

# **Human Rights Policy**

***BayWa r.e. Group***

# Human Rights Policy BayWa r.e. Group

Valid for all fully consolidated companies of BayWa r.e. Group\*

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Author	Senior Manager Social Compliance
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This policy was approved by BayWa r.e. Group Executive Board.



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\*BayWa r.e. Group consists of BayWa r.e. AG and all its affiliates. Affiliate shall mean a company, corporation or other legal entity which is directly or indirectly controlled by a BayWa r.e. AG with the meaning of Section 15 of the German Stock Corporation Act (AktG), provided that "control" shall require the ownership of the majority of the partners', shareholders' or members' voting rights or the possibility to exercise a dominant influence pursuant to a contract or pursuant to the memorandum or articles of association.

This policy stipulates principles applicable to the BayWa r.e. group entities referred to in the above sub-heading (collectively the **“Recipient Entities”**). This policy is addressed to the management of all Recipient Entities, and such management shall be responsible for implementing this policy by organisational instructions or work instructions or other equally effective means. When implementing this policy, the Recipient Entities’ management shall take account of all local conditions, rules, laws and regulation.

#### Mandatory Additional Information for the BayWa r.e. AG corporate book

Area of Validity	All Entities group-wide
Owner of directive	Head of Corporate Sustainability
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1.0	Version 1 - None	01.08.2025

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## 1. Statement from the Board

Dear colleagues,  
dear customers,  
dear business partners and suppliers,

Our strategic objective at BayWa r.e. is to accelerate the growth of renewable energy. We consider achieving this a success only if we do this sustainably, and by considering environment, society and people. As a leading global renewable energy developer, Independent Power Producer (IPP), service provider and distributor, we are actively shaping the future of energy. We aim to build solar and wind parks as well as battery energy storage systems (BESS) that offer direct benefits to local stakeholders, in addition to providing energy based on sound environmental and social principles. We are deeply involved in global supply chains and see it as our duty to take economic, ecological and social responsibility for them. We actively engage with our suppliers to increase supply chain transparency. Our aim is to ensure that human and environmental rights are respected throughout our global business as well as by our partners and suppliers.

With this Human Rights Policy, which also comprises environmental rights with a connection to people and societies, we commit ourselves to respecting human and environmental rights in our own business area and in our supply chain. By upholding the principles of this policy, we follow regulatory standards that guide us how human rights related risks are prevented, mitigated and remediated, if relevant. Furthermore, it describes our internal procedures about identification, management and monitoring of internal and supply chain risks related to human and environmental rights.

Moreover, this Human Rights Policy is complementary to the following documents:

- The guiding principles of our actions are specified in our internal [Code of Conduct](#).
- The [Supplier Code of Conduct](#) formulates the requirements we place on our business partners in the supply chain.
- The BayWa r.e. [Global HSE Policy](#) describes our internal commitment concerning HSE related matters.
- The specific measures for protecting human and environmental rights are implemented in the BayWa r.e. Social Compliance Management System (SCMS). It aims to identify and minimise human rights and environmental risks across BayWa r.e.'s own business operations and supply chains.



Our commitment to sustainability, the environment, human rights and our people is set out further in our Sustainability Framework and explained in more detail in our annual [Sustainability Reports](#).

We are convinced that BayWa r.e. can only be successful in the long term if we live up to our corporate responsibility to respect human and environmental rights locally and globally. This Human Rights Policy is an important step in this direction. Every one of us is called upon to apply the contents of it in practice and thus move BayWa r.e. towards a more sustainable and fair future at all levels.

We thank you for your support!

Your Board of Management

## 2. Human Rights Policy

### Introduction to our Human Rights Policy

At BayWa r.e., we r.e.think energy – how it is produced, stored and can be best used to enable the global renewable energy transition that is essential to the future of our planet. As part of this journey, acting responsibly with respect to human rights, nature and the environment is a cornerstone of our business culture. We are committed to an ecologically, ethically and socially responsible corporate governance system, and corresponding integrity and sustainability throughout the supply chain. The responsible treatment of our employees, customers, suppliers and natural resources is therefore firmly anchored in our corporate activities. BayWa r.e. adheres to all applicable regulations for protecting human rights as a fundamental and universally applicable requirement. In our opinion, economic success is only possible in the long term if we also take responsibility for the potential social and ecological impacts of our business activities.

BayWa r.e. is subject to the requirements of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG) when implementing its human rights and environmental due diligence. In accordance with Section 6 paragraph 2 LkSG, the LkSG requires, among other things, the publication of a Human Rights Policy that sets out the company's strategy for protecting human rights and fulfilling its environmental obligations. Key elements of this Human Rights Policy are the description of the procedures BayWa r.e. uses to comply with its legal obligations.

This Human Rights Policy is based on the principles set forth in national laws and regulations. We respect all human rights expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

This Human Rights Policy, the [Code of Conduct](#) and the [Supplier Code of Conduct](#) summarise the principles of our actions and the requirements for the actions of our business partners based on the contents of the above-mentioned standards and guidelines.

Our further commitment to sustainability, the environment, human rights and our people is set out in our Sustainability Framework and explained and disclosed in more detail in our annual Sustainability Updates.

All of our employees, business partners, and suppliers are called upon to apply and implement these principles and make our joint business activities more sustainable and fairer. Our goal is to ensure that applicable human and environmental rights are respected both at a group-wide level as well as by our partners and suppliers.

## Our approach to implementing human and environmental rights



### Risk analysis

Identification, assessment and prioritization of human rights and environmental risks

### Prevention

Measures to minimize and avoid risks in the own business unit, the direct and indirect supply chain

### Complaints procedure

Access for third parties, suppliers and employees to an internal or external complaints procedure

### Remedial action

Take appropriate remedial action after a risk has been identified to prevent, stop or minimize injury

### Documentation and reporting obligation

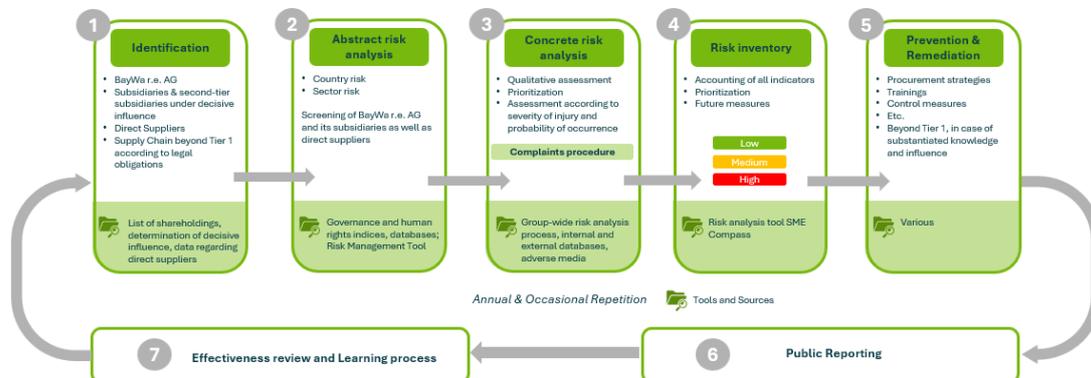
Annual reporting to the public on identified human rights and environmental risks, measures and assessment of their effectiveness

Our goals and requirements in this regard are managed through the Social Compliance Management System (SCMS). The SCMS is based on the five elements (see diagram above) of human and environmental rights due diligence according to the UN Guiding Principles on Business and Human Rights and as also set out in the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG). The aim of the BayWa r.e. SCMS is to identify and minimise human rights and environmental risks in accordance with the legal obligations within BayWa r.e.'s own business activities, in its supply chains and within the business activities of those subsidiaries that fall under its decisive influence. In doing this, BayWa r.e. aims to protect the people and environment affected, the company and its reputation, business continuity, the Board of Management, and all employees.

To achieve this goal, appropriate measures are defined by Corporate Social Compliance in cooperation with the relevant corporate divisions. The implementation of the measures, explained in more detail in the following, is an ongoing process, as we recognise that the human rights related and environmental risks may change over time as our business operations and operating context evolves.

The different steps of our SCMS are shown and explained in more detail below.

## Social Compliance Management System: Process



## Risk analyses

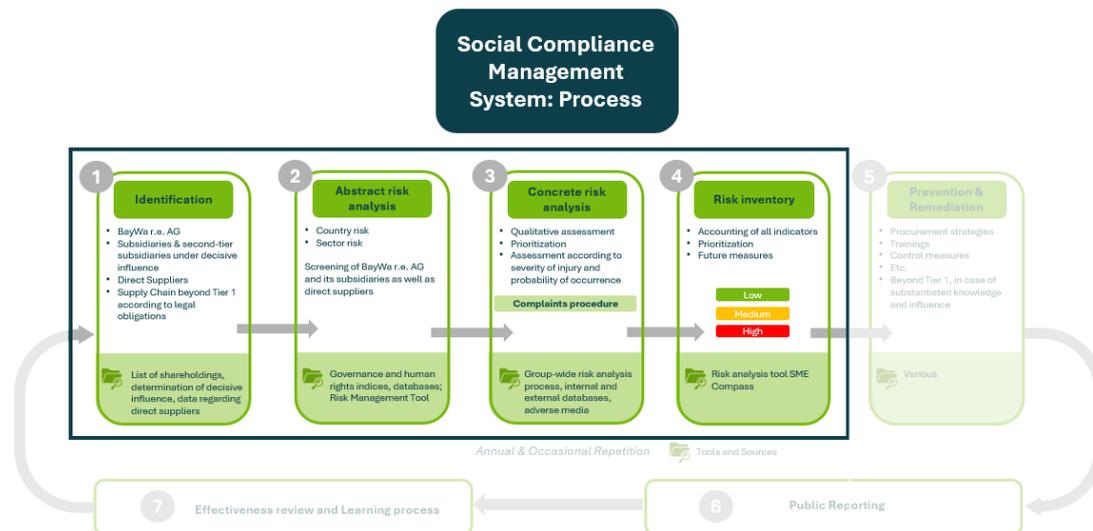
To develop our risk profile, we carry out risk analyses on a regular basis. These allow us to classify and prioritise risks based on, among other things, country and sector-specific risk assessments as well as our influence over suppliers.

BayWa r.e. systematically assesses human rights and environmental risks and impacts through due diligence processes that cover our own operations as well as our procurement and purchasing. The assessment of risks is carried out using different methods, which vary depending on the area of activity and are relevant for BayWa r.e. and its affiliated companies.

Regular risk analyses serve to identify, assess and prioritise human rights and environmental risks at an early stage and ensure permanent awareness with regard to possible social and environmental violations.

To cover the holistic impact scope of BayWa r.e., we carry out risk analyses for BayWa r.e., including its subsidiaries and second-tier subsidiaries, and direct suppliers.

## Risk analysis of human and environmental rights in our own business area

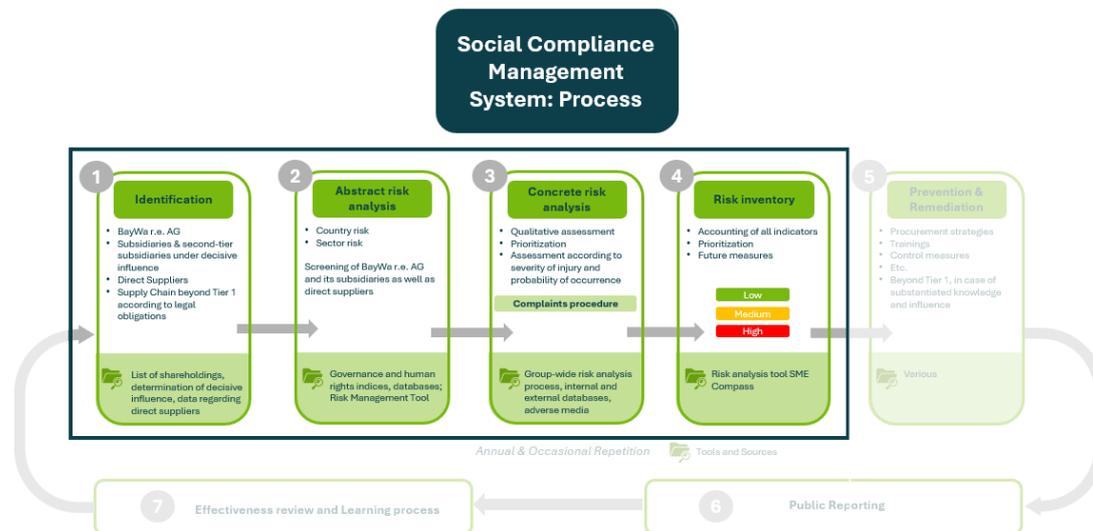


To identify and prioritise human rights and environmental risks within BayWa r.e.'s own business area, the country and sector risks of the company (including its subsidiaries and second-tier subsidiaries) are examined as part of an abstract initial assessment. Country risks are determined using governance and human rights indices and a database; individual sector risks are determined with the help of NACE-Codes and a database. The results of the abstract risk analysis are presented in a three-tier format (low risk – medium risk – high risk). Furthermore, the document regarding potential human rights risks along the supply and value chains of selected sectors of the German energy industry was developed and published as part of the Branchendialog Energiewirtschaft (Energy Industry Dialogue), which is also incorporated into the risk analysis.

The results of the abstract risk analysis as well as the risk analysis are combined in a risk inventory and are supplemented by findings from the complaints procedure and an adverse media screening. The risks contained in the inventory as well as potential human rights and environmental violations are then prioritised according to the recommendations of the risk analysis tool "[SME Compass](#)". The SME Compass provides for risks to be assessed according to the severity of the violation (defined according to extent, scope and irreversibility), probability of occurrence and the company's share of causation. The risk inventory forms the basis for preventive and remedial measures.

Depending on the degree of risk, adaptation of the prevention and remedial measures takes place. Possible prevention and remedial measures range from the development and implementation of business processes to training and further education concepts to risk-based control measures. The aim of all measures is to prevent future risks as early as possible and to remedy potential existing violations or risks.

## Risk analysis of our direct suppliers



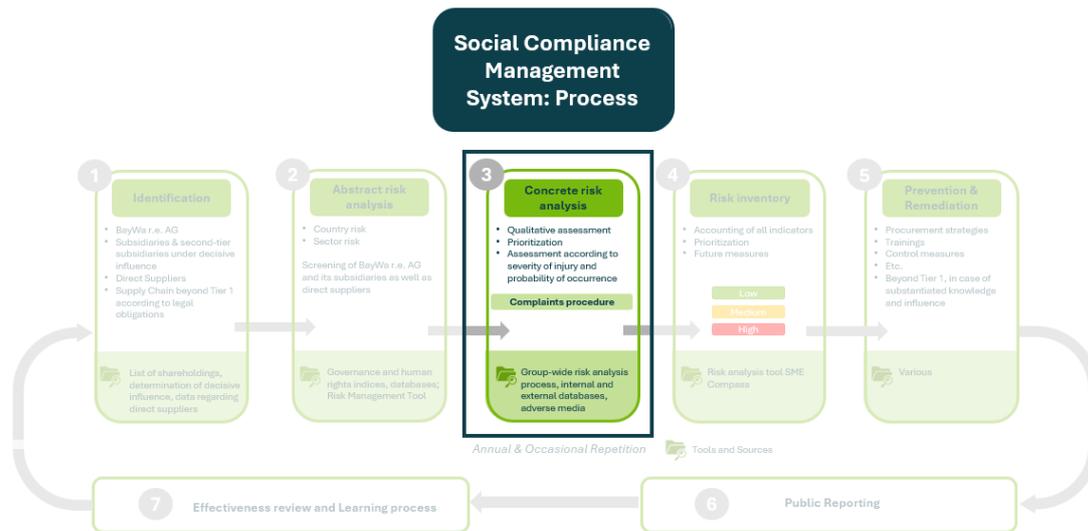
The risk analysis process for BayWa r.e.'s direct suppliers follows similar principles as the analysis process for the company's own business area. The master data is provided to Corporate Social Compliance for both the suppliers of BayWa r.e.'s business units as well as the suppliers of BayWa r.e.'s affiliated companies under full control according to the LkSG and is uploaded and maintained on an internal platform. Suppliers are assessed on the basis of country and sector risk, analogous to the abstract risk assessment of BayWa r.e. and its subsidiaries.

The subsequent concrete risk assessment is based on the results of the abstract risk analysis, the complaints procedure, the adverse media screening and follows a risk-based approach. It considers, on a case-by-case basis, the probability of occurrence of possible violations as well as their severity, which is based on the extent, scope and irreversibility of the violation. In addition, BayWa r.e.'s direct or indirect contribution to the adverse impact is determined in a diligent assessment by Corporate Social Compliance. The risks as well as potential human rights and environmental violations are again prioritised according to the recommendations of the risk analysis tool "[SME Compass](#)".

Another factor subsequent to the risk assessment of suppliers is BayWa r.e.'s ability to exert its influence on them. This is determined based on the procurement volume and other indicators, such as the type of contract concluded. Risks for which BayWa r.e. has a higher capacity to influence are prioritised. In addition, the results of the supplier self-disclosures are incorporated into the specific risk assessment. The self-disclosures are sent to suppliers who are economically material to BayWa r.e. or its subsidiaries.

A suppliers' overall risk regarding human rights and environmental violations is determined by a final assessment of all indicators and mapped in a risk inventory. The risk inventory and prioritisation also determine the individual adaptation of preventive and remedial measures.

## Complaints procedure as part of risk analysis

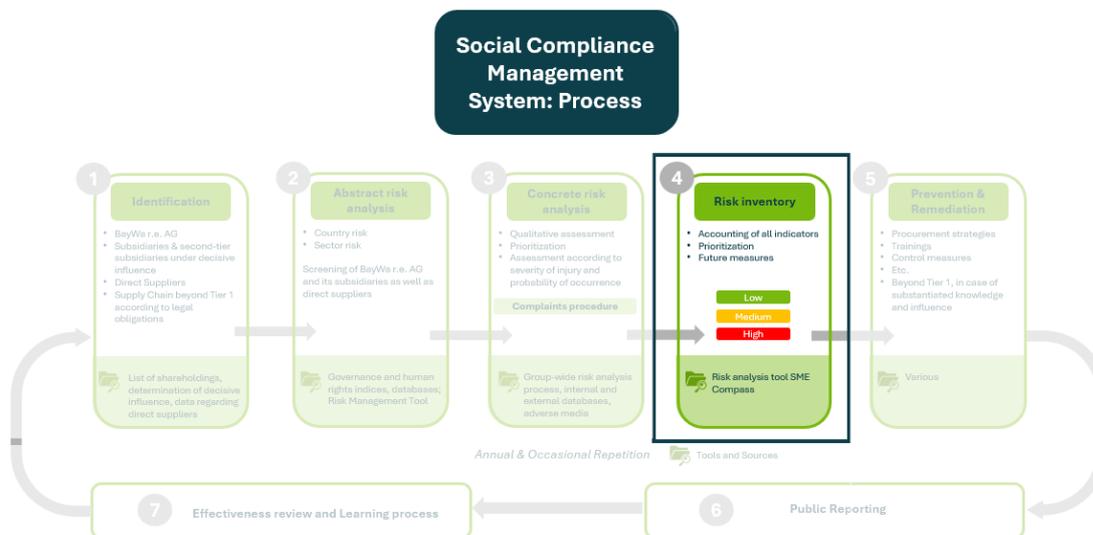


BayWa r.e. has been using a **complaints procedure** with various channels since 2022 giving people, business partners and external parties the means to report suspected human rights and environmental violations and the opportunity to seek remedial assistance.

These channels include our anonymous and web-based whistleblowing system [CompCor](#). This system is open to everyone, including all our people, business partners and third parties who wish to report breaches against among other things this Human Rights Policy. Reports are processed by BayWa r.e.'s Corporate Compliance Team and the Corporate HR Team together with other involved Functions. The whistleblowers are informed of the processing and the outcome. We take care to safeguard the legitimate interests of suppliers and business partners, as well as the rights of employees, particularly regarding the protection of data and business secrets. If a (suspected) case is reported in good faith, the whistleblower – regardless of whether the suspicion is ultimately confirmed or not – does not have to fear any disadvantages. We will not tolerate any kind of retaliation or discrimination.

Alternatively, anyone directly or indirectly affected by breaches of this Human Rights Policy can contact [BayWa r.e.'s Corporate Social Compliance](#) Team directly.

## Our identified relevant human rights and environmental risks



**Environment and biodiversity:** Care for the environment and biodiversity is part of our human rights policy as all human beings depend on the environment in which we live. A safe, clean, healthy and sustainable environment is integral to the full enjoyment of a wide range of human rights, including the rights to life, health, food, water and sanitation. Without a healthy environment, we are unable to fulfil our aspirations. Environmental sustainability is therefore an integral component of our Sustainability Framework. We therefore apply measures in our own operations, and through our business partners, to address issues around climate change, biodiversity, water, waste and other issues.

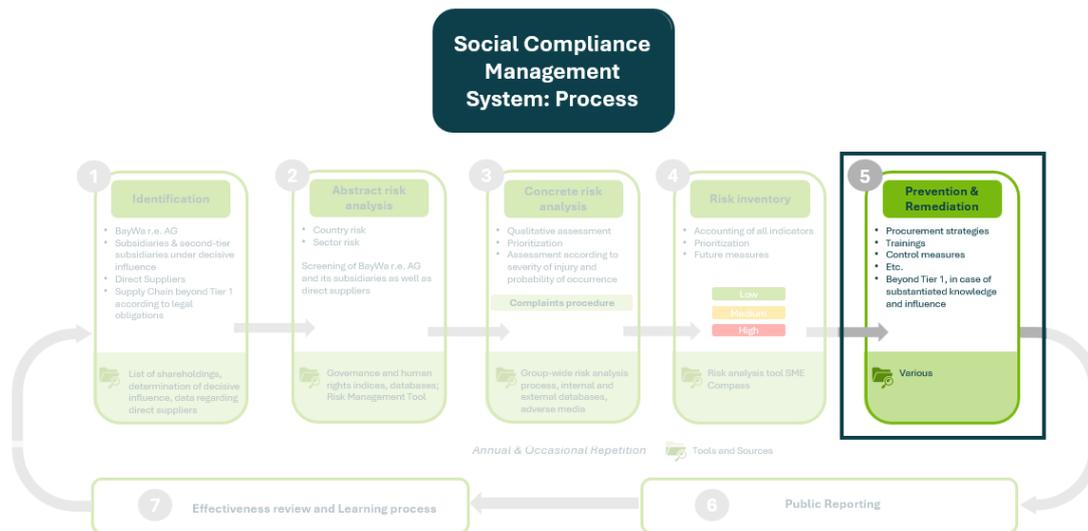
**Employment practices:** We treat all of our employees with respect and dignity and promote diversity and inclusion in the workplace. Our company policies and procedures adhere to all applicable domestic laws and are consistent with ILO core labour principles, including freedom of association and collective bargaining, non-discrimination, equal remuneration, elimination of forced labour and child labour and occupational safety and health. We expect our business partners to behave and act in a similar manner.

**Forced labour:** We are aware of the risk of forced labour in certain product categories and geographies and work diligently to prevent them. For further information regarding this topic, see our [annual Sustainability Reports](#).

**Community engagement and indigenous peoples' rights:** We commit to respect the rights, interests, concerns and development aspirations of the communities affected by our operations by conducting meaningful stakeholder engagement. We strive to engage stakeholders as early as possible, while also providing them with context and stakeholder-appropriate channels to raise concerns during and after projects are completed, with a particular attention given to rarely heard and/or vulnerable groups.

We respect the diversity of indigenous peoples, acknowledging the unique and important interests that they have in the land, waters and environment as well as their history, culture and traditional ways. We therefore engage with communities and seek to understand the social, cultural, environmental and economic implications of our activities, so that we can respond to concerns and work to optimise benefits and reduce adverse impacts, both for local communities and the company.

## Prevention and Remediation



Based on the results of the risk analyses and the risks identified therein, Corporate Social Compliance develops **preventive measures** to minimise risks in close consultation with Corporate Sustainability, Procurement and other internal stakeholders. These measures are factored both into our internal purchasing processes and are implemented in the context of our business relationships.

Prevention and remediation measures can range from contractual assurances of compliance with the [Supplier Code of Conduct](#) regulations to self-disclosures, audits and control mechanisms to training and quick checks on the requirements of the LkSG. Moreover, they can include, but are not limited to, the adaptation of procurement strategies and active engagement with affected stakeholders. The aim of these measures is to prevent and, if necessary, remedy the violations and to raise awareness among suppliers.

To further intensify leverage for preventing risks, BayWa r.e. is member of the [Branchendialog Energiewirtschaft](#) (Energy Sector Dialogue) and the [Solar Stewardship Initiative \(SSI\)](#), both multi-stakeholder platforms focused on addressing social and environmental issues in the energy industry. With the Branchendialog Energiewirtschaft and the participating companies, associations, unions, civil society organisations, the German Institute for Human Rights and the Federal Ministry of Labor and Social Affairs (BMAS) want to pool competencies and resources to better understand human rights risks in the German energy industry and along the global supply chain. Together, they aim to develop concrete measures for identified potential risks in the industry. The SSI develops industry standards, including an ESG Standard and a Supply Chain Traceability Standard to evaluate the performances of its members and their supply chains.

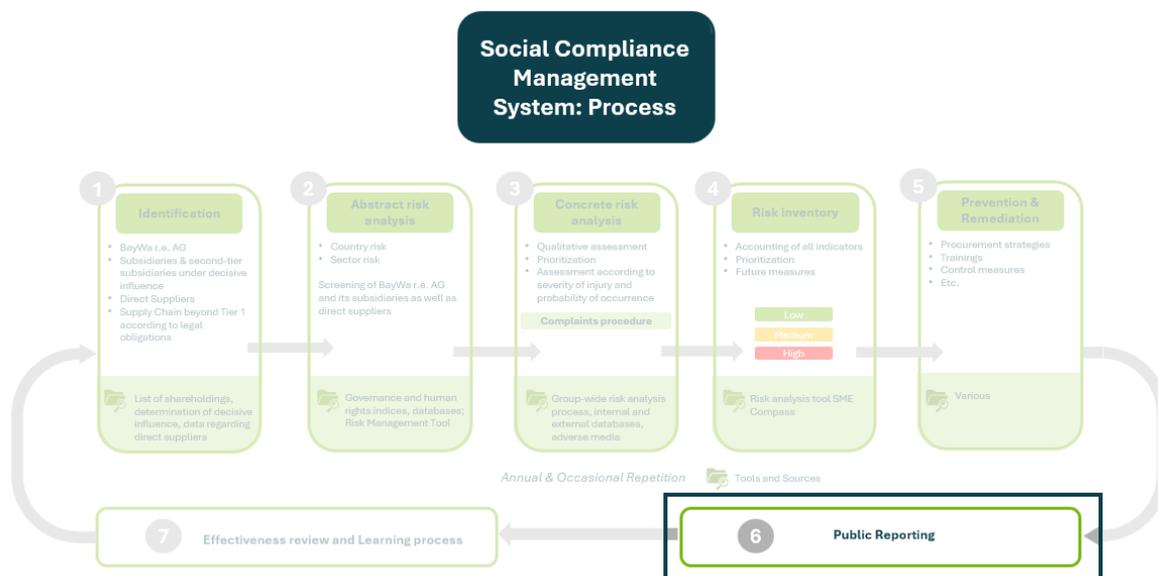
Identified or reported risks are thoroughly reviewed by Corporate Social Compliance. Necessary steps to minimise or eliminate the risks are initiated together with Corporate Sustainability and the responsible management functions of BayWa r.e., such as the Procurement Teams, Corporate HR, Corporate Compliance and HSE (**remedial measures**).

We encourage our suppliers through our Supplier Code of Conduct to cooperate in educational measures. We also encourage them to inform potentially affected parties of their rights and point out the possibility of reporting violations directly to BayWa r.e.

If a suspected violation is confirmed, appropriate **remedial measures** will be taken. These can include, but are not limited to:

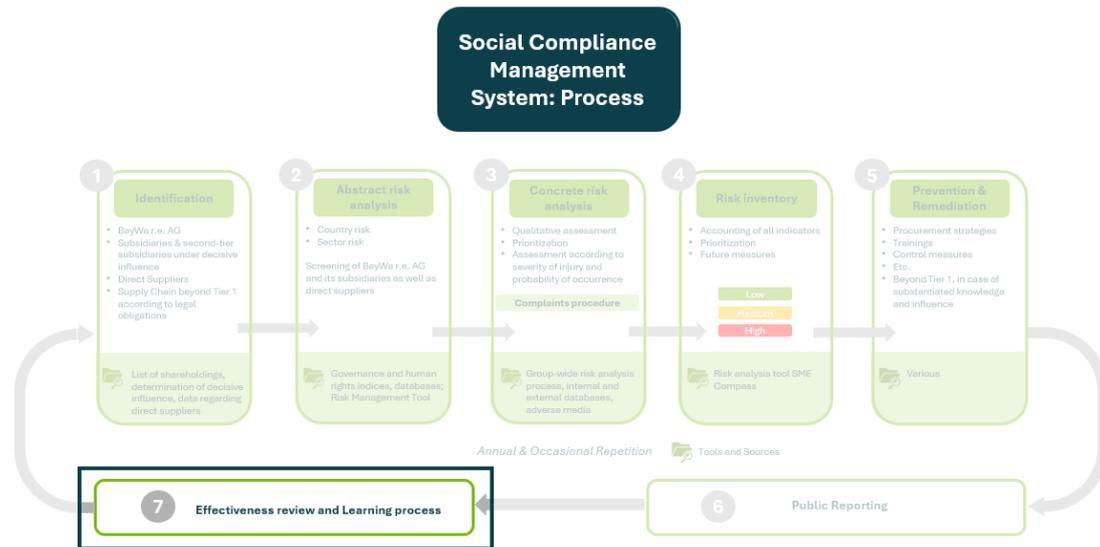
- Internal investigations by Corporate Social Compliance
- Investigations by independent organisations/third parties
- Written warnings
- Training and consulting
- Further deepened prevention measures
- Termination of the business relationship in serious cases

## Public Reporting



We report on the planned and implemented preventive measures as well as on the implementation and outcome of corresponding remedial measures. We monitor our progress with the help of key metrics such as the documentation of actual effects and cases. Finally, we critically examine the results of the aforementioned measures. The insights gained are documented and serve to improve the risk management system. The public reporting requirements follow the applicable legislations for BayWa r.e. and are available on our website.

## Effectiveness Review and Learning Process



Corporate Social Compliance and the Human Rights Officer regularly conduct an effectiveness review of the SCMS.

The objectives and defined tasks of Corporate Social Compliance as well as the differentiation from other departments are regularly reviewed internally for appropriateness and **documented** on an ongoing basis.

In addition, social compliance focal points (human rights, environmental rights) are reviewed on a regular basis by the appointed Human Rights Officer.

As the challenges for companies to respect human and environmental rights are constantly changing, BayWa r.e. will review this Human Rights Policy on an ongoing basis to ensure that it is up to date and effective. Focused reviews based on sector and country risks are planned on a yearly basis, both within the company's own business operations and along its supply chains.

This Human Rights Policy will be revised if necessary on an ad hoc basis when, for example: the risk analysis has been carried out and its results require a revision of the Human Rights Policy; when entering new business areas or markets which imply significant changes in the business model; before strategic decisions are made or before changes are made to existing business activities that influence the results of our risk assessment.

## Steering and Governance

This Human Rights Policy was developed by Corporate Social Compliance and Corporate Sustainability and adopted by the Board of Management. It forms the basis for the implementation of the risk management system for due diligence management within the BayWa r.e. Group in the form of a Social Compliance Management System. Furthermore, it ensures that all business units and subsidiaries in which BayWa r.e. holds a majority stake are aware of their responsibility to comply with human and environmental rights.



### **Contact, Questions and Information**

If you have questions and comments regarding this Human Rights Policy or other human rights-related issues, send us an email to [sustainability@baywa-re.com](mailto:sustainability@baywa-re.com).

Information on violations of this Human Rights Policy can anonymously be reported to BayWa r.e. at any time via the digital whistleblower system ([Compcor](#)).