

Adolf Würth GmbH & Co. KG · 74650 Künzelsau

Thomas Klenk
Managing Director of
Adolf Würth GmbH & Co. KG

T +49 7940 15-2409
F +49 7940 15-52409
thomas.klenk@wuerth.com

Reference/Letter no.
tk:lk 1054000209

Künzelsau, August 2022

Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG)

Dear suppliers,

Much of today's world trade is based on global value chains. It is therefore important that we are aware of the economic, social and environmental impact of our economic activities on society. The primary concern is the protection of human rights and the environment.

Adolf Würth GmbH & Co. KG already assumes social responsibility, having established a sustainable supply chain management. Within this framework, we have defined minimum requirements for our suppliers as regards environmental protection, human rights and fair working and business practices. In January 2023, a new law will enter into force in Germany, setting out these principles.

The Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains aims to protect human rights and the environment in global supply chains. The Act initially applies to German companies with more than 3,000 employees and will be extended to companies with more than 1,000 employees as of 2024.

The Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains stipulates graduated due diligence obligations for companies. From 1 January 2023, companies must ensure compliance with human rights and environmental protection within their own field of business and at their direct suppliers. Indirect suppliers need only be checked in individual cases. In case of non-compliance, fines of up to 2.0 % of the average annual sales volume may be imposed or the company may be excluded from public contracts.

In addition to the German Act, a European Corporate Sustainability Due Diligence Directive has been proposed and is up for adoption. The proposed EU Directive is much stricter than the German Supply Chain Due Diligence Act. It applies to companies with 500 employees and companies with 250 employees if they operate in high-risk sectors, such as textile processing or mining. Unlike the German Act, the EU Directive stipulates civil liability for non-compliance under certain conditions. The forthcoming EU Corporate Sustainability Due Diligence Directive requires EU companies to implement human rights and sustainability criteria and to audit their suppliers along the entire global supply chain. It includes the company's own field of business, its direct and indirect suppliers.

Although you may not be subject to supply chain due diligence obligations, we believe that the matter also applies to you. As our partner and part of the supply chain, you are important to us now and in the future.

Our common goal has been and will be to require our indirect suppliers to protect human rights and the environment as well as to ensure fair working and business practices and to document their respective efforts.

Please make sure to inform yourselves about the new statutory basis and the resulting transparency in supply chains. Upholding human rights and protecting the environment are key concerns for the Würth family business. Therefore, join us in setting the course for successful implementation of legal requirements and sustainable supply chains. Via the following link we would like to refer you to our Supplier Code of Conduct. Please note that this Supplier Code of Conduct is part of our General Terms and Conditions of Purchase on the basis of which we place our orders and must therefore be observed by all our suppliers.

https://www.wuerth.de/web2/medien/scoc_en.pdf?_gl=1*15t7ob6*_ga*MTExODk4Nzc1Ni4xNjQzMzU1MTY4*_ga_TGZKVS4TMM*MTY2MTQzMjlyNS42MC4wLiE2NjE0MzlyMjUuMC4wLjA

Should you have any questions, please do not hesitate to contact us by email sustainable.procurement@wuerth.com.

Kind regards,

A handwritten signature in black ink, appearing to read 'Thomas Klenk'.

Thomas Klenk

A handwritten signature in black ink, appearing to read 'Holger Malich'.

Holger Malich