



Declaration of Principles on the Human Rights Strategy

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Foreword

Since our company was founded over 110 years ago, the OBO Bettermann Group has attached great importance to social responsibility as well as sustainable business practices and development – both in ecological and economic terms as well as from a social perspective. OBO takes these responsibilities very seriously – towards its employees and business partners, society and the environment that forms the foundation for all our lives. Integrity, fairness and diversity are fixed components of the OBO corporate culture. OBO acts in a sustainable, transparent and performance-oriented manner.

Commitment to respecting human rights

As a leading global family-run company that produces electrical infrastructure for buildings and systems, OBO Bettermann Holding GmbH & Co. KG and its subsidiaries (“OBO” in the following) recognise their social responsibility in relation to their economic activities. We are committed to respecting and actively promoting internationally recognised human rights and environmental protection in our subsidiaries and in our global supply chains, particularly with our direct suppliers. This includes ensuring that we comply with all due diligence requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG).

Our aim is to ensure that no human rights violations occur in the creation of our products and that the materials used are not linked to environmental destruction. We therefore adhere to the following internationally recognised standards and guidelines, and align our business with them (see Table 1). We also comply with local laws. If they do not conform with international law or recognised standards, we try to align them as far as possible.

Universal Declaration of Human Rights of the United Nations (UN)
United Nations Guiding Principles on Business and Human Rights (UNGPR)
Rio Declaration on Environment and Development
Core Labour Standards of the International Labour Organization (ILO)
Minamata Convention on Mercury
Stockholm Convention on Persistent Organic Pollutants
The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal

Table 1: Commitment to international standards and guidelines

In this declaration of principles, we describe how we are gradually preventing and minimising human rights and environmental risks in our own business and among our suppliers, in order to stop violations of international standards and directives.

Approach

We have introduced various processes to respect human rights and protect the environment. Corresponding directives as well as procedure and work instructions have been created for this purpose. Step by step, we are optimising these processes and expanding their scope. In this way, we are preparing for the upcoming European Supply Chain Law. Figure 1 provides a structured overview of our processes. We then explain how the processes are implemented in more detail.

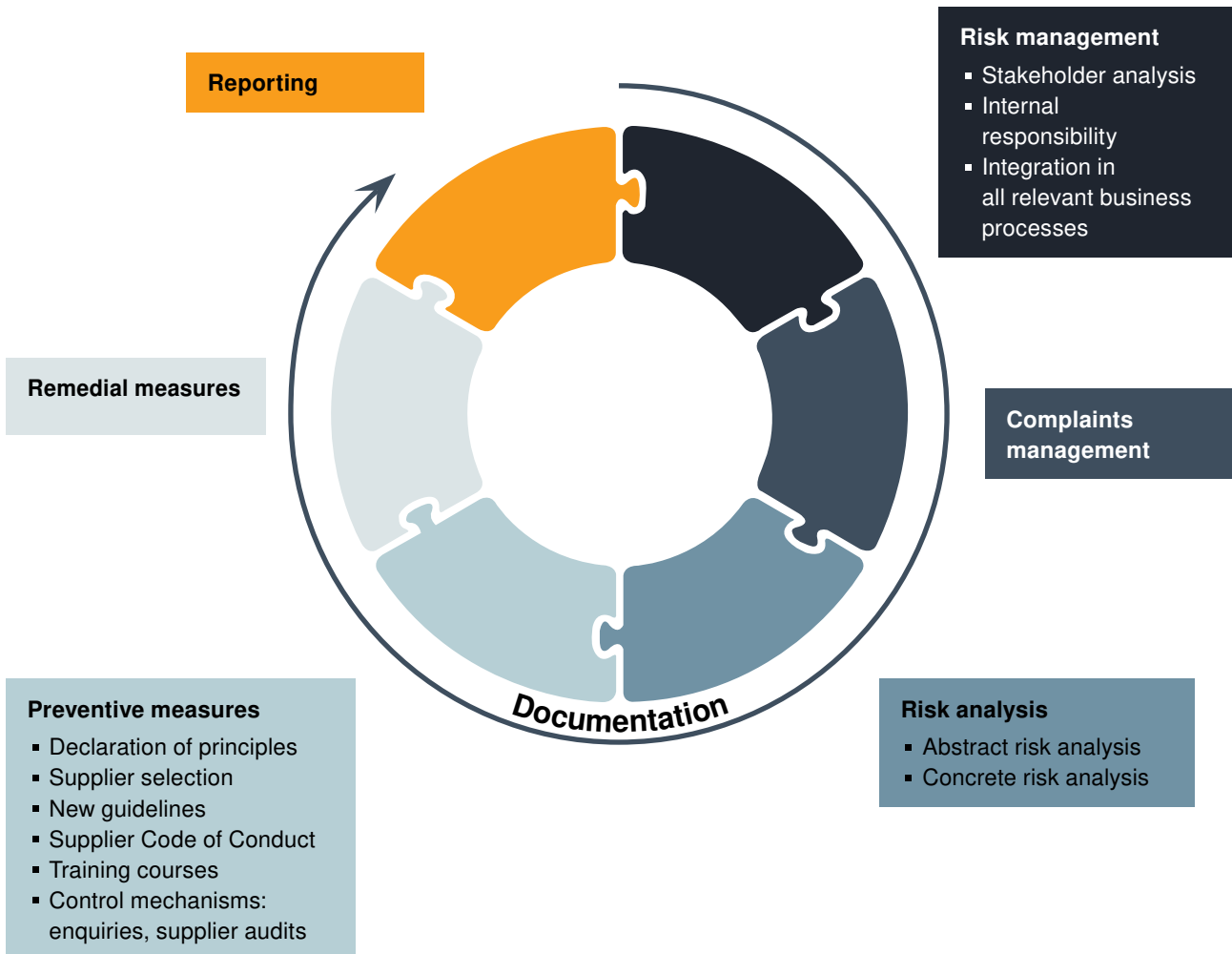


Figure 1: Our processes for adhering to due diligence

Effective risk management

Implementing these processes requires a clear designation of responsibilities and accountabilities. This is why we have appointed a Human Rights Officer and created an LkSG project group, and assigned tasks accordingly. We also rely on close collaboration between Procurement, Quality/Sustainability Management, and the Compliance and Legal department. By designating responsibilities and cross-department collaboration, we can define binding objectives and tackle challenges together. Our risk analyses form the core of our risk management.

Risk analyses

The risk analyses are intended to identify and analyse potential and actual negative effects on people and the environment in our own business and within our supply chains. We use a software solution that supports us in carrying out the risk analyses. These analyses investigate the following human rights and environmental risks that are part of LkSG and the internationally recognised standards and directives above:

- Child labour
- Forced labour
- Inadequate occupational safety
- Discrimination
- Unfair compensation
- Disregard for freedom of association
- Illegal eviction
- Environmental impacts detrimental to humans
- Application of force by security personnel
- Corruption
- Handling of hazardous substances, in particular mercury
- Handling of waste, in particular collection, storage, disposal, export and import

Overall, our process for analysing our suppliers consists of abstract and concrete risk analyses as well as an impact analysis (see Figure 2). The different risk analyses help us to gradually filter the large number of our suppliers while considering our possible impact.

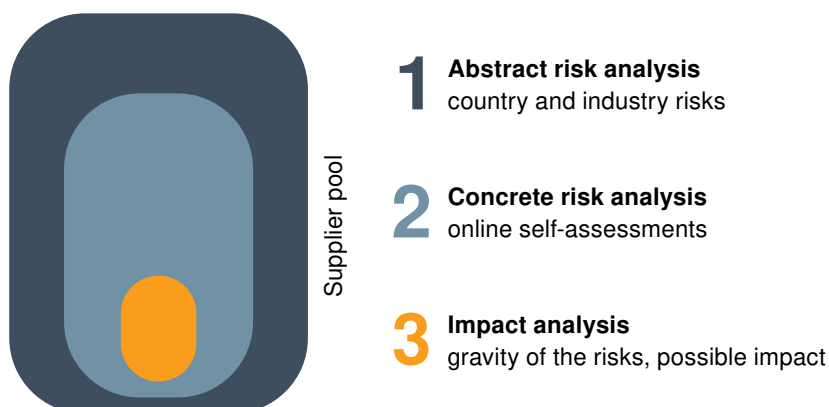


Figure 2: Risk analysis process

For the risk analysis of our own business, however, we do not filter, as we want to analyse all OBO subsidiaries more closely. This means the subsidiaries, together with the Human Rights Officer, complete the assessment, which is part of the concrete risk analysis. As a result, different matters can be discussed directly and in detail.

By contrast, the abstract risk analysis for our suppliers is initially intended to filter out any potentially less risky suppliers. Industry and country risks are identified. The data are based on publicly available indices, such as the Global Slavery Index (GSI) and the Environmental Performance Index (EPI). This initial abstract risk analysis identifies potentially risk-exposed suppliers that pose an increased risk due to their location and industry.

To obtain more exact data on these risk-exposed suppliers, a concrete risk analysis is necessary in the second step. The relevant suppliers are requested to complete an assessment/supplier self-assessment with regard to occupational safety, human and labour rights, environmental protection, anti-corruption and responsibility in the supply chain. Furthermore, it is possible to upload any evidence or certificates.

During the final step of the risk analysis, an impact analysis is performed, analysing the gravity and reach of the risks as well as the possible impact on the supplier. Our possible impact is calculated from the ratio of our purchase volume to the supplier's total turnover.

Furthermore, event-driven risk analyses are performed if changes in the business become known that can involve significant changes to – or an expanded – risk situation. This can result from internal decisions, such as the introduction of new

products, or from external events, for example due to political instability. In addition, information from complaints management and media reports may indicate a changed risk situation. Complaints as well as critical messages are reviewed again and included in the risk analysis as needed.

These risk analyses result in high-risk suppliers and risk-exposed subsidiaries. To be able to take preventive measures, the companies are looked at more closely and active communication is maintained with them.

Based on the results of the risk analysis, the following three priority risks were identified among our suppliers:

1. Workplace safety
2. Environmental protection
3. Use of hazardous substances of concern

Child and forced labour were classified as significant risks, but the results of the risk analysis showed a very low probability. This is why further measures focus primarily on the three risks listed.

Preventive and remedial measures

To ensure that human rights are respected and the environment is protected, various preventive measures are being planned, developed and carried out. Several of these have been explained in more detail above.

- Designation of responsibilities and accountabilities
- Cross-department collaboration
- Discussions in industry initiatives
- Implementation and, when necessary, updates to our human rights strategy
- Creation and implementation of internal guidelines and work instructions
- Consideration of human rights and environmental criteria in the supplier selection/qualification process
- Internal training on LkSG
- Compliance with the OBO Code of Conduct in all subsidiaries
- Contractual assurance from our suppliers to comply with the OBO Code of Conduct
- Complaints management

Furthermore, based on the results of our risk analyses, the following preventive measures are carried out for the identified high-risk suppliers:

- Requests for proof of compliance with statutory requirements and certificates for management systems or similar
- Dialogue and discussions with risk-exposed subsidiaries and high-risk suppliers
- Specific preventive measures for identified risks

Of utmost relevance is the appropriate handling of actual human rights and environmental violations, and the implementation of remedial measures. To date, no violations have been identified in our own business or by suppliers. In the event that this occurs, the following procedure has been defined:

- Immediate contact with the relevant company
- Specific remedial measures for identified violations
- Supplier visits/audits
- Creation and implementation of a concept for remedial measures if the violation cannot be eliminated in the foreseeable future
- Discontinuation of business relations if:
 - o a violation is rated as serious,
 - o a measure does not help after a defined time and
 - o no other means are available and an increased influence appears futile.

Complaints management

OBO has set up a whistle-blower system and a complaints management process. Complaints management was set up specifically for human rights and environmental matters so that complaints can be handled directly by the responsible Human Rights Officer. Whistle-blowers can use both systems.

OBO's LkSG complaints management can be accessed on our website at the following link: <https://www.obo.global/whistleblower-system/>. It is available in different languages. Complaints can be submitted via e-mail, telephone or mail. If the whistle-blower is known, receipt of the report is confirmed and the matter is discussed with them. All whistle-blowers are protected against disadvantages due to a complaint. If the whistle-blower would like to remain anonymous, OBO will make an effort to gather any required information that is missing to be able to investigate the report.

Obligations and expectations

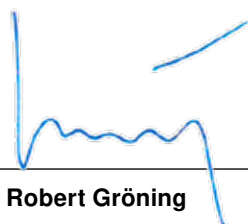
Our obligations and expectations for our business partners are set out in the OBO Code of Conduct. This is available publicly on our website at <https://www.obo-bettermann.com/company/compliance/> and is also sent to our suppliers for signing as a binding commitment to the contents.

The OBO Code of Conduct includes human rights and environmental expectations and obligations, such as a ban on child and forced labour, safe working conditions and the environmentally compliant handling of waste and hazardous materials. Expectations on topics such as data protection and respect for intellectual property are also integrated into our Code of Conduct.

Documentation and reporting

Compliance with our due diligence requirements is lawfully documented on an ongoing basis and this documentation is kept for at least seven years. In a large part, this is done in our software, which is used in particular to document the risk analysis results and the preventive and remedial measures.

Furthermore, OBO publishes a Sustainability Report and a report for the Federal Office for Economic Affairs and Export Control on the implementation of the Supply Chain Act, to provide information on how it fulfils its due diligence obligations.



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Building Connections

