

Report on the SCDDA

Wieland Group

Status October 1 – September 30, 2024

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Strategy & embedding

Monitoring of risk management & management responsibility

What responsibilities for monitoring risk management were defined in the reporting period?

Markus Ott

(Expert Center of Excellence – Global Procurement)

Stefan Ehret

(Senior Director Center of Excellence – Global Procurement)

(Chair of the Supplier Risk Committee since 03/2024)

Stephan Klein

(Vice President Compliance | Group Compliance Officer)

Alexander Bartl

(Director Internal Audit)

Markus Folz

(Senior Vice President Human Resources / Human Rights Officer)

Stefan Thomas

(Vice President Global Procurement and Logistics / Chair of Supplier Risk Committee until 02/2024)

Andreas Torka

(Senior Vice President Sustainability & Technology)

Matt Bedingfield

(President, Wieland North America Recycling until 06/2024)

Mike Houston

(Vice President – Global Metals Management)

Christian Enzinger

(Sustainability Manager Global Procurement)
– (until 02/2024)

Has the management established a reporting process that ensures that it is informed regularly – at least once a year – about the work of the individual responsible for monitoring risk management?

We confirm that the management has established a reporting process that ensures that it is informed regularly – at least once a year – about the work of the individual responsible for monitoring risk management.

– Confirmed

Describe the process that ensures risk management reporting to management at least once a year or on a regular basis.

Reports are made to the Supervisory Board and the Audit Committee twice a year. The Internal Audit (IA) department regularly monitors risk management, adherence to external and internal compliance regulations and implementation of the internal control system through systematic audits. As a body that is independent of the company's processes, it contributes to compliance, the improvement of business processes and the effectiveness of the systems and controls that have been put in place. In addition, the auditor of the annual financial statements audits the risk early warning system to ensure compliance with the statutory provisions. The audit results of the auditor of the annual financial statements and IA are reported to the Executive Board and Supervisory Board (Audit Committee) and, if necessary, to the management of the companies within the sphere of Wieland's own operations.

Policy Statement Human Rights Strategy

Is there a policy statement that has been prepared or updated based on the risk analysis carried out during the reporting period?

The policy statement has been uploaded.

www.wieland.com/en/content/download/18507/file/Wieland-Policy-Statement-Human-Rights-Strategy.pdf

Has the policy statement for the reporting period been communicated?

We confirm that the policy statement has been communicated to employees, the works council if applicable, the general public and those direct suppliers where a risk was identified as part of the risk analysis.

– Confirmed

Please describe how the policy statement was communicated to the relevant target groups.

Internal stakeholders (employees, works council, agency workers, etc.) and external stakeholders can access the policy statement on the public website (www.wieland.com).

What elements does the policy statement contain?

- Introduction of risk management
- Annual risk analyses
- Establishment of preventive measures in the company's own operations, with direct suppliers and, if applicable, indirect suppliers, as well as a review to determine how effective these measures are

- Remedial measures in the company's own operations, with direct suppliers and, if applicable, indirect suppliers, as well as a review to determine how effective these measures are
- Setting up of complaints procedure
- Documentation and reporting requirements
- Description of the priority risks identified
- Description of human rights-related and environmental expectations of Wieland's own employees and suppliers

Description of possible updates during the reporting period and the reasons for them.

The policy statement was adapted based on the description of the measures to continuously improve due diligence.

Embedding the human rights strategy within our own organisation

In which relevant departments / business processes was the embedding of the human rights strategy ensured during the reporting period?

- HR
- Site Development / Management
- Environmental Management
- Occupational Safety & Occupational Health Management
- Communications / Corporate Affairs
- Purchasing / Procurement
- Supplier Management
- CSR / Sustainability
- Legal / Compliance
- Mergers & Acquisitions
- Community / Stakeholder Engagement
- Internal Audit

Describe how responsibility for implementing the strategy is distributed among the various departments / business processes.

The full Executive Board is responsible for defining and embedding the human rights strategy within the Wieland Group. It has delegated the measures required for implementation and their monitoring to qualified, carefully selected individuals within the organisation.

A risk and relevance analysis was used to identify those areas and their processes that could potentially be affected by the relevant topics.

Describe how the strategy is integrated into operational processes and procedures.

The strategy is operationalised in the form of individual policies tailored to suit the relevant departments and their remit (e.g. Sustainable Procurement Policy, policy on the implementation of the German Supply Chain Due Diligence Act (LkSG), Code of Conduct, Human Rights and Working Conditions Policy). To firmly establish the content of the individual policies, the relevant target groups undergo training. Furthermore, existing and new suppliers that will be working on strategically important projects are audited in advance using standardised criteria before any further contracts are awarded and the results are presented to an audit committee.

Describe which resources & expertise are made available for implementation.

Wieland uses a multi-stage process to review its supplier base and its own operations. The first step involves using a risk management tool to conduct an initial assessment based on objective criteria. Based on the outcome, further manual checks are initiated by qualified staff within the Corporate Function Global Procurement if necessary.

Risk analysis and preventive measures

Implementation of, procedure for, and results of the risk analysis

Was a regular (annual) risk analysis carried out during the reporting period to identify, attach weightings to, and prioritise human rights and environmental risks?

- Yes, for our own operations
- Yes, for direct suppliers

Describe the period in which the annual risk analysis was carried out.

Both the annual analysis for the global supplier base and the analysis for our own operations was carried out for the period from 1 October 2023 to 30 September 2024.

Describe the risk analysis procedure.

Once a year and on an ad hoc basis, Wieland determines whether there is a risk and whether its own operations or the operations of its direct suppliers (or indirect suppliers if there is reason to include them) breach human rights and environmental requirements. The risk analysis is carried out on an "ad hoc" basis if a significant change in, or increase in the scope of, the risk situation in the supply chain is expected, for example because a new business area has been acquired. The risks identified are prioritised based on "appropriateness criteria", the type and scope of business activities, the company's ability to influence the direct perpetrator, the expected severity of the breach, the reversibility of the breach and the probability of the breach occurring. The risk management tool used by Wieland categorises suppliers into different risk levels. This is done by splitting suppliers into high-risk and low-risk countries (based on the registered office of the contractual partner) and, depending on the goods or services supplied, into a high-risk or low-risk product group/industry category, as well as on the basis of media screening for potentially high-risk suppliers. Country risks are determined on the basis of various publicly available indices and are categorised as "no risk, low risk, mid risk, high

risk, critical risk". As far as can be determined based on the indices, these indices address the human rights and environmental risks mentioned in the LkSG. The risk management tool uses its own available data to determine the industrial risk. This data is categorised into industries (ISIC standard) and product groups. A history of incidents in the individual industries and individual product groups is available for the suppliers. This frequency of incidents is also rated as "no risk, low risk, mid risk, high risk or critical risk". In addition, AI-supported web screening, in addition to manual analyses, is carried out for the suppliers associated with the highest risks. This involves checking social media, news and other information available online on the basis of a supplier and risk keyword search to determine whether there are any reports on individual suppliers and, if so, which ones. Reports are communicated to Wieland "risk alerts". These risk alerts are checked by the Corporate Function Global Procurement to determine whether they involve topics linked to the LkSG.

Were ad hoc risk analyses also carried out during the reporting period?

- Yes, due to substantiated knowledge of potential breaches at indirect suppliers

Describe the extent to which findings from the handling of reports/complaints have been taken into account.

The incident was reported to us via the risk management tool. We did not receive any reports about this incident via the whistleblower portal.

Results of the risk identification process

Which risks were identified in your own operations in the course of the risk analysis?

- Disregard for occupational health and safety and work-related health risks
- Destruction of the natural habitat through environmental pollution

Which risks were identified at direct suppliers in the course of the risk analysis?

- Ban on engaging or using private / public security staff that could cause problems due to lack of instruction or control
- Disregard for occupational health and safety and work-related health risks
- Destruction of the natural habitat through environmental pollution
- Disregard for freedom of association & right to collective bargaining
- Unlawful violation of land rights
- Ban on forced labour and all forms of slavery
- Ban on unequal treatment in employment
- Ban on child labour
- Ban on withholding an appropriate wage
- Ban on production and/or use of substances covered by the Stockholm Convention (POPs) and non-environmentally sound handling of waste containing POPs
- Ban on the import/export of hazardous waste as defined by the Basel Convention
- Ban on manufacturing, using and/or disposing of mercury (Minimata Convention)

Which risks were identified at indirect suppliers in the course of the risk analysis?

- none

Were the risks identified in the reporting period assigned weightings and, where applicable, prioritised and, if so, on the basis of which appropriateness criteria?

- Yes, based on the expected severity of the breach in terms of its extent, the number of people affected and its irreversibility
- Yes, based on our own influence
- Yes, based on the probability of occurrence
- Yes, based on the nature and scope of our own operations
- Yes, based on the nature of the causal contribution

Describe in more detail how the weighting and prioritisation process was carried out and what aspects were considered.

A methodology was developed in which an abstract risk analysis (by country and industry) is carried out first, before preparing a concrete list of suppliers with the greatest severity and probability of serious impacts.

Preventive measures in our own operations

Which risks were prioritised in your own operations in the reporting period?

- Disregard for occupational health and safety and work-related health risks
- Destruction of the natural habitat through environmental pollution

Disregard for occupational health and safety and work-related health risks

What specific risk is involved?

Safety in the workplace is a fundamental risk in the metal working industry and Wieland proactively counters this risk by running safety campaigns. In addition, there is a risk that safety measures will be deliberately disregarded, which is countered with a regular training programme and systematic sanctions. The fundamental risk applies to the production sites listed below.

Where does the risk occur?

- China
- Germany
- Italy
- Mexico
- Austria
- Portugal
- Singapore
- United States (US)
- United Kingdom (Great Britain and Northern Ireland)

Destruction of the natural habitat through environmental pollution

What specific risk is involved?

There is a fundamental risk of soil and air pollution at the Wieland Group's production sites. Wieland counters these risks with an environmental management system that is certified to ISO 14001 at selected locations.

Where does the risk occur?

- China
- Germany
- Italy
- Mexico
- Austria
- Portugal
- Singapore
- United States (US)
- United Kingdom (Great Britain and Northern Ireland)

What preventive measures were implemented for the reporting period to prevent and minimise the priority risks in your own operations?

- Conducting training in relevant business areas
- Implementation of risk-based control measures

Conducting training in relevant business areas

Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage / area of application).

Training the global purchasing organisation of the Wieland Group on LkSG-related topics. Training all Wieland employees on "Wieland's Golden Rules". The Golden Rules play a key role in the strategy and are aimed exclusively at preventing fatal or life-changing events at Wieland. Compliance with these rules is mandatory and non-negotiable. The Golden Rules require the commitment of all employees at Wieland, regardless of their location, workplace, or responsibilities.

Describe the extent to which the training provided to prevent and minimise the priority risks is appropriate and effective.

The effectiveness of the LkSG training is checked by means of final questions which must be answered correctly to pass the training session. Training on the Golden Rules, and the monitoring of these rules, are the responsibility of dedicated specialist departments.

Describe the extent to which the measures to prevent and minimise the priority risks are appropriate and effective.

The measures implemented follow established best practice approaches as well as international standards and the requirements set out in the LkSG.

Preventive measures for direct suppliers

Which risks were prioritised for direct suppliers in the reporting period?

- Disregard for occupational health and safety and work-related health risks
- Destruction of the natural habitat through environmental pollution
- Disregard for freedom of association & right to collective bargaining
- Ban on production and/or use of substances covered by the Stockholm Convention (POPs) and non-environmentally sound handling of waste containing POPs

Implementation of risk-based control measures

Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage / area of application).

Conducting training on the LkSG throughout the entire purchasing organisation (international). Internal and external publication of the Sustainable Procurement Policy and the rules of procedure containing information on handling complaints about violations within the supply chain. Training of all Wieland employees on the occupational safety "Golden Rules" in all areas of Wieland's activities.

What preventive measures were implemented for the reporting period to prevent and minimise the priority risks at direct suppliers?

- Obtaining contractual assurance regarding compliance and meeting expectations at all stages in the supply chain

Describe the extent to which the measures to prevent and minimise the priority risks are appropriate and effective.

Acceptance of the Supplier Code requires compliance with Wieland requirements by the supplier and at all stages in its supply chain.

Preventive measures for indirect suppliers

Which risks were prioritised for indirect suppliers based on the ad hoc risk analysis?

- None

What preventive measures were implemented for the reporting period to prevent and minimise the priority risks at indirect suppliers?

- None

Communication of the results

Were the results of the risk analysis for the reporting period communicated internally to relevant decision-makers?

We confirm that the results of the risk analysis for the reporting period were communicated internally to the relevant decision-makers, such as the Executive Board, the management or the purchasing department, in accordance with Section 5 (3) LkSG.

- Confirmed

Changes in predisposition to risk

What changes have occurred with regard to priority risks compared to the previous reporting period?

Since this reporting period, the monitoring of our own operations has also been carried out using the risk management tool.

Identification of breaches and remedial action

Identification of breaches and remedial action in our own operations

Were any breaches identified in your own operations in the reporting period?

– No

Describe the procedures used to identify breaches in your own operations.

External persons and internal colleagues have the opportunity to use the anonymous reporting system. The individual specialist departments, such as Occupational Safety, Environmental Protection and Compliance, contribute to the review of potential breaches in their specialist areas. IN addition, the Internal Audit (IA) department regularly monitors risk management, adherence to external and internal compliance regulations and implementation of the internal control system through systematic audits.

the keywords in the sentence structure of the media sources found is then used to determine whether a connection can be established. If this sort of connection is established, a report is generated. This report is then verified for its factual content by the employee commissioned by Wieland. The appropriateness criteria (severity and probability, influence, contribution to causation and nature/scope of business activity) serve as a basis in this regard.

Describe the appropriate remedial action you have taken.

As part of the "Incident Review", the first step involves checking whether the incidents (breaches identified) actually occurred. If so, a decision is made on appropriate remedial action taking into account the statutory appropriateness criteria. In addition to the reviews mentioned above, we sent direct enquiries, known as statement requests, to our suppliers, which helped to remedy the situation. The termination of the business relationship was also triggered by a breach in this financial year.

Identification of breaches and remedial action at direct suppliers

Were any breaches identified at direct suppliers in the reporting period?

– Yes

Describe the basis on which the breaches identified were assigned weightings and prioritised and what aspects were considered.

Media monitoring in accordance with the LkSG:
Daily AI-supported media screening. Websites from across the globe are searched in over 50 languages for keywords that are related to the legal position of LkSG and the names of the suppliers used. A syntactic analysis of

Describe which aspects were considered when selecting and designing the measures as part of the corresponding follow-up concepts for cessation and minimisation.

- Nature and scope of business activities
- Influence
- Severity of the breach
- Contribution to causation

Severity is determined based on various criteria. The severity of the issue (the intensity or depth of a breach) plays a role. Certain breaches, such as forced labour, involuntary labour or the most serious forms of child labour, can always be assumed to have a significant impact. The number of people affected or the extent of the environmental impact is another important consideration. Finally, the reversibility of the breach is taken into account. The first step involves checking whether it is even possible to reverse the negative consequences. Irreversible effects are particularly serious. In cases involving reversible breaches, the effort and resources required to correct the detrimental consequences must also be taken into account.

Describe how the effectiveness of the remedial action is verified.

The risk management tool presents recommended remedial measures that can be triggered by the individual responsible for processing the case. Remedial action initiated at a supplier must provide information on how the breach occurred and what steps have been taken to prevent the scenario from arising again in the future. A final assessment of effectiveness is carried out by the individual responsible for processing the case.

Has the remedial action led to the cessation of the breach?

- Partially

Have you analysed the extent to which the breach identified indicates that existing prevention action has to be adjusted? Describe the process, results and effects.

Wieland is currently working on the further development of a supplier engagement programme and we are investigating the possibility of supplier training.

Where breaches were identified at direct suppliers in the reporting period and it will not be possible to stop these breaches in the foreseeable future:

Describe which long-term remedial action has been taken, and in particular what aspects were considered when selecting and designing the measures as part of the corresponding follow-up concepts for cessation and minimisation.

Each remedial action measure is checked and evaluated individually by the individual responsible for processing the case, and is handled in accordance with the existing process.

Describe how the effectiveness of the remedial action is verified.

The statements provided on breaches are checked by the individual responsible for processing the case to ensure they include a description of how the breach will be eliminated and, if the business relationship is suspended, a blocking note is added to the leading ERP system, which means that Wieland cannot do any further business with that supplier.

Describe the specific timetable for the concept.

After initiating the action, the supplier is sent two reminders. If the supplier does not respond after repeated reminders, the case is presented to the Supplier Risk Committee (SRC). This committee meets every three months and makes the final decisions.

Specify which measures were taken into consideration when designing and implementing the concept.

- Temporary suspension of business relationships

Identification of breaches and remedial action at indirect suppliers

Were any breaches identified at indirect suppliers in the reporting period?

- No

Complaints procedure

Establishment of, or participation in, a complaints procedure

In what form was a complaints procedure offered for the reporting period?

- In-house complaints procedure

Describe the company's in-house procedure and / or the procedure in which your company participates.

Both an in-house and a publicly accessible whistleblower system (online, telephone and in person) has been set up for the companies in the Wieland Group. Reports can be submitted anonymously; the system is available in 28 languages in order to keep the threshold for use as low as possible.

Which potentially involved parties have access to the complaints procedure?

- Our own employees
- Communities in the vicinity of own sites
- Employees of suppliers
- External stakeholders such as NGOs, trade unions, etc.

How is access to the complaints procedure ensured for the various groups of potential participants?

- Publicly accessible rules of procedure in written or electronic form
- Information on availability
- Information on responsibility
- Information about the process
- All information is clear and easy to understand
- All information is publicly available

Publicly accessible rules of procedure in written or electronic form

Optional: Please describe.

The rules of procedure ('Information on handling complaints about violations within the supply chain (rules of procedure) are available via the whistleblower portal (integrity.wieland.com).

Information on availability

Optional: Please describe.

From the rules of procedure:
How can I submit a report?

The whistleblower system can be reached both internally and externally:
via the Internet (integrity.wieland.com)
and by telephone
(Germany: +49 731 944 1222
North America: +1 502 873 3025
Austria: +43 7472 606 535
Global: +49 731 944 1244)
your telephone provider may charge for a call, as agreed with you. We are also available if you wish to discuss the matter with us in person. If you wish to do so, please contact us by e-mail at compliance@wieland.com to make an appointment.

Information on responsibility

Optional: Please describe.

From the rules of procedure:
Who will process my report or complaint?

Complaints and reports are received by the Group Compliance Officer. This individual performs an initial,

impartial plausibility check. Apart from the Group Compliance Officer, only the Compliance team, which is also obliged to treat the matter as confidential, has access to the complaint or report.

Further assessment and processing of the content is carried out – also impartially – by the SRC, a committee made up of managers from the relevant departments (Global Purchasing, Metals Purchasing, HR & Human Rights, Sustainability, Compliance) that has Group-wide responsibility for supply chain due diligence. The SRC can involve relevant specialist departments and delegate individual steps of the process involved in the investigation and the implementation of measures. Once again, the individuals involved in the procedure are bound by the duty of confidentiality.

Information about the process

Optional: Please describe.

From the rules of procedure:
How is the matter processed?

We will inform you immediately, but no later than seven days after receiving your report or complaint, about its successful transmission, provided that you have provided us with corresponding contact details (e.g. telephone number, e-mail address, postal address, anonymous mailbox of the whistleblower portal). Based on your report or complaint, an ad hoc analysis of the facts of the case is carried out applying the criteria used in our supplier screening process.

We also involve other stakeholders where necessary. If you have provided us with contact details, we will also discuss the matter with you. Based on the outcome of the discussion and review, we either implement further measures from our defined portfolio of measures (e.g. supplier development, supplier audit, extended contractual agreements, temporary or full suspension of the supply relationship) or terminate the review process if there is no need for action (e.g. because

there is no breach within the meaning of the LkSG or we cannot exert any relevant influence). The SRC makes this decision by majority vote after assessing the factual and legal situation and after consulting any affected stakeholders and discussing the matter with them.

All information is clear and easy to understand

Optional: Please describe.

Information is displayed at the start of the whistleblowing process. The information is available in 28 languages. It is also organised on the company website using descriptive headings.

All information is publicly available

Optional: Please describe.

The information is publicly available both on the company's public website (www.wieland.com) and again on the whistleblower portal (integrity.wieland.com).

Establishment of or participation in a complaints procedure

Were the rules of procedure for the reporting period publicly available?

– File has been uploaded.

Rules of procedure:

www.wieland.com/de/media/files/data-sheets/verfahrensordnung-verstoesse-lieferkette-en.pdf

Complaints procedure requirements

Indicate the person(s) responsible for the procedure and their function(s).

Group Compliance Officer (and team) and the Supplier Risk Risk Committee (Senior Director Global Procurement CoE, SVP Sustainability & Technology, SVP HR (Human Rights Officer), VP Compliance / Group Compliance Officer, SVP Global Metals Management).

We confirm that the criteria set out in Section 8 (3) SCDDA are met for the responsible parties, i.e. that they offer a guarantee of impartial behaviour, are independent and not bound by instructions, and are obliged to treat all matters as confidential.

– Confirmed

We confirm that precautions were taken for the reporting period to protect potentially involved parties from being disadvantaged or penalised as a result of a complaint.

– Confirmed

Describe what precautions have been taken, in particular how the complaints procedure ensures that whistleblower identities remain confidential.

It is possible to submit complaints anonymously. This option is proactively pointed out to the person making the complaint. A rights and roles concept ensures that only authorised persons have access to complaints received in accordance with the "need-to-know" principle. In addition, the persons involved in investigating the complaint have been subjected to a separate confidentiality obligation.

Describe what precautions have been taken, in particular what other measures are in place to protect whistleblowers.

In addition to the measures mentioned in section 2.1, the rules of procedure prohibit any discrimination or penalisation of the whistleblower due to his or her role as a whistleblower. If the report is not made anonymously, the identity of the complainant will not be disclosed in the further course of the procedure unless this is absolutely necessary.

Complaints procedure implementation

Did you receive any reports via the complaints procedure during the reporting period?

– Yes

Give details about the number, content, duration and outcome of the procedures.

Reports on occupational safety, employment law environment. All information was reviewed in accordance with the rules of procedure and the internal guidelines for conducting internal investigations. The review was carried out within the timeframe stipulated by law, and if the report was confirmed, appropriate corrective measures were implemented.

Risk management review

Is there a process in place to review the appropriateness and effectiveness of risk management across the board? Which of the following areas of risk management are checked for their appropriateness and effectiveness?

- Resources & expertise
- Risk analysis and prioritisation process
- Preventive measures
- Corrective measures
- Complaints procedure
- Documentation

Describe how this review is carried out for the area concerned and what results it has led to, particularly with regard to the prioritised risks.

Performance of regular safety analyses, taking into account legal developments and best practices. A global occupational safety campaign was developed for all sites based on these analyses. With regard to potential environmental risks, relevant production-related environmental impacts are monitored closely and regularly in accordance with statutory requirements.

Are there processes or measures in place to ensure that the interests of your employees, the employees within your supply chains and individuals who may otherwise be directly affected in a protected legal position by the economic activities of your company or by the economic activities of a company in your supply chains are given adequate consideration when establishing and implementing risk management?

In which areas of risk management are processes or measures in place to take into account the interests of those potentially affected.

- Resources & expertise
- Preventive measures
- Corrective measures
- Complaints procedure

Describe the processes / measures for the relevant area of risk management.

Wieland uses the integrated risk control system to identify and assess risks and to evaluate the relevant control processes. The aim of risk management is, on the one hand, to monitor existing risks on an ongoing basis and, on the other, to systematically identify and place new risks and any risks that may arise at short notice. To this end, all risks are assessed in terms of their probability of occurrence and their (net) extent of damage in order to subsequently develop risk management measures. A responsible approach to risk also means that certain commercial risks are accepted in a controlled manner, in order to exploit the associated opportunities and achieve commercial success. Risk policy principles, together with general rules of conduct and control mechanisms, form the cornerstone of the risk control system (RCS). These include, for example:

- IT-supported authorisation concepts and authorisation concepts in the form of regulations or procedural instructions based on the "need to know" principle
- System-based and manual controls in combination with segregation of duties as well as approval and release procedures (dual control principle)
- Uniform accounting regulations and consolidation processes
- Audit manuals as the basis for a Group-wide internal control system (ICS)
- Specific security systems (e.g. physical plant security, IT security and data protection)
- Insurance policies, which however, offer increasingly limited sums insured.

The compliance management system (CMS) set up at Wieland serves to ensure compliance with the law, including accompanying internal Group policies. It is based on the principles of IDW PS 980 and ISO 37301 and is managed by the Compliance Committee (CC).

In addition, corresponding compliance-related functions have been established in the specialist departments and local compliance coordinators have been appointed in the Group companies. A separate CC USA has been set up for the North American region, which reports to the CC of Wieland-Werke AG at least quarterly. In terms of content, Wieland focuses in particular on the compliance issues of competition and antitrust law, anti-corruption, money laundering, data protection, foreign trade law and tax law, which is the responsibility of the Tax department. Supply chain compliance was also included in the focus areas in close cooperation with Purchasing (Global Procurement and Global Metal Management). In the event of a breach of statutory provisions, the persons involved, but also the company involved and, where applicable, the entire Wieland Group may face significant fines, criminal proceedings and other penalties. In addition to a comprehensive training and awareness programme, the CMS includes stringent compliance communication and targets as well as a control mechanism that follows the four-stage control cycle of the continuous improvement process ("PDCA cycle"). In order to meet mounting customer requirements and to demonstrate the functionality of the CMS, it was certified in accordance with ISO 37301. The Internal Audit (IA) department regularly monitors risk management, adherence to external and internal compliance regulations, and implementation of the internal control system through systematic audits. As a body that is independent of the company's processes, it contributes to compliance, the improvement of business processes and the effectiveness of the systems and controls that have been put in place. In addition, the auditor of the annual financial statements audits the risk early warning system to ensure compliance with the statutory provisions. The audit results of the auditor of the annual financial statements and IA are reported to the Executive Board and Supervisory Board (Audit Committee).

wieland

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