

Policy Statement on Respect for Human Rights and Related Environmental Rights

Festo Group



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Festo Group

1. Commitment to respect for human rights and related environmental rights

As an internationally active family-owned company, we are present in more than 60 countries with our own companies and 250 branches. The Festo Group employs over 20,000 people worldwide. Festo attaches great importance to acting ethically and in compliance with the law and regulations. The corporate culture is characterised by appreciation and respect.

Our business activities are based on internationally recognised social and environmental standards. This applies in particular to:

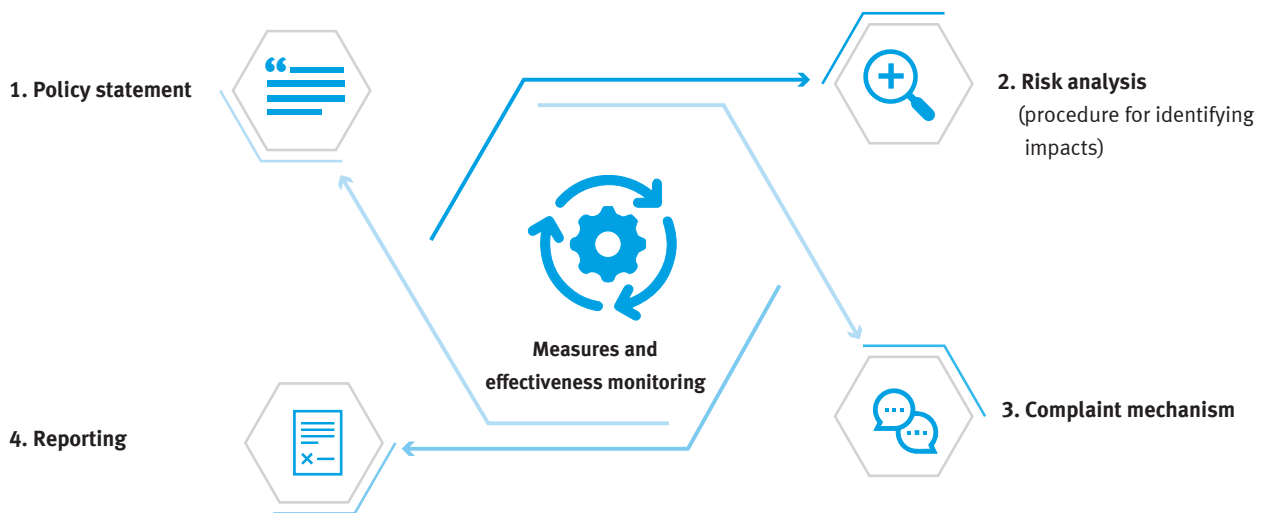
- the 30 articles of the **United Nations Universal Declaration of Human Rights**
- the **UN Guiding Principles on Business and Human Rights**
- the five core **labour standards and the Declaration on Fundamental Principles of the International Labour Organization (ILO)**, namely freedom of association and the right to collective bargaining, the elimination of all forms of forced labour, the abolition of child labour and the elimination of discrimination in employment and occupation, and occupational safety and health
- the **SA 8000 standard of Social Accountability International**

In addition, we have implemented Group-wide guidelines that define attitudes and frameworks for action regarding human and related environmental rights for us and our business partners. These include:

- our **Festo Code of Conduct**
- our **Festo Code of Conduct for Business Partner**
- our **Festo Terms and Conditions of Purchase**
- our **Festo International Quality and Environmental Management Manual**
- our **Prohibited Substances Standard**
- our **'Safety' Corporate Directive** with the **International Safety Manual for Occupational Health and Safety**

2. Process for ensuring corporate due diligence

In order to implement our corporate diligence, we have defined clear tasks and responsibilities as part of our risk management. These are described in an internal, global process at Festo:



The **Policy Statement on Respect for Human Rights and Related Environmental Rights** is issued on behalf of Festo SE & Co.KG as the parent company and its affiliated companies (the **'Festo Group'**). Festo therefore undertakes to protect human rights and related environmental rights, as well as to prevent legal violations, both within its own business area and towards its business partners (direct and indirect suppliers).

The Management Board of the Festo Group is responsible for implementing and complying with this policy statement. Every company in the Festo Group is obliged to adhere to this policy statement. The human rights officer is responsible for monitoring and ensuring the firm anchoring of due diligence obligations. The human rights committee advises them. Sustainability activities are initiated, planned, coordinated and managed by the corporate responsibility department. The derived measures are implemented at the appropriate level within the Festo Group. Supply chain activities and risk management monitoring are handled and overseen by the relevant departments within the company on an interdisciplinary basis.

The basis of our corporate diligence is a **risk analysis**. In the future, we will examine the effects of our business activities on human rights and their related environmental impact on both an annual basis and as required. For our own business area and our suppliers, we identify possible abstract and concrete risks using external and internal data sources that we use to determine country and product group risks (purchasing) or business purpose-specific risks (own business unit). Data sources include both external information and internal insights from on-site inspections and other **control measures**. The risks are then prioritised according to the degree and extent of responsibility.

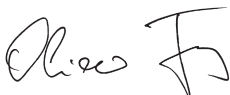
The risk situation forms the basis for determining suitable measures for our own locations and direct suppliers. Our **preventive measures** include Group-wide guidelines and the resulting measures that apply to us and our business partners. In our own business area, we also rely on certification. For example, all production and logistics sites are certified according to ISO 140001. We also offer training courses to make our employees aware of human rights and related environmental rights. We will continue to expand and develop these.

If we identify breaches, we implement **remedial measures** within our own business unit to resolve them. This is done under the local responsibility of the locations and may include appropriate sanctions. In the supply chain, we work towards stopping or minimising the breach. We expect our suppliers to cooperate fully in such endeavours, especially in clarifying facts, and reserve the right to take legal action up to and including termination of the business relationship.

We are aware that violations may still occur despite exercising due care and taking appropriate measures. For this reason, we have established a whistleblower system that offers all whistleblowers the opportunity to lodge **complaints** about violations. Suspected violations of human rights can be reported anonymously via the [whistleblower portal](#). In addition, reports can also be sent directly to the [compliance office](#) or the [corporate responsibility](#) department. The specific procedure is described in detail in the respective system. We are committed to investigating all reported violations, implementing appropriate corrective and preventive measures and imposing suitable penalties.

Festo regularly reports on legal requirements and voluntary commitments with regard to human rights and related environmental rights. From 2023, annual **reports** will be submitted to the Management Board of the Festo Group and the relevant authorities. Activities are presented transparently as part of our sustainability report. This policy statement is regularly reviewed, continuously developed and adapted in line with new requirements.

We consider the implementation of human rights due diligence throughout the entire supply chain to be an ongoing process. To ensure continuous development, we review the **effectiveness** of our due diligence process and the measures taken at least annually and as required. The implementation and development of our due diligence obligations are documented internally on an ongoing basis.



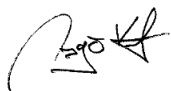
Dipl.-Ing. Dr h.c. Oliver D. Jung
Chairman of the Management
Board



Dipl.-Ing. Gerhard Borho
Member of the Management
Board Information Technology
and Digitalisation



Dipl.-Ing. (FH) Frank Notz
Member of the Management Board
Sales



Dr Ansgar Kriwet
Member of the Management
Board Research and Development



Dr Jaroslav Patka
Member of the Management
Board Operations