

Policies of the Pepperl+Fuchs Group

Human Rights Policy



Your automation, our passion.



Our Responsibility

Pepperl+Fuchs is an internationally active group of companies in the automation industry. The foundations of our business model are the development and production of products for electronic explosion protection and industrial sensors. Through our technologies, we are contributing to a sustainable future. In doing so, we are committed to the protection of human rights as our moral commitment and our responsibility to future generations.

As a family business, Pepperl+Fuchs attaches importance to acting ethically and is aware of its corporate responsibility. This includes respecting human rights throughout the entirety of its business operations. We are therefore committed to protecting human rights and the environment, and to preventing legal violations by upholding the provisions set out in the German Supply Chain Due Diligence Act (LkSG). We see our human rights strategy as a fundamental component of our sustainability management approach, which supports the United Nations' Sustainable Development Goals. Our aim is to minimize the risk of human rights violations and environmental pollution within the scope of our capabilities.

As a global company, we align our business activities to internationally recognized standards. These include, in particular, recognizing the United Nations' Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the core labor standards of the International Labour Organization (ILO).

Ensuring Due Diligence Obligations

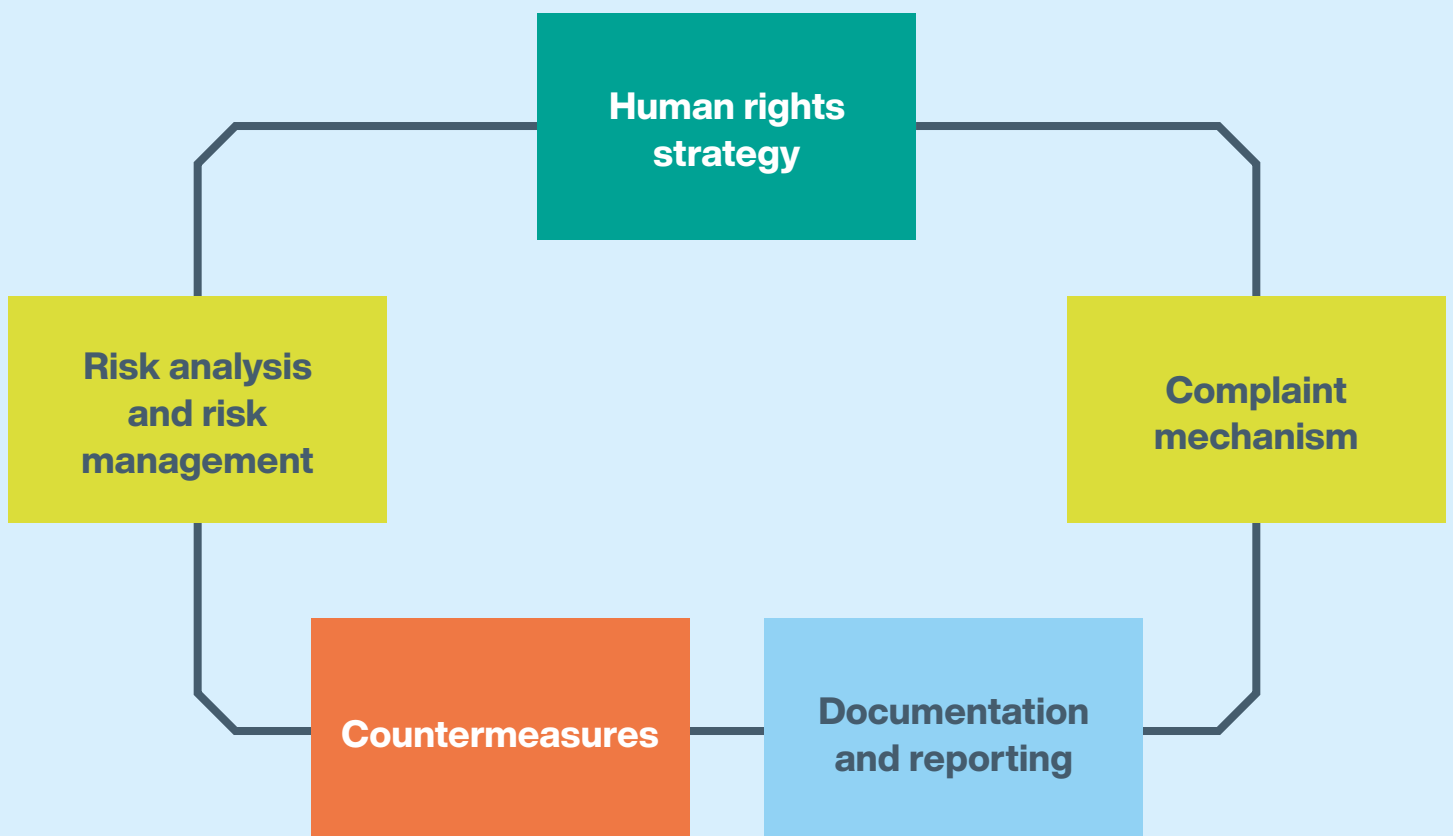
Pepperl+Fuchs has implemented a social compliance management system to continuously ensure that human and environmental rights are integrated into its business processes. This includes the following elements:

- Human rights strategy
- Risk analysis and risk management
- Complaint mechanism
- Countermeasures
- Documentation and reporting

The Board of Pepperl+Fuchs SE is responsible for implementing and complying with this human rights policy. To monitor and support the processes, the position of a human rights officer was created as a coordinating role in January 2024. The post holder is responsible for monitoring risk management and manages the associated tasks in cooperation with the respective specialist departments.

In addition, the appointed person reports to the Board at least once a year under the auspices of this role. The activities and countermeasures are undertaken in an interdisciplinary team consisting of the relevant departments.

Pepperl+Fuchs Social Compliance Management System



Risk Analysis

The basis of our social compliance management system is the risk analysis, in which protected legal positions in the areas of human rights and the environment are assessed. An annual analysis is used to identify potential risks at our suppliers and in our own business area. In addition, ad hoc risk analyses are carried out in the event of justified suspicion or fundamental changes in Pepperl+Fuchs' business activities.

The risk analysis is based on data from both external information and internal findings for evaluating abstract risks at country level and for defined material categories. In doing so, we categorize the protected legal positions as set out in the supply chain due diligence act into three subject areas:

- **Area 1:** Serious human rights violations
(violations of the bans on child labor and forced labor)
- **Area 2:** Employment rights violations
(working hours, appropriate wages, occupational safety, and freedom of association)
- **Area 3:** Environmental violations
(handling of hazardous substances and waste)

We also use the findings from the already established complaint mechanism as an indicator. The "Speak Up" whistleblower system exists for this purpose, which offers all persons the opportunity to report possible violations, including those relating to human rights and the environment—anonously if desired. In addition, there are various internal points of contact for providing information.

As soon as a risk—defined as the combination of the probability of occurrence and the severity of the possible effects—exceeds a limit value, it is addressed as a priority and countermeasures are assigned.

The risk analyses at Pepperl+Fuchs are carried out continuously and are constantly being developed. Findings from the implementation of preventive countermeasures and the complaint mechanism are incorporated into risk management.

Expectations and Countermeasures

The risk analysis forms the basis for deriving suitable countermeasures both for our own business area and for our suppliers. Preventive countermeasures include contractual clauses, questionnaires to identify specific risks, and audits, depending on the risk involved. Within Pepperl+Fuchs' own business area, certifications such as an ISO 14001-certified environmental management system at the company's largest production sites ensure compliance with standards. We provide training to raise our employees' awareness of the issues of human rights and environmental protection.

In our guidelines and contract documents, we specify our expectations of all employees and suppliers in the context of our business activities. These include in particular:

- [Code of Conduct](#)
- [Supplier Code of Conduct](#)

We expect all employees and business partners of the Pepperl+Fuchs Group to align their actions with the fundamental principles listed here.

We are aware that violations may occur despite taking the utmost care and implementing appropriate countermeasures. If we detect violations in our own business area, we take corrective action to ensure that these violations are eliminated. This is the local responsibility of each site and may be subject to corresponding sanctions, where relevant. In our supply chain, we work with third parties to end or minimize the violations.

We see the implementation of due diligence regarding human rights throughout the supply chain as a process. To continually enhance our approach, we check the effectiveness of our due diligence process and the countermeasures taken at least once a year and, if necessary, on an ad hoc basis. The implementation and enhancement of our due diligence obligations are documented internally on an ongoing basis.

This human rights policy in accordance with the supply chain due diligence act is regularly reviewed, enhanced where necessary, and amended in line with any new requirements. Pepperl+Fuchs regularly reports on its activities in the areas of human rights and environmental protection.



Dr. Gunther Kegel



Werner Guthier



Lutz Liebers



Reiner Müller



Florian Ochs

Your automation, our passion.

- Industrial Sensors
- Industrial Communication and Interfaces
- Enterprise Mobility
- Hazardous Area Products and Solutions

www.pepperl-fuchs.com

Subject to modifications • © Pepperl+Fuchs
Printed in Germany • 11/24 • public



Pepperl+Fuchs Quality

Download our latest policy here:

www.pepperl-fuchs.com/quality