

WEIDMANN RESPONSIBLE SOURCING REPORT 2024



WEIDMANN

EXECUTIVE SUMMARY

In 2024, we at Weidmann Group enhanced our commitment to responsible sourcing, focusing on human rights. Following our 2023 Materiality Assessment, we prioritized compliance with evolving due diligence regulations (particularly concerning human rights), conflict minerals, and timber products.

Achievements in 2024:

- Child labor and human rights: Expanded due diligence to include remote tier analysis for cotton products and conflict minerals.
- Conflict minerals: Introduced a Conflict Minerals Reporting Template (CMRT) and reinforced supplier engagement to prevent human rights violations.
- Timber products: Implemented a Due Diligence System for regulatory compliance in wood-based products.

We updated our Code of Conduct and Responsible Sourcing Policy, accompanied by training our teams to enhance supplier compliance. Our performance measuring system was refined with insights from risk assessments, setting concrete targets aligned with our Responsible Sourcing KPIs.

For 2027, we've set targets in seven areas, including ethical compliance and ESG accountability. Due to market specific child labor risks, cotton products have been prioritized for enhanced traceability and due diligence in 2025.

Weidmann remains dedicated to ethical procurement, in line with our values of respect and accountability. We thank our partners and stakeholders for their support in building a sustainable future that honors both the planet and its people.

TABLE OF CONTENTS

Executive Summary	1
1 Responsible Sourcing at Weidmann	3
2 Targets and Responsible Sourcing Key Performance Indicators (KPIs)	3
3 Outlook and Due Diligence Initiatives	5

1 RESPONSIBLE SOURCING AT WEIDMANN

For us at Weidmann, responsible sourcing and addressing environmental and social issues related to our supply chains are key drivers to safeguarding human rights and preserving the environment.

A Materiality Assessment conducted in 2023 revealed responsible sourcing as one of the material topics at Weidmann. The most critical objective of our responsible sourcing activities is to maintain legal compliance with rapidly evolving due diligence regulations (with special focus on human rights), conflict minerals, and timber products. This report summarizes the progress of Weidmann Group responsible sourcing activities from January 1 to December 31, 2024.

In 2024, we advanced our efforts on:

- **Child Labor and Human Rights** by broadening the scope of our annual due diligence risk assessment on child labor. Remote tier risk analysis, particularly in cotton products and conflict minerals, was added to the assessment.
- **Conflict Minerals** by reinsuring minerals and metals used at our operations are free from human rights violations. A Conflict Minerals Reporting Template (CMRT) was made available on demand for the first time in 2024, and upstream suppliers' engagement was reinforced.
- **Timber Products** by launching a group-level Due Diligence System for wood-based products to ensure regulatory compliance.

Additionally, we updated our Code of Conduct, integrated it into the supplier onboarding process, and introduced a revised Responsible Sourcing Policy and Statement, accompanied by staff training to strengthen supplier compliance with both the Code of Conduct and child labor standards. Learnings and insights gained from our 2024 annual risk assessment and progress monitoring contributed to the revision of the responsible sourcing performance measuring system drafted in 2023. Targets were concrete and timed; defined and monitored based on Responsible Sourcing Key Performance Indicators (KPIs).

2 RESPONSIBLE SOURCING TARGETS AND KEY PERFORMANCE INDICATORS (KPIs)

Targets were developed in seven areas:

1. Promoting ethical compliance across the supply chain
By 2027, 75% of in-scope suppliers commit to ethical standards in writing.
2. Embedding ESG accountability into supplier agreements
By 2027, at least 50% of signed contracts with in-scope suppliers will include enforceable ESG clauses to promote environmental responsibility and social performance.
3. Enhancing supply chain visibility and risk management
By 2027, conduct ESG risk assessments for 90% of in-scope suppliers.
4. Standardizing sustainability oversight through audits
Ensure that by 2027, all supplier audits systematically include environmental and social criteria.
5. Strengthening child-labor risk mitigation in the upstream supply chain
By 2027, 90% of tier-1 risk suppliers will have at least one risk mitigation measure implemented.
6. Empowering procurement teams as ESG stewards
Train 100% of procurement staff on responsible sourcing practices by 2027, ensuring internal capacity to assess, manage, and enforce ESG expectations.
7. Strengthen controlled wood pulp sourcing
By 2027, ensure 100% of wood pulp is sourced from FSC-certified forests, even if the purchased product itself may or may not be FSC-certified.

Based on the above targets, KPIs were defined, measured, and reported as detailed in Table 1.

Table 1. Sustainable Procurement KPIs on group level

KPI	Target 2027	Actual 2024
Percentage of in-scope suppliers with signed CoC	75%	22.5%
Percentage of signed supplier contracts with integrated environmental and social clauses	50%	14.3%
Percentage of in-scope suppliers assessed for ESG risks	90%	17.5%
Percentage of on-site audits of in-scope suppliers covered with environmental and social criteria	100%	50%
Percentage of tier-1 risk suppliers with at least one risk mitigation measure implemented	90%	42%
Percentage of procurement staff trained on responsible sourcing	100%	78.8%
Percentage of wood pulp sourced from forests holding valid FSC certification	100%	100%

To ensure all our procurement activities are compliant with our Responsible Sourcing Policy, relevant personnel are trained on key topics. A targeted training program was developed and conducted trainings in 2024 are summarized in Table 2.

Table 2. Internal Training Program 2024 of Procurement Employees and Rate of Completion

Training Topic	Training Provider	Employee Completion 2024
Sustainable Procurement Policy	EcoVadis	84.9%
Sustainable Procurement Reporting	EcoVadis	84.9%
Supplier Code of Conduct and Contract Clauses	EcoVadis	78.8%
Value Chain Risk Management	EcoVadis	78.8%

3 OUTLOOK OF DUE DILIGENCE INITIATIVES

Annual revaluation of our due diligence focus ensures we effectively address the highest areas of risk. As a result of our 2024 risk assessment, in addition to the already ongoing due diligence initiatives, we prioritized cotton products. The prioritization was made due to persistent child labor risks in remote tiers of the supply chain, especially in cotton farming and textile production. Despite limited risk at our direct suppliers (tier-1), the lack of transparency at upstream levels warranted our prioritization, which aligns with global reports in the field, including UNICEF.

In 2025, we aim to build on the processes and measures initiated in 2024 by setting more ambitious implementation targets, including:

- To strengthen traceability and risk assessments for in-scope suppliers, with a focus on identifying child labor risks in upstream supply chains.
- To advance due diligence efforts for cotton-based products, including cotton pulp and uniforms, to ensure compliance with legal and ethical standards.
- To enhance supplier engagement by implementing targeted questionnaires to assess suppliers' environmental, social, and ethical performance, and integrating risk evaluation and analysis into the procurement process.

We remain committed to ethical and responsible procurement practices, integral to our core corporate values of respectful and accountable.

We thank our partners and stakeholders for their support and collaboration. Together, we are building a better tomorrow – one that respects the planet and its people. We look forward to sharing our future achievements and continuing our journey towards responsible sourcing.

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