

# **Policy Statement**

With this Policy Statement, Leica Camera AG (hereinafter "Leica") affirms its stance on respect for human rights as a fundamental value, for itself and also for its business partners, suppliers and customers. The following Policy Statement was adopted by the Management Board on December 13, 2023 and is based on a preceding risk analysis.

The measures taken by Leica for the protection of human rights and environmental issues serve to ensure compliance with the conventions specified by the German Act on Corporate Due Diligence Obligations in Supply Chains (hereinafter "Supply Chain Due Diligence Act" or "SCDDA") (*in German: Lieferkettensorgfaltspflichtengesetz; "LkSG"*) in its Annex to Sections 2 (1), 7 (3) s. 2.

## **Risk analysis**

Starting in 2023 and with the support of external advisors, Leica carried out an analysis of potential risks in the supply chain (own business operations and direct suppliers) in order to identify and evaluate priority human rights risks or environmental risks. The results of this risk analysis and the present Policy Statement were made known and explained to the responsible employees in the relevant divisions and to the Management Board.

Within the scope of the risks analysis carried out by Leica, the following risk areas were identified which possibly relate to the suppliers' goods required in production: Forced labour, child labour, discrimination of minorities, freedom of association, occupational health and safety, adequate wages according to applicable law and risky raw materials.

## **Risk management system:**

Based on the results of the risk analysis, Leica devised a system to monitor the compliance with the due diligence obligations in the supply chains. The compliance and monitoring of this system is incumbent on an interdisciplinary team created for this purpose (hereinafter "SCDDA-Team").

Policies, processes and work instructions support an effective performance of tasks through integration into the relevant business processes. In addition, the SCDDA-Team regularly once a year, and if necessary ad hoc in the event of a specific cause, reports to the Management Board the results of the risk analysis and the findings from the risk management system.

## **Preventive measures**

In order to prevent the realisation of the supply chain risks mentioned above, Leica will extend and adjust existing processes. This includes processes regarding the selection of suppliers and the onboarding of new suppliers. In the future, Leica will examine the established processes of the direct suppliers for the protection of human rights and environmental issues in the supply chain already when selecting the suppliers. To ensure that the direct suppliers equally protect human rights and the environment, Leica determined binding rules which the suppliers and of course also Leica in its own business operations have to follow within the scope of production. Suitable measures such as, for example, the introduction of a specific Supplier Code of Conduct shall ensure that suppliers of Leica are aware of the significance of human rights and the environment and comply with all concerns relating to human rights and the environment. Therefore, we will contractually oblige all our direct suppliers to comply with the laws applicable in the respective country and with the core labour standards of the International Labour Organisation (ILO), to respect human rights and to adequately address human rights risks towards their own business partners.

Also already existing suppliers are subject to a continuous monitoring process and standardised audits, inter alia according to the VDA Guideline 6.3.

Moreover, we carry out risk-based audits at our direct suppliers, e.g. in the form of on-site checks. This includes - to the extent possible - also the involvement of potentially affected persons and, if applicable, their representatives.

Furthermore, Leica focuses on the continuous further training of our own employees in the relevant departments, such as, for example, Procurement and Quality Management, in the form of existing mandatory training sessions. In addition, Leica seeks to extend the offer available for training sessions regarding new policies and regulations, which are intended to sensitize employees in the relevant areas with regard to risks of a human rights or environmental nature.

### **Remedial measures**

In the event of a potential human rights or environmental violation, Leica will initiate the required and necessary steps to investigate the facts together with the suppliers, to identify the potential violation, and to coordinate measures to end it within the scope of the statutory regulations.

### **Grievance procedure**

Leica endeavours to prevent risks and to follow up on indications of potential violations of a law or Leica's compliance rules at an early stage. Therefore, Leica implemented a whistleblower system which offers employees and external whistleblowers the possibility to provide information on potential violations of a legal or ethical nature according to the Whistleblower Protection Act. Additionally, Leica introduced a further grievance system to enable and investigate specific reports regarding human rights or environmental violations within the meaning of the SCDDA.

More detailed information on the general whistleblower system and the special grievance procedure according to the SCDDA, including the Procedural Rules thereto, are available on the [homepage](#).

### **Effectiveness of the measures**

Within the scope of an annual evaluation process, all measures (preventive and remedial measures) as well as the grievance procedure are examined for effectiveness and appropriateness. Moreover, audits are carried out on an ad hoc basis, if significant changes occur in the business relations between Leica and the direct suppliers or if a significantly extended risk situation arises, for example due to the introduction of new products, projects or a new business field.

### **Indirect suppliers**

For the event of concrete indications of the existence of human rights risks and environmental risks with regard to the indirect suppliers, Leica will also carry out investigations in this area. These include both the performance of risk analyses, the implementation of preventive measures, the creating of concepts for minimizing or ending risks and, if necessary, adjustment of the Policy Statement.

### **Documentation and reporting**

Leica attaches particular importance on transparency and trust. For this reason, Leica will prepare and publish a report each year, in which various requirements according to the SCDDA are made transparent, e.g. generally the compliance with the due diligence obligations, potential violations of human rights and environmental obligations, preventive and remedial measures taken, effectiveness and appropriateness of the processes for the fulfilment of the due diligence obligations and the corresponding consequences which result from the evaluation of the processes. The documentation of this report is furthermore stored for seven years.

### **Expectations for employees and direct suppliers**

Leica attaches greatest importance on the respect for human rights and environmental issues within its own business operations and in the selection of its suppliers. It is therefore particularly important for Leica that the own employees and suppliers are equally committed to respecting and protecting human rights and the environment, and for this purpose establish corresponding processes.

This Policy Statement does not have any retroactive effect and enters into force on 1 January 2024. No rights of individuals or third parties can be derived from it.

Wetzlar (Germany), in December 2023  
Management Board of Leica Camera AG