

DECLARATION OF PRINCIPLES

under the Supply Chain Due Diligence Act (LkSG)



1. Introduction

We are committed to sustainable, ecological and socially responsible corporate governance. In addition to the general observance of the respective legal framework conditions, we understand this as respect for human rights and the protection of the environment. In addition to the realisation of this basic understanding in our own business areas, we see ourselves as a group of companies with international interdependencies with a special responsibility to work towards a possible improvement of the human rights situation and environmental protection aspects along our supply chains.

We respect internationally recognised human rights and take particular account of the rights of vulnerable groups. In this context, we commit ourselves in particular to respecting the following international standards:

- United Nations Universal Declaration of Human Rights
- 10 Principles of the UN Global Compact
- Principles of the Rio Declaration on Environment and Development
- Core Labour Standards of the International Labour Organisation (ILO)
- European Convention for the Protection of Human Rights and Fundamental Freedoms.

2. Responsible value creation

Based on this, the following human rights and environmental standards are of particular importance to us:

- compliance with the prohibition of all forms of child labour
- compliance with the prohibition of all forms of forced labour
- guarantee of occupational safety and health protection
- respect for freedom of association
- prohibition of all forms of discrimination
- guarantee of appropriate working conditions
- prevention of unfair use of security forces for business purposes
- protection of rights of indigenous peoples and prohibition of unlawful land grabbing
- responsible handling and trading of waste, especially chemicals that are harmful to health and the environment
- responsible use of resources, especially energy, water and other natural resources
- responsible management of emissions to water, air and soil
- avoidance of the impairment of a healthy basis of life through harmful environmental changes.

Compliance with legal requirements and the aforementioned ethical, sustainable and ecological standards is an essential and integral part of our own corporate culture.

We are therefore clearly committed to the aforementioned standards and have integrated compliance with these standards into our Code of Conduct, which obliges both our own employees and our direct suppliers to adhere to and implement these principles.

Accordingly, we expect our direct suppliers to act in accordance with the law, to commit to respecting human rights and to establish appropriate due diligence processes themselves and to pass on this expectation to their own suppliers.

All direct suppliers must respect internationally recognised human rights, which are also included in the contractual agreements with them. We require our direct suppliers to comply with our standards on human rights and environmental conditions, to communicate them to their employees and also to carry them into their upstream supply chain.

Within the framework of the contractual agreements, we reserve the right to check compliance and, in the event of violations, to draw consequences that may lead to termination of the business relationship.

3. Risk analysis

To ensure adequate respect for human rights and environmental concerns in our supply chains, we analyse risks according to the type, scope and origin of the goods and services we procure.

As the sourcing of production materials and services has a significant impact on our value creation, we pay particular attention to this when analysing human rights and environmental obligations.

Although we try to source production materials from suppliers close to our sites - without being limited to them - and rarely source raw materials directly from extraction sites, we still keep an eye on the origin of the supply chain. We therefore see more of a risk spectrum in the business area of indirect suppliers with regard to working conditions (occupational safety, freedom of association, remuneration, discrimination) and environmental protection. In the case of our direct suppliers, who are predominantly involved in processing or trading themselves, labour and environmental issues come to the fore. The procurement of services also requires particular sensitivity to labour-related human rights concerns.

4. Measures to implement human rights due diligence obligations

We comply with our human rights and environmental obligations under this Declaration of Principles through the measures described below:

- a) To address the risks to human rights and environmental concerns in our supply chain as part of our purchasing/procurement process, we hold our direct suppliers accountable.

They must recognise our Code of Conduct, in which we express our expectations in this regard.

Already during the selection process, as well as during the regular or ad hoc review of our direct suppliers, we first evaluate sustainability criteria on the basis of industry and country risks. In addition, a prioritisation is carried out according to a defined catalogue of criteria. Further, our direct suppliers - according to the prioritisation - have to submit a self-disclosure and provide corresponding evidence in order for us to be able to assess the specific risk with regard to human rights and environmental concerns.

Based on the information collected, industry indicators and country lists as well as background research on individual direct suppliers, we set increased individual requirements for our direct suppliers based on risk, if necessary, which we check for appropriateness and update and review in an annual cycle.

If necessary, this is supplemented by the agreement of individual action plans in order to work towards improving and minimising risks over the duration of the business relationship with our direct supplier.

- b) In the event of substantiated indications of a violation of human rights or environmental concerns in our supply chain by a direct supplier, we demand clarification from the direct

supplier and, in the event of a violation being identified, demand that the direct supplier immediately remedy the impairment or violation. If a remedy is not possible in foreseeable time, the direct supplier must notify us immediately and draw up a concept with a timetable for ending or minimising the violation. In the event of insufficient cooperation or implementation, we reserve the right to suspend and/or also terminate the contractual relationship.

If we become aware of violations by indirect suppliers, we also clarify the expectations set out in the Code of Conduct for our direct suppliers along the rest of the supply chain and endeavour to support our direct and indirect suppliers in eliminating or minimising the violations.

- c) The establishment of an effective complaint management is an important part of our due diligence process. Our whistle blower system enables potential complainants to point out human rights and environmental risks as well as violations of human rights or environmental obligations that have arisen as a result of the economic activities of our own business unit or a direct supplier, while maintaining the confidentiality of their identity. We work towards ensuring that whistle blowers are not disadvantaged as a result of their information. We also oblige our direct suppliers to ensure unhindered access for their employees to the whistle blowing system set up by us and to pass on these obligations in the supply chain.
Upon receipt of a notice, we conduct a risk-based assessment of the potential violation and - if suspicion is confirmed - implement appropriate and proportionate measures.
- d) The implementation of the individual steps of our due diligence process is accompanied by an internal documentation and reporting system. This is the basis for the preparation of our annual report on our due diligence activities in the supply chain, which we will make publicly available on our website.
- e) Respecting human rights and environmental concerns and implementing the corresponding due diligence obligations in our operational processes is an important contribution to improving the human rights situation. In the future, we will therefore review the effectiveness of our measures to prevent or minimise risks related to human rights or the environment at least once a year and, if necessary, on ad hoc basis, and thus work towards the continuous further development of the corresponding due diligence process.

5. Miscellaneous

This Declaration of Principles shall enter into force upon signature. No rights of individuals or third parties may be derived from this policy statement.

This policy statement will be reviewed and revised on regular and ad hoc basis.



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