

**Policy Statement on Human Rights and
Environmental Due Diligence of the ebm-papst
Group i.a.w. § 6 para.2 LkSG (German Supply
Chain Act)**

ebmpapst

engineering a better life



Aspiration and Commitment of the ebm-papst Group

ebm-papst is aware of its responsibility within the global commodity flow. We know that our success as a company is a success of the people in our environment. We therefore treat our fellow human beings and the environment with respect and value them.

Our aspiration "engineering a better life" as well as our fundamental values, which we have lived by for almost 60 years and are described in our Code of Conduct, are an integral part of our corporate culture. We are convinced that our long-term success depends on how well we achieve to align our value creation and business impacts with the protection of the environment and well-being of people.

We not only want to be compliant with the minimum legal requirements, but we also strive to achieve the highest possible ethical standards. We set group-wide standards that are constantly being tightened while taking local laws and regulations into account but must never be undermined. The Code of Conduct of the Responsible Business Alliance (RBA), which is based on recognised standards such as the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Universal Declaration of Human Rights, guides all our corporate decisions and actions.

The Code of Conduct of the RBA has been an integral part of our business activities for many years, and we expect all business partners in the supply chain to commit to these values. Core values of the Code of Conduct include respectful and dignified treatment of workers, safe working conditions, and environmentally and ethically reasonable business processes.

Beyond the Code of Conduct we are following international guidance, standards and laws, such as (Version October 2022):

- Universal Declaration of Human Rights of the United Nations (UDHR)
- Convention on the Rights of the Child
- Conventional on the Elimination of All Forms of Discrimination against Women
- United Nations Guiding Principles on Business and Human Rights (UNGPR)
- International Labor Organization (ILO) Core Convention
- Principles of the United Nations Global Compact (UNGC)
- Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- Forced Labor Priority Principles of the Consumer Goods Forum (CGF)

In all cases the following applies: where local law and international human rights are not harmonised, we act in accordance with the higher standard. We set group-wide minimum standards that may always be tightened, but never undermined, considering local laws and regulations.

Human Rights and Environmental Due Diligence at ebm-papst

The ebm-papst group reviews its value and supply chain for all human rights and environmental risks listed in the German Supply Chain Act (LkSG). We also monitor and review our risk and complaints management at ebm-papst. We use the resulting findings to create an improved value and supply chain.

- Risk Management

The primary objective of the risk management approach is to increase transparency in ebm-papst's value and supply chain. Accordingly, ebm-papst's business and supply chains are examined for potential human rights and environmental risks and violations. If risks or violations are identified, they are evaluated and prioritized in order to derive appropriate and effective measures to minimize the risk or prevent the violation. Appropriate due diligence checks are carried out, particularly when selecting new suppliers or working with existing suppliers. Respect for human rights and the environment is an important criterion here.

The regular annual risk analysis of the supply chain is carried out in two major steps. In the first step, an abstract risk assessment of the direct suppliers (Tier 1) is carried out. These are mapped according to country and sector risks. The potential risks of high-risk suppliers are examined further. In a second step, specifically identified risks and/or violations are assessed using the legally defined appropriateness criteria and then prioritized according to the assessment result. For our own business area, the annual analysis of human rights and environmental risks is integrated into the regular central risk management system. An event-based risk analysis is carried out in the event of substantiated knowledge or a significant change in the risk in the supply chain, e.g. due to the introduction of a new business area or similar. In the case of event-based risk analysis, the scope of application extends beyond Tier 1 suppliers and also includes suppliers further down the supply chain.

- Measures Management

Based on the results of this risk analysis, appropriate preventive measures for risks and remedial measures for violations are derived in order to reduce or stop actions that harm people or the environment as quickly as possible. A proactive approach is taken to ensure that such violations are not repeated. This applies both to our own business area and to our supply chain. Where appropriate, suppliers are involved in the process of deriving measures in order to achieve effective results. When deriving measures, action plans with clear timeframes and responsibilities are defined. In particular, if the violation of a human rights or environmental obligation at a direct supplier is of such a nature that it cannot be ended in the foreseeable future, a concept for ending or minimizing it is drawn up and implemented without delay. The effects of the measures implemented are assessed and compared with the inherent risk so that findings can be drawn on the basis of the assessment of the residual risks in order to eliminate the risk.

In addition, ebm-papst has introduced several preventive measures, such as publishing the Policy Statement, sending the ebm-papst Supplier Code of Conduct to suppliers, adapting the supplier selection and procurement process, supplementing the supplier dialog and development and conducting training courses. ebm-papst has also established control mechanisms, such as the integration of LkSG-relevant issues into supplier audits. The effectiveness of the preventive and corrective measures is reviewed once a year and on an ad hoc basis if the company has to reckon with a significantly changed or significantly expanded risk situation in its own business area or with its direct suppliers, for example due to the introduction of new products or projects. Findings from the complaints mechanism are taken into account. The measures are updated immediately if necessary.

- **Priority Risks**

In the Financial Year 2024/25, ebm-papst identified the following priority human rights and environmental risks on the basis of the risk analysis, for which preventive measures were derived:

No further risks were identified in our own business area in the financial year 2024/25. The risks from the previous year were reviewed again. Apart from the release of additional documentation on the topic of land acquisition, no further preventive measures were required.

As part of the concrete risk analysis, the following potential risks caused by our direct suppliers were identified most frequently:

- Child labor, forced labor and human trafficking
- Trade of hazardous waste
- Discrimination, harassment or lack of diversity
- Lack of health and safety protection in the workplace
- Pollution of soil, water and air
- Violation of the contents of the Minamata Convention
- Violation of the contents of the POPs Convention
- Disregard for freedom of association
- No appropriate remuneration

Separate clarifying dialogs are held with the suppliers who are conspicuous in this regard. In these dialogs, suppliers are trained with regard to the LkSG and ebm-papst's processes and expectations, and the results of our risk analysis processes are discussed together. The next steps (such as document reviews, audits, etc.) are then defined and initiated.

- **Complaints Management**

ebm-papst encourages its employees, business partners and third parties to report suspected risks or violations of human rights, environmental protection or other regulations that have arisen from the economic activities of our company in its own business or that of a direct supplier. These reports can

be submitted by anyone, including anonymously and without the expectation of adverse consequences, via the reporting system <https://ebmpapst.integrityline.app>.

As an alternative to our web-based complaints mechanism, it is also possible to inform our local management or the responsible compliance officer. If this is possible and contact details are provided, the receipt of the report is confirmed to the respective whistleblower and the facts and expectations are discussed together. Communication with the whistleblower takes place via the Corporate Center Corporate Governance (CCCG). All reports are taken seriously and treated confidentially. Further information about the complaints mechanism, including the rules of procedure, can be found on our [homepage](#). Suppliers of ebm-papst are requested to communicate these complaint channels to their employees and ideally also to their suppliers.

- **Documentation, Communication and Reporting**

ebm-papst continuously documents the progress and results of the due diligence processes and retains this documentation in accordance with the statutory deadlines. We have also established a process to communicate the priority risks, the associated measures and their effectiveness, the annually updated policy statement and the effectiveness assessments of risk management and complaints management to the Executive Management Board. In addition, ebm-papst works continuously on the reports required under the German Supply Chain Act.

Responsibilities for Human Rights and Environmental Due Diligence Within the ebm-papst Group

Responsibility for implementing the standards contained in this declaration is determined by the Executive Management Board. Together, they ensure that each business unit is aware of its duties, obligations and responsibilities with regard to respecting and protecting human rights.

The Human Rights Officer and the CCCG are responsible for managing and monitoring our human rights policy. With the involvement of all relevant divisions and operating units, they are required to coordinate activities, set priorities and lead the company-wide efforts of the ebm-papst Group. The Human Rights Officer reports regularly to the Executive Management Board on the current situation. In the ebm-papst Group, the Executive Management Board monitors the operational implementation of the declared corporate principles. The purchasing organization in the procurement area is of particular importance in the implementation of human rights and environmental due diligence obligations in the supply and value chains.

Our Expectations and Perspectives

We actively encourage our business partners, employees and other third parties associated with us and our business activities to recognize the importance of human rights and environmental due diligence and to do everything in their sphere of influence to create fair working conditions and comply with applicable laws and human rights conventions. In particular, all ebm-papst business partners are obliged to comply with minimum requirements such as internationally and nationally applicable laws and the conventions and recommendations of the International Labor Organization

(ILO) on labor and social standards. ebm-papst pursues a zero-tolerance policy in the event of violations. In an effort to prevent and eliminate risks and violations, ebm-papst works constructively with its suppliers, e.g. by supporting our direct suppliers and providing targeted training.

If there is no change even after this cooperative approach, this can lead to legal consequences, including termination of the business relationship as a last resort. Our expectations of our own employees and our business partners are also anchored in our company's own Code of Conduct and in our ebm-papst Supplier Code of Conduct.

It is important to us that our employees and business partners have guidance for their daily business processes so that risky situations of potential human rights or environmental violations can be quickly identified. We also expect our business partners to instruct their employees, suppliers and third parties who work with them in the course of their business activities and fulfil their contractual obligations to successfully implement the values in their own business processes.

We are aware that the implementation of human rights and environmental due diligence in our own business activities as well as in all supply and value chains is not a one-off project, but an ongoing process. We accept this challenge and review the effectiveness of our strategic approaches and measures regularly and on a case-by-case basis with the aim of continuous improvement. In addition, we constantly check whether our guidelines are being adhered to throughout the company. To this end, we carry out risk-based audits and involve potential stakeholders or their representatives wherever possible.

The Executive Management Board of the ebm-papst Group

Dr. Klaus Geißdörfer Raymond Engelbrecht Dr. Sonja Fleischer Harald Klaiber Frank Mayer Thomas Nürnberger

Dr. Hannes Säubert

Mark Shiring

Dr. Daniel Boese