee.

### **b. Reporting**

The SSCI Committee prepares the annual report based on the questionnaire provided by the Federal Office of Economics and Export Control and submits it after approval by the Board.

The basis for the preparation of the annual report is the documentation prepared by the Compliance Officers.

## **V. Priority human rights and environmental risks**

The prioritization of human rights and environmental risks is carried out after the completion of the risk analysis in the own business unit. The Policy Statement will be amended accordingly.

## **VI. Data transmission & data protection**

All activities of the SARIA Group in connection with this Policy Statement and the requirements of the LkSG are carried out in compliance with the relevant regulations on data transmission and data protection.

## **VII. Contact**

**SARIA Supply Chain Integrity Committee**

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Selm, \_\_\_\_\_

**SARIA SE & Co. KG**

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**SECANIM**

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