

## LAPP Policy Statement on Human Rights Strategy

The Executive Board of Lapp Holding SE has adopted the following **policy statement on the human rights strategy** and is responsible for its implementation and compliance within the LAPP Group:

### **We are committed to respecting human rights**

Lapp Holding SE (hereinafter referred to as "LHI") and its affiliated companies are aware of their responsibility both towards their employees and business partners as well as towards the LAPP Group. We are therefore working towards transparent and clear principles and adopting these as a guiding principle for all of our business actions.

As a company with high standards in the fields of Compliance and Corporate Social Responsibility, it is particularly important to us to identify and adequately counteract human rights and environmental risks in our areas of activity and in our supply chain. Our approach is based in particular on recognized environmental, social and corporate governance standards (ESG standards) and the basic principles of the International Labour Organization (ILO). Moreover, we are committed to observing and complying with the applicable laws and guidelines in every country where we operate.

### **We place specific requirements on our companies and our business partners**

The following measures were implemented to meet LAPP's own requirements with respect to compliance with and recognition of human rights and legal environmental specifications, as well as to communicate the standards and expectations to our employees and business partners:

- **Establishment of a risk management system**

The tasks (e. g. carrying out risk analyses) resulting from the Supply Chain Due Diligence Act (LkSG) as part of the risk management system were divided into several specialized departments (Supplier Management, Compliance and CSR, as well as Internal Auditing) and to internal committees (Compliance Committee).

- **Implementation of the Supplier Code of Conduct**

We maintain a responsible partnership with our suppliers. We expect our suppliers to comply with the applicable laws and observe the recognized environmental, social and corporate governance standards (ESG standards). We also expect that our suppliers to work towards implementing these standards among their suppliers. In addition to human rights and environmental issues, our Supplier Code of Conduct therefore also includes requirements for Corporate Governance Standards (e. g. antitrust law and trade controls).

- **Implementation of training sessions for your own employees**

We greatly value the (continuing) education and training of our employees so that their skills and specialized knowledge are up to date. The employees in Purchasing entrusted with the topic of the Supply Chain Due Diligence Act [LkSG] and the management of LAPP companies have been trained in human rights and environmental-related risks. The training sessions are also accessible to all other employees who would like to learn more about the topic.

Moreover, our Code of Conduct applies to all employees. It was included in the onboarding program for new employees as well as in regular mandatory training for existing employees. It raises the awareness of all employees to important human rights and environmental risks.

## **We identify risks and initiate appropriate countermeasures**

We are continuously evaluating potential risks regarding human rights and the environment, both internally in our own companies, but also externally among our direct suppliers with the help of software developed specifically for this purpose. The evaluation must be submitted at least once a year. In the case of breaches of duty or cases of suspicion, an audit is performed based on events. The risks are prioritized based on the evaluation results and addressed with suitable countermeasures.

To determine the risk values of the business partners, the countries of origin and product groups of our suppliers are evaluated in a structured manner. The risks of the countries of origin are determined based on publicly accessible indices. During the product group evaluation, the severity and probability of occurrence of a type of risk are measured and weighted with each other, which results in an overall risk value per product group. The final risk profile of a supplier is calculated based on the respective country and product group.

The following types of risk belong to the prioritized risks based on the results of the risk analysis, which are especially relevant to us along our supply chain, but also in our internal risk evaluation:

- Occupational health and safety risks
- Environmental risks
- Discrimination

When a risk is identified in the business area of a supplier, suitable measures are taken in line with the severity of the risk. All suppliers, regardless of the risk evaluation, must first sign our Supplier Code of Conduct and assure that they will adhere to this. In the event of moderate risks, the risk strategies and action plans are queried. In the event of high risks, we reserve the right to conduct additional corresponding audits (both digitally as well as on site). After a thorough risk investigation, we work together with the supplier to define how to handle the identified risks and what measures are to be taken.

Extensive measures are established in our own organizational area:

- The occupational health and safety standards as well as environmental standards are communicated to the employees through guidelines and training sessions in order to avoid risks from these areas. The responsible departments (including the Occupational Health and Safety specialist department) regularly check to determine whether specifications are being observed and complied with.
- Antidiscrimination is a topic in the internal Code of Conduct and is covered by compliance training sessions.
- Moreover, areas particularly affected by the LkSG are sensitized through LkSG-specific training sessions to identify, reduce or avoid human rights and environmental risks in their own business area.

Despite the high level of commitment to complying with the applicable guidelines and laws, LAPP is aware that there are still human rights and environmental risks and that violations may occur. For such a case, we have established a whistleblower system that affected employees as well as third parties may use to report grievances at any time, also anonymously. The violations or reports may concern one's own business area and the business area of direct and indirect suppliers. Whistleblowers play an important role in protecting social values and the rule of law, thereby contributing to the business success of LAPP.

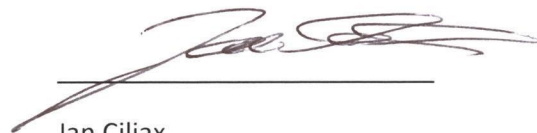
We are continuously improving our processes and methodology and reporting on this.

We regularly review the effectiveness of the measures we have established as part of the LkSG, at least once per year, in order to continuously make them better. We evaluate the effectiveness of measures and derive improvements, processes and additional measures from the conclusions, where necessary. Where legally required, LAPP submits an annual report to the responsible authorities regarding the identified risks and the measures taken to counter said risks.

Stuttgart, December 01, 2023

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Matthias Lapp  
CEO

A blue ink signature of Jan Ciliac, written in a cursive style, positioned above a horizontal line.

Jan Ciliac  
CFO

A blue ink signature of Hubertus Breier, written in a cursive style, positioned above a horizontal line.

Hubertus Breier  
CTO

A blue ink signature of Christoph Hiller, written in a cursive style, positioned above a horizontal line.

Christoph Hiller  
CSO