



Sustainable Procurement Policy

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Preamble

At Wieland, sustainability is of utmost importance and is part of who we are. As a global company, harmonizing our corporate success with the health and well-being of both people and the environment is one of our core tasks and responsibilities. Wieland expects the same ambition and policy from its suppliers.

Our business partners, their experience and their quality are an essential part of our company's success. With their help and commitment, Wieland can fulfill its corporate duty of care and, in addition to fair competition, make its contribution to humane working conditions and sustainability in the value chain.

Scope

The Wieland procurement organization handles the purchase of feedstock and shapes for the foundry, as well as capital goods, supplies, spare parts, direct materials, logistics and services.

As a manufacturer of semi-finished products, Wieland sources primary base materials globally, focusing in particular on metals purchasing, as the majority of our Scope 3 emissions are associated with metallic primary materials. More than three quarters of the metals we use consist of secondary raw materials (both pre- and post-consumer), primarily sourced from suppliers in Europe and North America, with one-quarter relating to primary raw materials and casting formats, such as billets and slabs.

Our approach

Main Purchasing Principles

Our sustainable procurement strategy is designed to ensure supplier network compliance with environmental and social standards with regard to international regulations and aligned with our overall sustainability strategy targets, like decarbonization. As a global industrial company, we are committed to ensuring best practices with respect to safety, health, environmental and business ethics at all stages of our supply and production chain.

Like Wieland, many of our customers and business partners also have ambitious sustainability targets and are obliged to comply with existing legal requirements such as the German Supply Chain Act. For competitive and contractual reasons, we do not publish our supplier data. However, since sustainability is an essential part of our corporate strategy and is also a key decision-making criterion, we commit to our customers that we will engage in supply chain due diligence by purposefully working with our suppliers and continuously improving the sustainability standards in our whole value chain. Our aim is to steadily increase transparency within the supply chain. At the same time, we work collaboratively with stakeholders such as subject matter experts, industry consortia, our peers and customers to fully understand the potential.

We aim to purposefully work with our suppliers to continuously identify and improve the sustainability standards in our value chain.

By implementing the actions and processes described within this policy, Wieland creates transparency along the supply chain and reacts with corrective and preventive measures to identified risks. Supply chain due-diligence contributes to Wieland's sustainability targets, and thereby allows us to meet our customers' growing demands for eco-friendly products.

Environmental Responsibility

Environmental Protection

We are committed to reducing our environmental impact. By avoiding water, soil and air pollution to the extent possible, dealing responsibly with waste and contaminated sites, reducing the direct impact that our production activities have on biodiversity, and minimizing the energy and resource consumption, we actively take responsibility to act in a sustainable way. The international standard DIN EN ISO 14001:2015 is the foundation for our environmental management system at our material production sites.

We equally expect our strategic suppliers to have established a system or processes according to the DIN EN ISO 14001:2015 Eco-Management and Audit Scheme (EMAS) or equivalent. Continuous risk analyses of all suppliers identify potential negative impacts on the environment. If there is a breach of the environmental due diligence obligation, suppliers are required to minimize or eliminate it by taking appropriate corrective action according to the due diligence obligations under the German supply chain act.

Wieland deals directly with at-risk suppliers. Depending on our influence on their business and degree of non-compliance, we apply various preventive and corrective measures. The exact process description as well as further measures are described in Supply Chain Due Diligence.

Decarbonization and transparency on emissions

Within Wieland's sustainability strategy we have defined the long-term target to be climate neutral by 2045 at the latest. The corresponding mid-term targets (-46.2% Scope 1 and Scope 2 emissions, -46.2% Scope 3 emissions by 2030) are in line with the 1.5°C compliant emission reduction targets of the Science Based Targets initiative to which Wieland committed to in 2021.

Scope 3 emissions will be reduced by procuring low-carbon footprint products, following corresponding directives and policies for key product categories, and aiming to provide eco-friendly solutions with an optimized low-carbon footprint to our customers.

The reduction of Scope 3 emissions requires transparency on emissions and recycled content across the supply chain and will be used as a factor in awarding future business with suppliers. Thus, in addition to economical factors, Wieland's sourcing decisions and contractual agreements will consider information on the Product Carbon Footprint (PCF) in the supply chain - and recycled content when sourcing primary raw materials. Improving data quality on emission factors from the prime metals and shapes suppliers, as well as our strategic suppliers of direct or indirect materials and services, is a key initiative for us.

We strive to procure from responsible sources which adhere to high levels of safety and comply with human rights and environmental protection regulations. When sourcing from countries or regions with lower sustainability standards, we are committed to taking extra steps for extensive due diligence and then implementing any measures and processes necessary to minimize relevant risks. These criteria are also considered for any ESG assessment of all Wieland strategic suppliers.

Circular economy

Copper is an essential material for global energy growth as well as the increasing rates of electrification. Therefore, it also plays a crucial role in reaching the goals of the United Nations' Paris Agreement and thereby limiting global warming. Within the upcoming years, global copper demand will significantly increase. Mineral extraction from mines and further processing of copper is energy-intensive and can have negative impacts on the environment and human health. For this reason, Wieland focuses on expanding the circular economy.

Closing the loop is part of the core business strategy of the Wieland Group as it mitigates climate change as well as supply chain risks. By expanding our recycling capacities in North America and Europe as well as by investing in innovative partnerships, Wieland aims to increase the recycled content in shipped product to 90 % in 2030. With a growing range of high-quality recycled metals, we thus take an important step towards becoming carbon neutral.

Social Responsibility

Human rights and working conditions

Wieland Group fundamentally adheres to the UN Guiding Principles on Business and Human Rights, the ten principles of the UN Global Compact and the principles embodied in the provisions of the core labor standards of the International Labor Organization (ILO). Our ambitions for the protection of human rights are laid out in the Wieland Policy Human Rights and Working Conditions, addressing all employees of the Wieland Group.

We expect from all our suppliers to be compliant with our human rights standards, and to assure implementation of these requirements in their business partnerships.

Key elements of human rights standards are

- Prohibition of slavery and forced labor
- Prohibition of child labor
- Protection against discrimination and harassment in the workplace
- Occupational health and safety as a natural part of all operational processes and decisions
- Right to privacy and data protection
- Offering appropriate compensation in line with performance and the market, compliance with the respective applicable statutory minimum wages
- Compliance with working hours and requirements in the respective country of employment
- Freedom of Association and Right to Collective Bargaining

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 in order to identify and minimize risks in the supply chain. At the same time, Wieland relies on compliance audits by the Responsible Mining Initiative (RMI) that focuses on social and environmental standards in minerals and metals supply chains.

Wieland prefers to collaborate with partners who comply with the RMI requirements, meaning either their production sites must be RMI-compliant, or they source from smelting plants or refiners listed on the RMI's Conformant List or Active List.

Through close cooperation with various associations, we are continuously working on improving and updating our material compliance regulations based on current standards. As part of this process, Wieland has released a Conflict Minerals Policy, published on wieland.com.

Corporate Responsibility Governance

Wieland's values and mandatory standards are summarized in the group-wide Code of Conduct that applies to all employees.

Our guidelines on human rights and working conditions reflect the values that apply to Wieland. We hold our suppliers to the same high standards to which we hold ourselves. We expect our key suppliers to respect and to comply with our values, or to demonstrate that they have their own that are equally stringent, and to also take on due diligence throughout their own supply chain.

Therefore the Supplier Code sets out our requirements regarding human and labor rights, climate and environmental protection, responsible sourcing and corporate responsibility. We expect our suppliers to also respect and comply with these values and to conduct their due diligence throughout their supply chain.

By implementing a Supplier Code acceptance clause in different process steps (supplier registration process, RFI/ RFQ to nomination/contracting), depending on the specific commodity, we target to assure our suppliers' compliance with our Supplier Code.

In addition, all strategic suppliers of prime metals and shapes must acknowledge a carbon disclosure clause to further develop responsible product innovation as well as to progress to our net-zero ambitions.

Supply chain due diligence

Due Diligence

To verify our suppliers' compliance with our sustainability standards and requirements, we apply a standardized questionnaire for our strategic suppliers of prime metals, shapes, direct and indirect materials to assess them based on ESG criteria. The assessments are done gradually, integrated into existing processes where possible, and are executed on a regular base.

A purposeful implementation of the measures described can only be reached by collaborative work and active engagement with our suppliers. Supplier dialogues and trainings inform suppliers of Wieland's sustainability goals and suggest why they play a crucial role.

To further enhance the supply chain due diligence at Wieland, we have implemented an ongoing process to identify, mitigate and prevent actual or potential human rights violations as well as environmental risks in our supply chain. The process is intended to ensure responsible and ethical sourcing and production of the minerals and metals, alignment with external expectations and compliance with regulations. Defined employees are responsible for the implementation, tracking and the follow-up of this process. Based on the risk-assessment, we work collaboratively with our Tier 1 suppliers to evaluate their business practices and support the realization of a responsible and transparent supply chain. A continuous and regular risk analysis that consists of country and industry risks and daily alerts regarding human rights and environmental events and violations, serves to identify high-risk suppliers. As a first step, these suppliers must agree with our Supplier Code. Based on the severity of the violation(s), we take further corrective actions and risk mitigation measures, starting with the completion of a self-assessment by our suppliers. Our aim is to jointly develop solutions and work purposefully together with our suppliers. We carry out regular effectiveness controls through annual risk analyses to further improve sustainability standards in our supply chain. In addition, all prime metals and shapes suppliers are to be certified or audited based on an internationally recognized standard, such as The Copper Mark by 2030.

Supplier Risk Committee (SRC)

Wieland established a permanent SRC with Group-wide responsibility, including management representatives of various functions, and it is chaired by Procurement. Its responsibilities include, among other things, the determination and regularly review of supplier risk profiles, establishing preventive measures in the Wieland companies' own business areas, definition of remedial measures and monitoring of 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 - on request - with suppliers from the 'high' risk cluster.

Grievance Mechanism / Whistleblower System

Wieland has established a whistleblower system which is also open for issues pertaining to our supply chain. It is an essential part of our compliance strategy and gives us the possibility to react quickly to grievances. All employees, suppliers, business partners and all other stakeholders, including private persons, have the right and the possibility to report deficiencies or violations regarding human rights and environmental due diligence within the Wieland Group or at our suppliers and their sub-suppliers. The above, as well as many other kinds of reports, can be confidentially submitted at any time via our anonymous whistleblowing system.

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