ifm group of companies

POLICY STATEMENT

Commitment to respect human rights as well as our environmental duties

Version 02.1

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I. Introduction

"ifm intends to be a moral company"

(ifm corporate philosophy - 1990)

Since the beginning, a values-based corporate culture has been important for the **ifm group of companies**. It shall be shaped by confidence, appreciation and moral action and be reflected in the interaction between the employees, as well as in the partnerships with our customers, suppliers and business partners.

The fundamental corporate values were laid down in the **ifm corporate philosophy** by the founders Robert Buck and Gerd Marhofer, as well as Bernhard von Spiczak, back in 1990. These values, codified right back more than three decades ago, continue to apply today, and will continue to play a central role for the activities of **ifm** going forward.

Consistent with our **corporate philosophy**, **ifm** has a **Code of Conduct**, providing a guideline to our employees for their activities. This Code expressly re-affirms the recognition of the **UN Charta on Human Rights** and forms the basis for our aspiration to be a moral company.
To further specify our values-led corporate culture and live up to the statutory requirements of the German Supply Chain Due Diligence Act (LkSG), the **Board of Directors of the ifm group** is publishing this **Policy Statement** for all companies in the **ifm group**.

Moreover, the Board of Directors harnesses the organisational underpinning of sustainability management to ensure that the requirements in terms of human rights and the environment are safeguarded.

A corporate policy on human rights due diligence also helps to identify risks at an early stage and counteract them effectively.

The **ifm group** has taken the clear decision to assume its responsibility for our supply chain and to improve our endeavours continuously to comply with the LkSG.

II. Human rights and environmental strategy

1. Respect for human rights

We expect our employees and suppliers to unreservedly respect the human rights and values laid down in our **Policy Statement**.

We, the **ifm group**, stand for the following values:

- We categorically reject child labour. We expressly recognise the Conventions 138 & 182 of the International Labour Organisation.
- We do not employ anyone against his or her will and reject forced labour, as well as any form of slavery.
- We treat each other respectfully and do not discriminate against anyone due to age, gender, colour of skin, background, religion, or for other reasons.
- We observe the occupational health and safety conditions at the place of employment.
- Employees are free to assemble without exception. Employee representatives are not discriminated against and can perform their representative functions at the workplace.
- We remunerate our employees appropriately, according to the law of the employment location and at least to the level of the local minimum wage.

The **ifm group** likewise respects the prohibition of destroying the natural livelihood pursuant to section 2 (2) no. 9 LkSG, the prohibition of unlawful forced clearances / withdrawal of land pursuant to section 2 (2) no. 10 LkSG, as well as the prohibition of contracting private/public security services without instruction and monitoring pursuant to section 2 (2) no. 11 LkSG.

2. Environmental protection

We and our suppliers undertake to adhere to the applicable environmentally relevant legal provisions and official regulations of authorities and to continuously improve environmental protection on an economically justifiable scale. In this context, we respect the conventions listed in the LkSG and observe the prohibition criteria accordingly governed by section 2 (3) no. 1 to 8 LkSG:

- Minamata Convention on curbing the mercury heavy metal or its compounds in products and manufacturing processes.
- Stockholm Convention with the resulting prohibition and restriction measures for environmentally just handling of POPs (persistent organic pollutants) including waste.
- Basel Convention on monitoring cross-border transport of hazardous waste and its disposal.

III. Process description

1. Risk management

An effective risk management identifying risks, deriving causes and implementing measures forms the basis to fulfil the duty of care of the **ifm group** in terms of human rights and environmental issues.

The structure of the **ifm group**' risk management comprises risk analyses, the **ifm whistleblowing system**, prevention measures, as well as the remedial measures to live up to the requirements of the LkSG.

To underpin group-wide risk management in the decisive business procedures, we draw on findings from the Purchasing, Compliance, HR and Environmental Management and Sustainability group departments for risk management.

The findings we obtain initiate a continuous improvement process of our analyses and how we implement measures.

2. Risk analysis

To be able to identify potential risks in our supply chain, we systematically analyse the **ifm group**' supply chain for risks in terms of human rights and the environment. We use an AI-based software solution for this purpose.

The first step of the risk analysis, the abstract risk analysis, analyses our suppliers' country and industry risks. Direct suppliers which are particularly exposed due to their industry or geographic location and exceeding a pre-defined risk threshold value are transferred into the second step of risk analysis.

The second risk analysis step, concrete risk analysis, involves an historic media screening for the critical suppliers, analysing and evaluating each supplier's media events over the past 24 months. Additionally, the critical suppliers are transferred into a daily media screening in the second risk analysis step, enabling the **ifm group** to be able to react to potential events on a timely basis.

The risk analysis process is carried out regularly in the own business area and among the direct suppliers – at least once annually. Furthermore, situation-based risk analyses are also carried out, resulting from a significantly altered or expanded risk situation.

Situation-based risk analyses are particularly carried out if we receive substantiated knowledge about a duty violation by an indirect supplier regarding human rights or environmental issues.

3. Priority risks

As part of our internal risk analysis, we identified risks relating to human rights and environmental issues, which we assessed based on our influence, the nature and scope of our business activity, the severity of a potential violation (in terms of degree, number of people affected, and irreversibility), the probability of occurrence, and our contribution to the cause. This revealed that our supply chain also includes countries where the implementation of human and environmental rights is not sufficiently guaranteed. In addition, we require materials whose procurement is associated with increased risks to human and environmental rights.

No priority risks were identified for our own business area in the last risk analysis.

For suppliers, based on the results of the last risk analysis, the destruction of the natural environment through environmental pollution as well as the prohibition of engaging or using private or public security forces, where such forces may cause adverse impacts due to insufficient training or control, have been identified as prioritized risks[*].

The identified risks are addressed by preventive measures, which are described in the following paragraph.

4. Preventive measures

Own business area

To live up to the aspiration of a moral company, the **ifm group** has laid down preventative measures to prevent potential risks in our supply chain and to minimise the probability of them arising.

[*] The priority of risks associated with suppliers has been adjusted compared to the last policy statement.

These measures include all new employees agreeing to the **ifm Code of Conduct** and thus giving their consent to the fundamental values of our company.

Training sessions are a further instrument to manifest sustainable actions in our company. In this way, **human rights**, **compliance, occupational health and safety,** and **environmental protection training** is carried out for employees. These training sessions inform employees about the legal situation and contribute to sensitising the staff.

The **ifm group** carries out E-learning on human rights, dealing with subjects such as fair working conditions, modern slavery and wage dumping in context of the LkSG.

The obligatory human rights training was rolled out step by step in all relevant business areas and will be repeated in future on a two-year cycle. In this way, we ensure that employees in key positions have been sensitised to the subject of human rights.

Our in-house digital learning management system verifies that the employees have participated and monitors their learning success.

As a control measure to verify the human rights strategy within the group, **ifm** resorts to a software-supported analysis tool. Our business locations have been maintained in this analysis tool, meaning that potential warning messages relevant to LkSG regarding our own business area are compiled and processed in a timely fashion.

Direct suppliers

We set great store by our direct suppliers complying with human rights and environmental requirements; in this regard, we harness a comprehensive **supplier evaluation system**, which has an instrumental effect on our supplier choice.

As part of our evaluation system, suppliers must fulfil requirements on occupational health and safety, environmental protection and information security consistent with the ‘comply or explain’ principle. If suppliers fulfil these requirements, this has a beneficial effect on their supplier evaluation. We are convinced that complying with these requirements is essential for a responsible and sustainable supply chain.

To ensure that our suppliers in our value-creation chain share our values and standards, they are duty bound to sign the **Code of Conduct for ifm suppliers**. This Code contains obligations which are contractually assured in terms of human rights and environmental measures; these obligations ensure that our requirements are complied with continuously.

We verify once a year that our preventative measures are effective; we also do so if there is a specific occasion for such. If required, we update our measures if we have to expect a significantly altered or expanded risk situation in our own field of

business or with one of our direct suppliers, such as during a launch of new products, projects or a new business area.

5. Remedial measures

As soon as we establish that a violation of a human rights-related or an environmental duty has already occurred or is impending in one of our own business areas or at a direct supplier, we will immediately implement the necessary remedial measures to prevent this violation, terminate such or to minimise the extent of such.

Should we violate a human rights-related or environmental duty in our own business area, we will immediately convene a working group and implement remedial measures as quickly as possible leading to termination of the violation. The same applies generally for establishing a human rights-related or environmental duty violation in our own area of business abroad, as well as in a business area consistent with section 2 (6), sentence 3 LkSG.

Should the violation of a human rights-related or environmental duty at one of our direct suppliers be so constituted that we are unable to terminate such within a foreseeable period, we will immediately create a concept to terminate or minimise such and implement such accordingly. In the process, such a concept contains a specific timeline, which must be followed. In creating and implementing such a concept, we will consider the following measures in particular:

1. jointly creating and implementing a plan to terminate or minimise the violation with the business/supplier through which the violation is caused,
2. joining forces with other businesses/suppliers are part of industry initiatives and industry standards to increase the possibility of influencing the perpetrator,
3. temporarily suspending the business relationship during the endeavours to minimise risk.

Moreover, the **ifm group** reserves the right to serve extraordinary notice on the business relationship if

1. violation of a protected legal position or environmental duty is evaluated as very serious,
2. implementing the measures resulting from the concept prove not to remedy the situation following expiry of the time defined in the concept,
3. we do not have any other milder means at our disposal and increasing our ability to influence matters does not appear promising.

We verify once a year that our remedial measures are effective; we also do so if there is a specific occasion for such. If required, we update our measures if we have to expect a significantly altered or expanded risk situation in our own area

business or with one of our direct suppliers, such as during a launch of new products, projects or a new business area.

6. Complaints procedure

The **ifm whistleblowing system** is a publicly accessible, anonymous reporting channel, enabling violations of the **ifm culture of values** to be reported. The reporting channel can be used by employees, suppliers, customers and all other potential stakeholders to feed human rights violations or violations against environmental duties into the whistleblowing system.

The whistleblower's identity, as well as the information itself, will be handled confidentially, meaning that it is ensured that the whistleblower will not be discriminated against due to the tip-off.

Each tip-off will be objectively investigated and documented by **Compliance**. Tip-offs are evaluated impartially; likewise, those affected are presumed innocent unless proven otherwise.

The Rules of procedure for the **complaints procedure** are available to the public on our website.

7. Documentation obligation and sustainability reporting

Our **sustainability management** reports to the Board of Directors annually, as well as if the situation requires such, regarding compliance with the human rights and environmental duties codified in the LkSG.

Documentation of **compliance with (human rights) due diligence obligations** is carried out on an ongoing basis internally in the Group's purchasing, compliance, human resources, and environmental protection and sustainability departments. These results are compiled annually by the specialist departments, documented as part of the effectiveness review, and retained for at least seven years.

On our website **ifm.com**, you will find the **previous year's sustainability report**, which is based on the guidelines of the Global Reporting Initiative (GRI). It also provides information on the fulfillment of due diligence obligations under the LkSG. In addition, we publish an **environmental statement** in accordance with the European Eco Management and Audit Scheme (EMAS).

We are of the firm conviction of assuming our responsibility for the supply chain and of continuously improving the endeavours to comply with human rights and ecological obligations.

Essen and Tettnang, March 2026

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