

# Human Rights Policy Statement

## SAF-HOLLAND Group

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### 1. Introduction and scope

SAF-HOLLAND follows its vision to take a leadership role in the transformation of mobility and partner with its customers on the road to a sustainable future. The Company is dedicated to exceptional business practices, ensuring responsible management and accountability to all stakeholders. SAF-HOLLAND is committed to prioritize the protection of the environment and the safeguarding of its employees, while upholding human rights within the supply chain and local communities. By developing innovative products and consistently managing risks, the Company strives for operational excellence and sustainable growth. Its commitment to good governance and ethical practices ensures that SAF-HOLLAND delivers outstanding performance and contribute positively to a sustainable future.

As a globally active company, SAF-HOLLAND is committed to protecting the environment and respecting internationally recognized human rights wherever it operates.

The human rights commitment extends to employees and management staff in all business regions, business partners and local communities in the reach of its leverage and responsibility, as well as to other parties in the supply chain.

In addition to being a signatory of the United Nations (UN) Global Compact Initiative and upholding its Ten Principles, SAF-HOLLAND Group's commitment on human rights is guided by the International Bill of Human Rights, the principles on workers' rights set out in the Declaration on Fundamental Principles and Rights to Work from the International Labor Organization (ILO) as well as the OECD Guidelines for Multinational Enterprises.

- UN Global Compact
- International Bill of Human Rights
- ILO Declaration on Fundamental Principles and Rights to Work
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights

SAF-HOLLAND embraces the UN Guiding Principles on Business and Human Rights, which implement the UN "Protect, Respect and Remedy" framework and outline the responsibility of businesses to respect human rights along the value chain. The Group therefore strives to implement this set of principles. In this context, the following key areas of human rights impacts, and their relevant human rights principles have been identified.

## 2. Workforce

With an international workforce, SAF-HOLLAND commits to providing fair working conditions, including working time, remuneration, and respect for employees' freedom of association and the right to collective bargaining. High standards of health and safety in the workplace are fundamental to operations, supported by mature workplace safety and health risk management systems. While the 2024 risk analysis for the own operations did not identify net risks, the Group acknowledges that a residual risk of workplace accidents may still exist. These risks are continuously managed and mitigated through processes, policies, and ongoing training.

Respect for each individual is at the core of the corporate culture. SAF-HOLLAND strongly stands against any form of discrimination or harassment and is an equal-opportunity employer. The diversity strategy strengthens inclusion, equity, and affiliation among the employees within the Company.

Access to further education and training is a key component of fostering equal opportunities among employees. For this purpose, development programs and advanced training to promote long-term learning as well as professional and personal development initiatives for employees are provided. Any form of forced labor and child labor as well as all forms of modern slavery and human trafficking is rejected.

All expectations outlined here are integrated into the Code of Conduct, diversity guidelines, and health & safety policies. While these expectations extend beyond the results of the risk analysis, they reflect SAF-HOLLAND's dedication to maintaining a safe, fair, and inclusive work environment. To disseminate the contents of the Code of Conduct and Human Rights Policy effectively, mandatory training materials covering the Code of Conduct, ESG, related policies, and compliance topics for all employees and managers were created.

### 3. Suppliers

Significant importance is placed on ensuring that SAF-HOLLAND Group's human rights and environmental standards are upheld by suppliers at their own sites and throughout their supply chains. This includes fair working conditions, health and safety, respect for freedom of association and collective bargaining, equal treatment, non-discrimination, and the prohibition of child and forced labor, as detailed in the Code of Conduct for Suppliers.

The supply chain analysis identified two key areas requiring further attention vis-à-vis supplier compliance with SAF-HOLLAND's standards. The first involved supporting documents, as some suppliers lacked sufficient evidence of a policy or relevant certifications. The second focused on supply chain governance, where certain suppliers did not have a Code of Conduct for their own supply chains or lacked a grievance mechanism to address potential violations. All these suppliers were issued corrective action plans and are required to provide evidence of compliance. No specific violations were identified during the analysis. Suppliers classified as high-risk were identified due to their lack of adequate supporting documents, not due to any observed misconduct.

SAF-HOLLAND reserves the right to inspect or audit suppliers vis-à-vis their adherence to the Supplier Code of Conduct on an ad hoc basis. Suppliers are required to cooperate fully in providing complete and truthful information about their processes for human rights and environmental due diligence. This includes properly recording and sharing relevant data within a reasonable time frame, ensuring alignment with SAF-HOLLAND's expectations and commitments.

To ensure adherence to these standards, all business partners are required to comply with the SAF-HOLLAND Code of Conduct for Suppliers. This global Supplier Code of Conduct outlines clear expectations and provides a framework for action, including measures to address prioritized risks. Suppliers are expected to immediately inform SAF-HOLLAND of any breaches of the Code of Conduct within their own business areas or supply chains, as well as the measures taken to address them.

Indirect suppliers are included in SAF-HOLLAND's human rights and environmental risk management on an ad hoc basis. While this year's analysis revealed no knowledge of violations among indirect suppliers, any future concerns, such as those reported through SAF-HOLLAND's grievance mechanism, will be promptly addressed through the Company's risk management processes and the Complaints Committee.

#### **4. Products and stakeholders**

SAF-HOLLAND's ambition is to provide maximum safety on the road. Standards and commitment of the Company often go beyond the regulatory standards. To this end, strict guidelines were set to ensure and enhance the high level of products' reliability, safety, and quality.

Comprehensive and legally compliant protection of personal data, particularly of employees, job candidates, customers, and suppliers are ensured. The rigorous management of data protection and data privacy is of high importance to secure the long-term trust of employees, job candidates, customers, and suppliers. Such expectations are also outlined in the Code of Conduct.

#### **5. Impact on local communities**

SAF-HOLLAND recognizes the threat and challenges that climate change and the industry the Company operates in poses to the impacted local communities and in general to human rights and the environment.

SAF-HOLLAND is aware of the impacts that its operations and supply chain might have on local communities. The Company is committed to respecting the human rights of local communities, especially in the context of designing and constructing plants and in the operation of facilities. Moreover, the Group strives to avoid environmental risks and has a robust environmental management system in place, which includes the latest ISO certification standards. Continuous work to improve the environmental footprint and the establishing of projects and measures ensure compliance with Group standards. This way, SAF-HOLLAND manages to keep the impact on local communities at a minimum.

## 6. Risk management organization

- ➔ SAF-HOLLAND adopted several policies to support its commitment to respect human rights as outlined above. In addition, a robust Compliance Management System (CMS) was implemented. The CMS of SAF-HOLLAND is based on the following core elements:
  - Promoting the compliance culture
  - Definition of compliance goals
  - Process for identifying and analyzing compliance risks in the Company
  - Establishing a compliance organization
  - Process of establishing the compliance program
  - Developing the compliance communication process
  - Method for monitoring and improving the CMS
- ➔ SAF-HOLLAND's Sourcing team, with the leadership of the Director of Global Sourcing, plays a vital role in adopting the target areas of the Company's ESG strategy. The Director of Global Sourcing reports directly to the CEO, ensuring alignment with the Company's strategic priorities. This team addresses key topics within the environmental, social, and governance (ESG) scopes and oversees the implementation of the SAF-HOLLAND Code of Conduct for Suppliers. While the overall accountability for sustainability lies with the Management Board and Supervisory Board, the execution of sustainability initiatives is driven by the Sourcing team in collaboration with other enabling functions critical to achieving these objectives. The global Sourcing team leads several projects within the ESG scope, ensuring progress is monitored against nonfinancial business metrics. This progress is regularly tracked, and the results are published annually in SAF-HOLLAND's Sustainability Report.
- ➔ The global Sourcing team is responsible for conducting the overarching risk analysis, identifying high-risk suppliers based on country, industry, and supplier-specific data, and performing the internal analysis of SAF-HOLLAND's own business units. This includes defining mitigation strategies, providing guidelines for implementation, and ensuring compliance with internal and external requirements. This information is then forwarded to the regional directors and site managers.
- ➔ The regional directors are tasked with implementing the identified mitigation actions for high-risk suppliers within their respective regions. The site managers are tasked with tracking and addressing risks within their own organizations. Regional directors and site managers ensure that corrective actions are completed within the stipulated timelines and report progress and outcomes back to the global team.
- ➔ The global Legal & Compliance Department monitors the compliance of SAF-HOLLAND's own Code of Conduct, serves as the focal point of SAF-HOLLAND's grievance mechanism,

and reports directly to the CFO. Compliance topics are regularly addressed by this department ensuring SAF-HOLLAND exceeds in all compliance topics and addresses these in the meetings with the Supervisory Board and the Audit Committee. In accordance with the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG), SAF-HOLLAND has established the role of a central Human Rights Officer with a direct reporting line to the Management Board. Leveraging extensive experience and knowledge, the Human Rights Officer plays a supporting role in ensuring compliance with this policy statement. This involves providing guidance and expertise to the global Sourcing team for supplier-related risks, supporting SAF-HOLLAND's own sites, and collaborating with the Legal & Compliance Department to address legal and regulatory aspects effectively.

- ➔ SAF-HOLLAND has established a LkSG Complaints Committee that oversees the management of human rights and environmental violations, reported via the Company's whistleblower system or other reporting channels. Reported issues are thoroughly reviewed by the Committee, which includes members from key functions such as Legal & Compliance, Global Sourcing, and the Human Rights Officer.

## 7. Preventive measures and corrective actions

As part of SAF-HOLLAND's preventive measures, several key tools and processes are under development to ensure employee's and supplier's compliance with ESG requirements:

- ➔ **SAF-HOLLAND Code of Conduct and SAF-HOLLAND Culture Code:** Outlines the Company's standards on ethical behavior, human rights, and environmental protection. The Culture Code also emphasizes the importance of health and safety, underscoring the need for safe workplaces and responsible practices to ensure the well-being of employees. This includes regular employee training focused on health and safety, environmental protection, and compliance with Company policies. These training programs aim to raise awareness and equip employees with the knowledge necessary to uphold SAF-HOLLAND's standards. To support these commitments, certain SAF-HOLLAND facilities are certified according to ISO 14001 for environmental management systems, reinforcing the Company's dedication to environmental responsibility.

- ➔ **Supplier Qualification Manual (SQM) and Supplier Qualification Requirements (SQR):** These include ESG requirements and set clear expectations for suppliers.
- ➔ **Supply Agreement Template:** Incorporates ESG criteria to formalize commitments and align supplier operations with SAF-HOLLAND's standards.
- ➔ **Supplier Selection Process:** Evaluates potential suppliers based on their ability to meet SAF-HOLLAND's human rights, environmental, and ethical standards.
- ➔ **Supplier Performance Scorecard:** Integrates ESG metrics to assess and monitor supplier performance on an ongoing basis.

Additionally, suppliers are required to sign and adhere to the SAF-HOLLAND Code of Conduct for Suppliers, which establishes clear standards for human rights, environmental protection and ethical business practices. Suppliers who fail to comply, face termination of the business relationship. These measures ensure accountability, promote continuous improvement, and strengthen SAF-HOLLAND's commitment to sustainable and responsible sourcing.

All suppliers have been informed of SAF-HOLLAND's Grievance Mechanism available through the Code of Conduct for Suppliers. This confidential channel enables suppliers to report concerns or violations. This structured approach ensures accountability, drives continuous improvement, and compliance across SAF-HOLLAND's supply chain and internal operations.

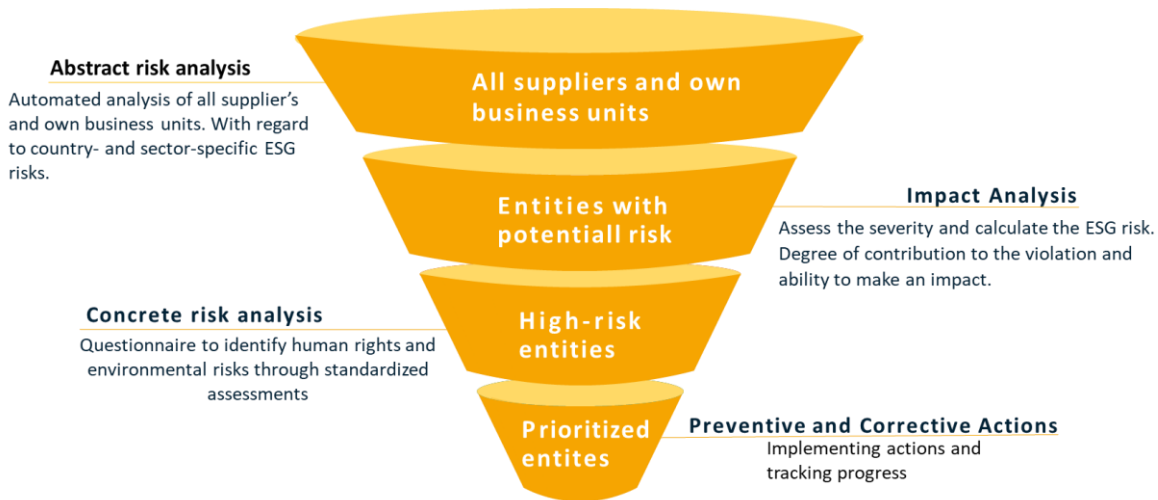
If SAF-HOLLAND becomes aware (e.g., due to public reporting or reports received via the whistleblower system) that violations of human rights or environmental obligations are imminent or have already occurred, a process to take corrective actions will be initiated immediately. The implementation of this process is aimed at ending or minimizing the violation in accordance with legal requirements, e.g., through corrective action plans. Corrective action plans include clear communication of findings, detailed required actions, and timelines for resolution. Actions involve engaging further with suppliers, requesting additional documentation, or developing new policies and processes to address specific gaps.

In 2024, certain suppliers were required to:

- Establish a grievance mechanism
- Provide a policy statement on environmental topics
- Develop their own Code of Conduct for suppliers

## 8. Human rights risk assessment

SAF-HOLLAND employs a comprehensive due diligence process using third-party ESG risk management software to evaluate human rights and environmental risks across its business and supply chain. The process is divided into three steps, which result in preventive and corrective actions:



### 1. Abstract Risk Analysis

SAF-HOLLAND assesses country and industry risks through a combination of quantitative and qualitative databases data from reputable sources, including the World Bank, World Development Indicators, UNEP, and the Walk Free Foundation. This analysis evaluates potential risks for suppliers and business areas, categorizing them as low, medium, or high risk. The abstract risk assessment examines suppliers based on the 13 categories defined by the LkSG, focusing on the industry and country-specific risks. The industry risk analysis differentiates industries based on NACE codes, which inherently reflect the types of products and activities associated with each industry.

Although all SAF-HOLLAND business sites underwent an initial country and industry risk assessment, the Company required all sites to participate in the Concrete Risk Analysis. This decision demonstrated SAF-HOLLAND's commitment to compliance and risk mitigation. By completing the questionnaire during the Concrete Risk Analysis phase, all sites provided clear evidence of compliance, ensuring robust internal risk management.



## 2. Concrete Risk Analysis

SAF-HOLLAND employs a questionnaire in conjunction with the Abstract Risk Analysis to further identify risk indicators and assess their severity. All SAF-HOLLAND business sites participated in this process, with plant or warehouse managers responsible for answering the questions. Each site demonstrated a sufficient level of compliance regarding potential gross risks, requiring no additional actions.

Suppliers identified as high-risk in any of the 13 categories during the Abstract Risk Analysis, and those with any risks in SAF-HOLLAND's focus areas of child labor and forced labor, were included in the Concrete Risk Analysis and required to complete the questionnaire. This assessment, aligned with international standards, evaluates human rights and environmental risks by requesting evidence such as certifications, policies, and processes. Based on the findings, further actions are initiated if necessary. If evidence is satisfactory, the supplier's risk classification is downgraded to low, and no further actions are required.

## 3. Identified risks

As part of the 2024 due diligence process, certain risks within the supply chain were identified, but no risks were found in SAF-HOLLAND's own business units.

Supply chain analysis identified two key areas requiring further supplier attention, which SAF-HOLLAND is committed to addressing and improving:

1. **Environmental protection:** Suppliers lacking policy statements detailing their environmental efforts.
2. **Supply chain governance:** Certain suppliers lacked a Code of Conduct for their own suppliers or did not have a grievance mechanism in place.

## 9. Grievance mechanism

In particular, in case of inquiries or suspected violations of this policy statement, all employees and external persons have the opportunity to use the whistleblower system, which is accessible via the SAF-HOLLAND website and allows secure reporting worldwide, 24 hours a day, seven days a week, in various languages. Whistleblowers are free to decide whether or not they wish to remain anonymous during the reporting process and further investigation. Additional reporting channels are also available. The global Legal & Compliance Department can be contacted at any time, employees can report directly to their immediate manager or contact the relevant HR Department. Generally,

reports on risks and violations can be submitted along the entire SAF-HOLLAND supply chain. SAF-HOLLAND is committed to investigating, addressing, and responding to such concerns as the Company places great importance on the provision of effective remedy. If required, all incoming information is carefully examined, and necessary measures are initiated. Reports received are objectively evaluated and investigated by independent employees. SAF-HOLLAND will protect reporting persons from retaliation to the best of its ability (cf. SAF-HOLLAND Rules of Procedure on the Complaint Procedure according to Section 8 LkSG).

In the event of human rights and environment-related risks and violations, the LkSG Complaints Committee is entrusted with the in-depth handling of respective cases. Together with the Human Rights Officer, the LkSG Complaints Committee is composed of permanent members from the Legal & Compliance, Sourcing, HR, ESG, and Internal Audit Departments. Based on incoming reports, it will be considered to conduct an ad hoc risk analysis or initiate the process to take corrective actions, where needed.

## 10. Effectiveness review

Using certain key performance indicators, SAF-HOLLAND's internal Audit Department determines the effectiveness of the following risk management elements annually and, if necessary, on an ad hoc basis

- implemented preventive measures,
- corrective actions taken, and
- grievance mechanism.

In this context, compliance with the guidelines and processes integrated into the risk management is also reviewed. For the internal audit review, the use of the reporting channel and reports received via the reporting channel are also evaluated for indications of potential improvements to the risk management. If necessary, the risk management is adjusted based on the findings of the review.

## 11. Reporting, documentation and review

SAF-HOLLAND is committed to regularly reporting on the progress on human rights and environmental topics across the Company, upholding the principle of transparency and to ensure compliance with legal requirements. The Sustainability Report is published annually, in which actions on all ESG topics including human rights and environmental aspects with special focus on the progress on implementing SAF-HOLLAND's human rights commitment is communicated. Additionally, SAF-HOLLAND documents the fulfillment of human rights and environmental due diligence obligations in accordance with legal requirements.

This policy statement will be reviewed on a yearly basis by the Management Board of SAF-HOLLAND SE and adjusted accordingly in line with legal requirements, if needed.

Bessenbach, December 2024



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