



## Sustainable procurement policy

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# Preamble

Sustainability is a top priority at Wieland and an integral part of our identity. As a supplier of semi-finished products made of copper and copper alloys, as well as components and system solutions, one of our central tasks and responsibilities is to balance our corporate success with the health and well-being of people and the environment. Wieland expects the same ambition and policy from its suppliers.

Our business partners, their experience, and their reliability are an essential part of our company's success. With their help and commitment, Wieland can fulfill its due diligence of care and, in addition to fair competition, also contribute to fair and safe working conditions and sustainability in the value chain. This guideline sets the global guidelines for a holistic sustainable procurement approach at Wieland.

# Scope

The Wieland procurement organization is responsible for purchasing raw materials for the foundry, as well as capital goods, operating resources, spare parts, direct materials, logistics, and services.

As a manufacturer of semi-finished products, Wieland sources primary raw materials worldwide, with a focus on the purchase of metals. More than three-quarters of the metals we use consist of secondary raw materials (both pre- and post-consumer), which we source mainly from suppliers in Europe and North America, while one-quarter consists of primary raw materials and shapes such as billets and slabs.

# Our approach

## Purchasing Principles

Our sustainable procurement strategy aims to ensure compliance with environmental and social standards within the framework of international regulations by our supplier network and to take into account our overall sustainability goals, such as decarbonization.

Like Wieland, many of our customers and business partners have ambitious sustainability goals and are obliged to comply with existing legal requirements such as the German Supply Chain Due Diligence Act (LkSG). For competitive and contractual reasons, we do not publish our supplier data. However, as sustainability is an integral part of our corporate strategy and a key decision-making criterion, we focus on targeted cooperation with our suppliers and continuous improvement of sustainability standards. To this end, we work closely with our suppliers and relevant stakeholders, including experts, industry consortia, colleagues, and our customers, to identify common challenges and develop sound solutions.

By implementing the measures and processes described in this policy, we fulfill our due diligence obligations while pursuing our ambitious sustainability goals. This enables us to meet our customers' increasing demands for environmentally friendly and responsibly manufactured products.

## Responsibility for the environment

### Protecting the environment

We strive to reduce our environmental impact. By largely avoiding water, soil, and air pollution, handling waste and contaminated sites responsibly, reducing the direct impact of our production activities on biodiversity, and minimizing energy and resource consumption, we actively take responsibility for sustainable action. The international standard DIN EN ISO 14001:2015 forms the basis for our environmental management system at our main production sites.

We also expect our strategic suppliers to have established a suitable environmental management system, at least in relation to the Minamata Convention, the Stockholm Convention, and the Basel Convention. Continuous risk analysis of all suppliers are used to identify any potential negative impacts on the environment. If there is a breach of environmental due diligence, suppliers are obliged to minimize or eliminate it by taking appropriate corrective measures in accordance with the due diligence obligations under the LkSG.

Wieland deals directly with risk-classified suppliers. Depending on our influence on their business and the degree of non-compliance with due diligence obligations, we apply various preventive and corrective measures.

### Decarbonization and Circular economy

Copper is an essential material in terms of increasing electrification and the growing global demand for electricity from renewable energies. Copper therefore plays a crucial role in achieving the goals of the Paris Climate Agreement and limiting global warming. As part of the Wieland sustainability strategy, we have also set ourselves ambitious climate targets and committed to achieving net-zero emissions by 2045 at the latest. This long-term goal, as well as the corresponding medium-term reduction targets (-46.2% Scope 1 and Scope 2 emissions, and -46.2% Scope 3 emissions by 2030), have been confirmed by the Science Based Target initiative (SBTi) as being in line with the Paris Climate Agreement.

To achieve our Scope 3 reduction target, we are focusing on sourcing raw materials and products with a low carbon footprint and strengthening the circular economy.

In addition to reducing the carbon footprint of our primary raw materials, we want to minimize the potentially negative effects of mineral extraction from mines on the environment and human health by strengthening the circular economy. Furthermore, by expanding the circular economy, and in particular our own recycling activities, we are reducing risks to the stability of raw material supply chains. By expanding our recycling capacities in North America and Europe and investing in innovative partnerships, Wieland aims to increase the recycled content of its products to an average of >90% by 2030. With a growing range of high-quality recycled metals, we are taking an important step toward climate neutrality.

Achieving these goals requires a high degree of transparency regarding emission values and recycled content in raw materials and other primary materials. Therefore, in addition to economic factors, Wieland also takes into account information on product-specific emission values (Product Carbon Footprint, PCF) and (Recycled Content, RC) when making procurement decisions and uses these as factors when awarding contracts to suppliers.

The continuous improvement of data transparency and quality of these values among our strategic suppliers of metals and shapes, as well as direct or indirect materials and services, is a key initiative for us.

Therefore, all strategic suppliers of primary metals and casting formats are required to acknowledge our Carbon Disclosure Letter for the disclosure of the carbon footprint and recycled content of their products and to contribute accordingly to increasing data transparency and quality in our supply chain. In this way, we aim to further develop our products in a sustainable manner and achieve our sustainability goals in the areas of decarbonization and the circular economy.

## Social Responsibility

### Human rights and responsible working conditions

In addition to complying with environmental protection regulations, we strive to source from responsible suppliers who offer a high level of safety and comply with relevant labor and human rights regulations. The Wieland Group is fundamentally committed to the UN Guiding Principles on Business and Human Rights, the ten principles of the UN Global Compact, and the principles enshrined in the provisions of the International Labor Organization (ILO) core labor standards. Our efforts to protect human rights are set out in the Wieland Human Rights and Working Conditions Policy, which is addressed to all employees of the Wieland Group.

We expect all our suppliers to act in accordance with our human rights standards and to ensure that these requirements are implemented in their business partnerships.

- Compliance with the prohibition of the unlawful use of private or public security forces, which may lead to unlawful interference due to a lack of training or control
- Compliance with the prohibition of any other action or omission in breach of duty that is directly likely to impair a protected legal position in a particularly serious manner and whose unlawfulness is obvious upon reasonable assessment of all relevant circumstances
- Compliance with protection against discrimination and harassment in the workplace
- Compliance with the prohibition on excessive physical and mental fatigue, in particular due to unsuitable work organization in terms of working hours and rest breaks

### The most important elements of the human rights standards are:

- Compliance with the prohibition of forced labor and all forms of slavery
- Compliance with the prohibition of child labor
- Compliance with occupational health and safety regulations and the prevention of work-related health hazards
- Compliance with freedom of association and the right to collective bargaining in the respective location and within the permissible framework
- Compliance with the prohibition of unjustified unequal treatment in employment
- Compliance with the prohibition of withholding fair wages
- Compliance with the prohibition of destruction of natural resources through environmental pollution
- Compliance with the prohibition of unlawful violation of land rights

### Material Compliance

For conflict minerals and metals such as tantalum, tin, tungsten, gold, and their ores (cassiterite, columbite-tantalite, and wolframite – often referred to as 3TG), Wieland uses the standardized OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas (CAHRA) process. At the same time, Wieland relies on the compliance audits of the Responsible Mining Initiative (RMI), which focuses on social and environmental standards in mineral and metal supply chains.

Wieland works with partners who meet the RMI requirements, i.e., whose production facilities are either RMI-compliant or who source from smelters or refineries listed on the RMI's Conformant List or Active List. Based on current standards, Wieland continuously works to improve and update its material compliance regulations. As part of this process, Wieland has established its own policy for dealing with conflict minerals (Conflict Minerals Policy).

## Corporate responsibility / Due diligence governance

Wieland's values and binding standards are summarized in the Group-wide Code of Conduct, which applies to all employees.

Our Human Rights and Working Conditions Policy reflects the values that apply to Wieland. We place the same high demands on our suppliers as we do on ourselves. We expect our suppliers to respect and comply with our values or to demonstrate that they have their own equally strict values and that they also exercise the necessary care in their own supply chain.

That is why the Supplier Code sets out our requirements with regard to human and labor rights, climate and environmental protection, responsible procurement, and corporate responsibility. We expect our suppliers to also respect and comply with these values and to exercise due diligence throughout their supply chain.

Depending on the product group, we expect our suppliers to accept our Supplier Code during the supplier registration process, the request for information or quotation (RFI/RFQ), or upon nomination and contract award.

### **Due Diligence**

In order to further improve the implementation of due diligence at Wieland, we have introduced an ongoing process to identify, mitigate, and prevent actual or potential human rights violations and environmental risks, particularly among our direct suppliers. The process is designed to ensure responsible and ethical sourcing and production of minerals and metals, alignment with external expectations, and compliance with regulations. Specific employees are responsible for implementing, tracking, and following up on this process. Based on the risk assessment, we work with our Tier 1 suppliers to evaluate their business practices and support the realization of a responsible supply chain. Continuous and regular risk analysis, consisting of country and industry risks as well as daily alerts on human rights and environmental violations, serves to identify high-risk suppliers. As a first step, these suppliers must agree to our Supplier Code of Conduct. Depending on the severity of the violation(s), we take further corrective and risk mitigation measures, starting with a self-assessment by our suppliers. Our goal is to develop solutions together and work with our suppliers in a targeted manner. We conduct regular effectiveness checks through annual risk analysis to further improve standards among our suppliers.



## **Supplier Risk Committee (SRC)**

Wieland has established a permanent SRC (Supplier Risk Committee) with Group-wide responsibility, which is composed of representatives from various management functions. Its tasks include determining and regularly reviewing supplier risk profiles, defining preventive measures in the Wieland companies' own business areas, defining corrective measures, and monitoring their implementation. In addition, the SRC decides on a case-by-case basis how to deal with suppliers from a „very high“ risk cluster and – upon request – with suppliers from the „high“ risk cluster.

## **Complaints mechanism / whistleblower system**

Wieland has set up a whistleblower system that is also open to questions relating to our supply chain. It is an essential part of our compliance strategy and enables us to respond quickly to any grievances. All employees, suppliers, business partners, and all other stakeholders, including private individuals, have the right and the opportunity to report deficiencies or violations of human rights and environmental due diligence within the Wieland Group or at our suppliers and their subcontractors. These and many other reports can be submitted confidentially at any time via our whistleblower system, which can also be used anonymously.

**wieland**

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