

Report on the LkSG (Supply Chain Due Diligence Act)

Reporting period from 01.01.2023 to 31.12.2023

Name of the organization: Schüco International KG

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A. Strategy & anchoring

A1. Monitoring of risk management & responsibility of the management

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

Ute Trudak, Head of Internal Audit, Customs and Foreign Trade Coordination, Human Rights Officer

Saskia Zahlten, Legal & Compliance Officer, Human Rights Officer

A. Strategy & anchoring

A1. Monitoring of risk management & responsibility of the management

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

It is confirmed 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 person responsible for monitoring risk management within the meaning of Section 4 (3) LkSG.

- Confirmed

Describe the process that ensures reporting to management at least once a year or regularly with regard to risk management.

The Human Rights Officers report directly to the Executive Board. The latter is informed at least once a year in a "Human Rights Annual Meeting". The Human Rights Officers are responsible for organizing and preparing the meeting.

A. Strategy & anchoring

A2. Policy statement on the human rights strategy

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

The policy statement has been uploaded <https://www.schueco.com/de/nachhaltigkeit/lieferkette>

A. Strategy & anchoring

A2. Policy statement on the human rights strategy

Has the policy statement for the reporting period been communicated?

It is confirmed that the policy statement has been communicated to employees, the works council if applicable, the public and the direct suppliers where a risk was identified in the risk analysis.

- Confirmed

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

Publication on the intranet (Schüco Teamwork net) with additional interview, consultation with the works council at an information event, information letter to relevant suppliers and publication on the website

A. Strategy & anchoring

A2. Policy statement on the human rights strategy

What elements does the policy statement contain?

- Establishment of a risk management system
- Annual risk analysis
- Establishment of preventive measures in the company's own business area, with direct suppliers and, if applicable, indirect suppliers and their effectiveness review
- Corrective measures in own business area, at direct suppliers and, if applicable, indirect suppliers and their effectiveness review
- Provision of a complaints procedure in the company's own business area, with suppliers and review of its effectiveness
- Documentation and reporting obligations
- Description of the priority risks identified
- Description of human rights-related and environmental expectations of own employees and suppliers

A. Strategy & anchoring

A2. Policy statement on the human rights strategy

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

First publication

A. Strategy & Anchoring

A3. Anchoring the human rights strategy within your own organization

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

- Personnel/HR
- Location development/management
- Occupational safety & occupational health management
- Purchasing/Procurement
- Supplier management
- CSR/Sustainability
- Legal/Compliance
- Quality management
- Mergers & Acquisitions
- Business Development
- IT / Digital infrastructure
- Revision
- Economic Committee
- Other: Marketing, Systems & Facade Engineering, Finance, Corporate Services

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

The management of the Schüco Group is responsible for implementation and compliance. The appointed Human Rights Officer is of particular importance in the implementation of human rights due diligence in the supply and value chains. The Schüco policies and guidelines must be ensured by all employees, especially those with management responsibility.

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

In order to live up to our claim, we have derived guidelines and policies from the international standards and anchored them throughout the company. They form the binding framework for all employees and business partners:

Schüco Code of Conduct: In our Code of Conduct, we define the basic legal and ethical rules that the entire Schüco Group is obliged to observe.

Supplier Code of Conduct: The Supplier Code of Conduct regulates the Schüco Group's requirements for

responsible procurement and should encourage our suppliers to comply with specific environmental, legal, social and ethical requirements.

Organizational instruction on compliance with due diligence obligations in Schüco's supply chains - in accordance with LkSG-: The internal instruction defines and documents the applicable requirements and prohibitions in the Schüco Group in connection with the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz - LkSG).

This commitment applies to our own business area as well as to our business activities throughout our entire supply and value chain.

Describe which resources & expertise are provided for implementation.

In order to ensure the legally compliant implementation of the human rights strategy, the organization provides appropriate human and financial resources. In addition to our own specialists - Sustainability, Purchasing, Legal and Compliance - external experts were called in to support the implementation of the requirements. An IT platform is used as part of the risk management system. Implementation was based on the BAFA guidelines and various online and offline training courses.

B. Risk analysis and Preventive measures

B1. Implementation, procedure and results of the risk analysis

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

- Yes, for your own business area
- Yes, for direct suppliers

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

01.01.2023 until 30.09.2023

Describe the risk analysis procedure.

A. Procedure for risk analysis in own business area:

The basis of the risk analysis in our own business area is a detailed overview of our own business area with information on the industry and the type and scope of the business. The regular risk analysis is carried out in a two-stage process consisting of an abstract and a concrete part. The abstract risk assessment is carried out using relevant human rights and environmental indices. The concrete risk analysis is carried out individually in all business areas using a risk matrix in which all risks are taken into account in accordance with Section 2 (2) and (3) LkSG. The matrix is used to identify and assess the risks. The possible extent, scope and reversibility of the potential risk are included in the assessment. Finally, the probability of occurrence of the respective risk is determined. This assessment results in a classification of whether a risk may exist and, if so, the extent of the risk.

The assessment and analysis must be substantiated and documented by concrete and comprehensible criteria.

In order to provide further detail and increase transparency, questionnaires on specific human rights and environmental risks must be answered for all relevant areas in the company's own business division.

B. Procedure for risk analysis of direct suppliers:

The risk analysis procedure for direct suppliers is carried out in 5 steps:

1. Inclusion of all suppliers in the categorization template (Excel table).
2. Selection of key suppliers based on the scope of business activities and influence measured by purchasing volume.
3. Automated categorization of suppliers into country and industry risk classes - Use of common indices: CPI Corruption Perceptions Index, etc.
4. Detailed risk analysis by answering and evaluating a questionnaire based on the LkSG criteria.

5. Individual analysis of high-risk suppliers and classification of these in a risk matrix; further measures are taken if necessary.

Steps 1 to 3 therefore comprise the abstract risk analysis. Steps 4 and 5 represent the concrete risk analysis.

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Were event-driven risk analyses also carried out during the reporting period?

- No

Give reasons for your answer.

There was no substantiated knowledge of possible breaches. Furthermore, the risk situation has not changed and no new business areas have been opened up.

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Results of the risk assessment

What risks were identified in the risk analysis(es) in your own business area?

- Disregard for occupational health and safety and work-related health hazards
- Prohibition of unequal treatment in employment

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Results of the risk assessment

What risks were identified in the risk analysis(es) for direct suppliers?

- None

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Were the risks identified in the reporting period weighted and, if applicable, prioritized and, if so, on the basis of which appropriateness criteria?

- Yes, based on the expected severity of the injury in terms of degree, number of people affected and irreversibility
- Yes, on the basis of your own influence
- Yes, based on the probability of occurrence
- Yes, based on the nature and scope of the company's own business activities
- Yes, based on the type of causal contribution

Describe in more detail how the weighting and prioritization process was carried out and what considerations were made.

The weighting and prioritization of potential risks was based on the criteria of extent, scope and irreversibility as well as the probability of occurrence. This prioritization results in a classification of high, medium and low. No risks or violations requiring additional preventive measures or even remedial action were identified in our own business area or in the area of our direct suppliers.

No risks were selected, as the specific risk analysis - matrix in combination with the questionnaire – showed that there are no relevant risks in the company's own business area or in the area of suppliers that require preventive measures.

Our own locations, and therefore our own business division, are almost exclusively office locations where no high-risk processes and production are carried out. We are aware that individual violations and therefore risks cannot be ruled out.

B. Risk analysis and preventive measures

B2. Prevention measures in own business area

Which risks were prioritized in your own business area during the reporting period?

- None

If no risks have been selected, give reasons for your answer.

After analyzing and assessing the identified risks in more detail, we have determined that the net risk is low due to numerous and sufficient preventive measures.

B. Risk analysis and preventive measures

B2. Prevention measures in own business area

What preventive measures were implemented for the reporting period to prevent and minimize the priority risks in your own business area?

- Other/further measures: No priority risks were identified. The following measure was implemented for prevention purposes: Further development of the Code of Conduct based on the criteria of the LkSG, implementation of an internal LkSG organizational instruction, offer of e-learning

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

All Schüco employees are subject to the internal LkSG organizational directive and the Schüco Code of Conduct. The Schüco Code of Conduct is taught every 24 months as part of basic compliance training.

Describe to what extent the measures to prevent and minimize the priority risks are appropriate and effective.

No priority risks were identified. Effectiveness is reviewed regularly.

B. Risk analysis and preventive measures

B3. Preventive measures for direct suppliers

Which risks were prioritized for direct suppliers during the reporting period?

- None

If no risks have been selected, give reasons for your answer.

The risk analysis of direct suppliers did not reveal any substantial risks in the reporting period.

Against this background, prioritization has not taken place or prioritization has been omitted.~~Against this background, no prioritization was carried out or no prioritization was carried out.~~

B. Risk analysis and preventive measures

B3. Preventive measures for direct suppliers

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

- Other/further measures: No priority risks were identified. The following measure was implemented for prevention purposes: Sending and confirmation of the Schüco Supplier Code of Conduct for Sustainable Procurement or review and acknowledgement of the direct supplier's Code of Conduct based on the LkSG principles. Regular review using the Sphera SCRM risk management tool.

Other categories:

selected:

- Other/further measures

Describe to what extent the measures to prevent and minimize the priority risks are appropriate and effective.

No priority risks were identified. The following measure was implemented for the purpose of prevention: Direct suppliers are subject to the Schüco Supplier Code of Conduct and thus confirm our expectations based on the supply chain. The measure is regularly reviewed on a random basis. Through the risk management tool Sphera SCRM, we receive immediate notification of press releases in the event of breaches of the principles of the LkSG by our direct suppliers.

B. Risk analysis and preventive measures

B5. Communication of the results

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

It is confirmed that the results of the risk analysis(es) 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

B. Risk analysis and preventive measures

B6. Changes to the risk disposition

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

Risk analyses carried out for the first time in 2023 (first reporting year).

C. Identification of violations and corrective measures

C1. Identification of violations and corrective measures in own business area

Were any violations identified in your own business area during the reporting period?

- No

Describe which procedures can be used to detect violations in your own business area.

Results of risk analyses & reports via the complaints system

C. Identification of violations and corrective measures

C2. Identification of violations and corrective actions at direct suppliers

Were any violations identified at direct suppliers during the reporting period?

- No

Describe which procedures can be used to detect violations at direct suppliers.

Sphera SCRM risk tool, results of risk analyses & reports via the complaints system

C. Identification of violations and corrective measures

C3. Identification of violations and corrective actions for indirect suppliers

Were any violations identified at indirect suppliers during the reporting period?

- No

D. Complaints procedure

D1. Establishment of or participation in a complaints procedure

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

- Combination of internal and external processes

Describe the company's own process and/or the process in which your company participates.

Establishment and purpose of the complaints procedure:

Schüco International KG has set up an appropriate complaints procedure in accordance with Section 8 LkKSG. The complaints procedure enables individuals to report human rights and environmental risks as well as violations of human rights-related or environmental obligations arising from the economic activities of the company in its own business area, including the company's subsidiaries, or of a direct or indirect supplier.

Responsibility and accessibility:

The complaints procedure is handled by the external lawyer of trust (ombudsman). The ombudsman acts as an independent and autonomous lawyer. He is impartial and is not subject to any instructions from the company with regard to the handling of the matter. The confidential lawyer is bound to secrecy. The confidentiality of the identity of a whistleblower is always maintained. There is also the option of submitting internal reports via the Compliance Office.

Complaints procedure:

The confidential lawyer or the Compliance Office receives the complaint and discusses the facts of the case with the whistleblower. In any case, the whistleblower usually receives confirmation of receipt within 48 hours, but no later than 7 days after receipt of the report.

The lawyer of confidence examines whether there may be a breach of duty or a risk within the meaning of the LkSG or a breach of other laws or internal rules. If there are sufficient indications, he will forward the facts submitted to him to the company for investigation, subject to the obligation of confidentiality. The confidential lawyer himself does not conduct an investigation so as not to jeopardize its neutrality.

The Schüco Compliance Manager and the Chief Compliance Officer follow up the tip-off in compliance with the law and internal rules, taking into account the interests of all parties involved. The company guarantees that the persons entrusted by the company with the implementation of the complaints procedure act impartially, are independent and are not bound by professional

~~are bound by~~ instructions. The company also ensures that the persons entrusted with the implementation of the complaints procedure are competent. The confidentiality of the identity of a whistleblower is always maintained.

The investigation should be conducted swiftly and without major interruptions. Persons affected by an investigation must be treated fairly and respectfully.

The presumption of innocence applies to all those affected. The right to a hearing must be granted.

For this reason, the persons affected by a report will be informed as soon as possible about the report received and made aware of their rights to information and rectification. However, if there is a serious risk that notification will jeopardize the investigation of the tip-off, notification may be postponed until after the investigation has been completed or until the risk has ceased to exist.

The legal assessment of the facts under investigation and the determination of suitable and appropriate measures to eliminate and prevent improper business practices are carried out by the company, which may consult the lawyer of trust for this purpose.

Measures may include, for example, appropriate civil action or the involvement of an authority. Even if no violations are identified in a specific case, suggestions for changes to work and business processes as well as changes to organizational and conduct regulations may be appropriate.

The whistleblower can obtain information on the status of the report at any time from the lawyer of trust or the Compliance Office. Three months after receipt of the report, they will receive feedback on the follow-up measures to the report. Once the process has been completed, they will be informed of the outcome and any measures taken by the lawyer of trust or the Compliance Office to the extent permitted by law.

D. Complaints procedure

D1. Establishment of or participation in a complaints procedure

Which potentially involved parties have access to the complaints procedure?

- Own employees
- Communities in the vicinity of own locations
- Employees at suppliers
- External stakeholders such as NGOs, trade unions, etc

How is access to the complaints procedure ensured for the various groups of potentially involved parties?

- Publicly accessible rules of procedure in text form
- Information on accessibility
- Information on responsibility
- Information on the process
- All information is clear and understandable
- All information is publicly accessible

Publicly accessible rules of procedure in text form

Optional: Describe.

-

Information on accessibility **Optional:**

Describe.

-

Information on responsibility

Optional: Describe.

-

Information on the process

Optional: Describe.

-

All information is clear and understandable

Optional: Describe.

-

All information is publicly accessible Optional:

Describe.

-

D. Complaints procedure

D1. Establishment of or participation in a complaints procedure

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

File has been uploaded

The Rules of Procedure:

<https://www.schueco.com/de/unternehmen/ueber-schueco/compliance>

D. Complaints procedure

D2. Requirements for the complaints procedure

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

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It is confirmed that the criteria contained in Section 8 (3) LkSG are met for the responsible parties, i.e. that they offer the guarantee of impartial action, are independent and not bound by instructions and are obliged to maintain confidentiality

- Confirmed

D. Complaints procedure

D2. Requirements for the complaints procedure

It is confirmed that precautions were taken during the reporting period to protect those potentially involved from being disadvantaged or penalized as a result of a complaint.

- Confirmed

Describe what precautions have been taken, in particular how the complaints procedure ensures the confidentiality of the identity of whistleblowers.

The confidential lawyer shall not disclose the name and identity of the whistleblower to the company or third parties without the whistleblower's consent. Should the lawyer of confidence be questioned as a witness in criminal, civil or other proceedings, he will only disclose the name and identity of the whistleblower if this has been agreed to by both the whistleblower and the company-

is permitted in writing.

The wish of the person making the report to protect their identity is countered by the interest of the persons affected by the report in the disclosure of the facts. This is another reason why deliberate abuse of the opportunity to submit complaints and reports will not be tolerated.

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

The whistleblower is protected from discriminatory or disciplinary measures.

Any act of retaliation against them will not be tolerated. In the event of indications of retaliation against whistleblowers, the confidential lawyer must be contacted immediately. The company itself will take disciplinary action in the event of retaliation and will implement suitable and appropriate measures along the supply chain.

D. Complaints procedure

D3. Implementation of the complaints procedure

Did you receive any information about the complaints procedure during the reporting period?

- No

E. Review of risk management

Is there a process in place to review the appropriateness and effectiveness of risk management across the board?

In which of the following areas of risk management is the appropriateness and effectiveness checked?

- Resources & Expertise
- Risk analysis and prioritization process
- Preventive measures
- Remedial measures
- Complaints procedure
- Documentation

Describe how this audit is carried out for the respective area and what results it has led to, particularly with regard to the prioritized risks.

Schüco has appointed human rights officers to coordinate and monitor the implementation of legal requirements. In exercising this function, they are independent of instructions. They coordinate and monitor the activities of employees who are entrusted with sub-tasks in the fulfillment of the due diligence obligations of the LkSG.

E. Review of risk management

Are there processes or measures in place to ensure that the interests of your employees, the employees within your supply chains and those who may otherwise be directly affected in a protected legal position by the economic activity of your company or by the economic activity of a company in your supply chains are adequately taken into account in the establishment and implementation of risk management?

In which areas of risk management do processes or measures exist to take into account the interests of those potentially affected?

- Complaints procedure

Describe the processes and measures for the respective area of risk management.

The interests of all affected parties are taken into account in the complaints procedure: General accessibility with various communication channels, protection of the whistleblower - identity and no reprisals - and timely and interest-oriented response to the complaint - see Rules of Procedure for the Complaints Procedure.