

POLICY STATEMENT OF THE HANDTMANN GROUP OF COMPANIES

on human rights- and environmental related
due diligence



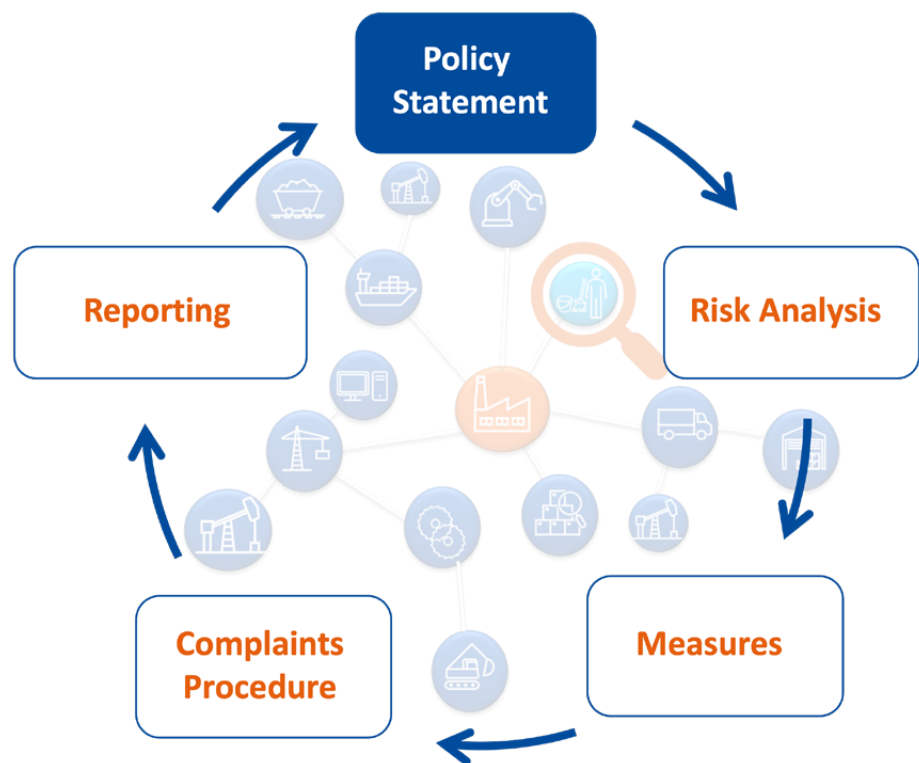
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1 INTRODUCTION

The Handtmann Group of Companies is committed to respecting human and environmental rights. As a family business, we are aware of our responsibility towards society. For this reason, processes and standards for fulfilling human rights and environmental due diligence obligations within our business divisions as well as in the supply chain are

firmly anchored in our strategy and are implemented worldwide. The most important principles are laid down in our Code of Conduct as well as the Sustainability Standard for Suppliers and in the Handtmann values. This policy statement builds on and complements these principles.



2 COMMITMENTS TO INTERNATIONAL STANDARDS AND GUIDELINES

The Handtmann Group of Companies is an international company. In doing so, we are aware of our responsibility towards our employees, fellow human beings and society. The activities in our diverse business divisions and in our supply chains are always associated with impacts that can lead directly and indirectly to human rights risks and adverse impacts on human rights and the environment. As a company, we are committed to international standards such as the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We recognize the Basel Convention on the

Control of Transboundary Movements of Hazardous Wastes and their Disposal, as well as the Minamata Convention on Mercury and the Stockholm Convention on Persistent Organic Pollutants.

We are committed to respecting, demanding and promoting these within the Handtmann Group of Companies and in our supply chain and to providing those affected with access to remedies.

3 RISK MANAGEMENT AND SCOPE

This policy statement applies to our supply chain and business divisions. The Supply Chain Due Diligence Act (for short in German: LkSG) applies to all products and services of a company. It covers all steps in Germany and abroad that are necessary for the manufacture of products and the provision of services.

In order to take account of the protected legal positions, we have established an appropriate and effective risk management system and anchored it in all relevant business processes.

In 2023, a Human Rights Officer was appointed to fulfill the responsibilities resulting from the LkSG. The Chief Compliance Officer takes on this important and responsible task.

A human rights team has also been formed to implement the due diligence obligations arising from the LkSG, which is headed by the Chief Compliance

Officer (CCO) as a member of the group management of Albert Handtmann Holding GmbH & Co. KG. The human rights team is made up of members from all relevant specialist areas, such as sustainability, safety, environment and health (SUG), compliance and purchasing. The CCO is responsible for monitoring risk management within the framework of the LkSG, as well as controlling and managing the optimization of the processes introduced. The CCO also contributes relevant topics to the strategic direction. Operational activities are carried out by the human rights team in the relevant specialist departments, in the respective business division (compliance, sustainability) and along the supply chain (purchasing in the respective business divisions). This includes carrying out and reviewing the risk analysis, deriving measures and reporting to the company management and group management.

4 DESCRIPTION OF THE RISK ANALYSIS

We consider it part of our duty of care to recognize the potential and actual negative risks and consequences of our actions for people and the environment within our business divisions and along the supply chain. We therefore carry out an abstract and concrete annual risk analysis as well as ad hoc risk analysis as part of the LkSG.

In the **abstract risk analysis**, potential countries, sectors and groups of people are identified with the support of country-specific indices and the „CSR Risk Check“ (CSR Risk Check | CSR Risk Check [mvorisicochecker.nl/en],” which could potentially be negatively affected and are therefore included in the concrete risk analysis. These include, among others:

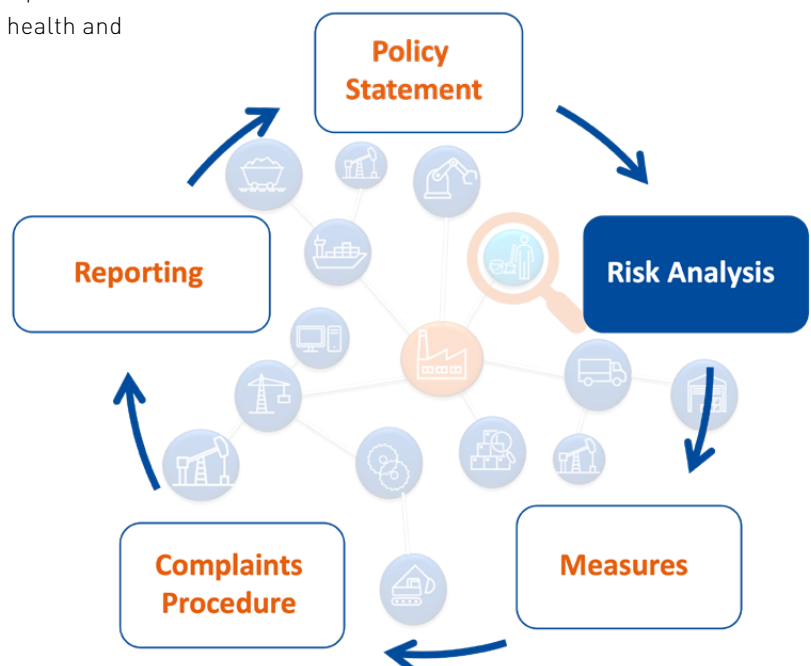
- Employees in the extraction of raw materials (occupational health and safety, environmental protection, raw material-specific risks)
- Employees of direct service providers (occupational health and safety)
- Employees in the business division at production sites in risk countries (occupational health and safety, environmental protection)

The **concrete risk analysis** is carried out as follows:

The abstract risk analysis is used to define an initial risk potential on the basis of country and sector risks. Prioritization is carried out by estimating the probability of significance and occurrence as well as our potential influence.

In the next step, those business areas and suppliers for which an increased risk of a human rights or environmental violation has been identified are examined in more detail. Potential risks are examined more closely using questionnaires, discussions and on-site audits that can be carried out with reasonable effort in order to determine whether a violation has actually occurred.

In the event that a significantly changed or significantly expanded risk situation in the supply chain must be expected due to the introduction of new products, projects or a new business area, or if there are indications of this, we carry out an **event-related risk analysis**.



5 PREVENTIVE MEASURES AND REMEDIAL ACTION AS WELL AS EFFECTIVENESS MONITORING

For us, prevention is fundamentally more important than remedy. Our aim is to lay the foundation for ethical and moral action with targeted preventive measures in order to identify and avoid negative developments at their source, and to install and prioritize preventive measures wherever possible.

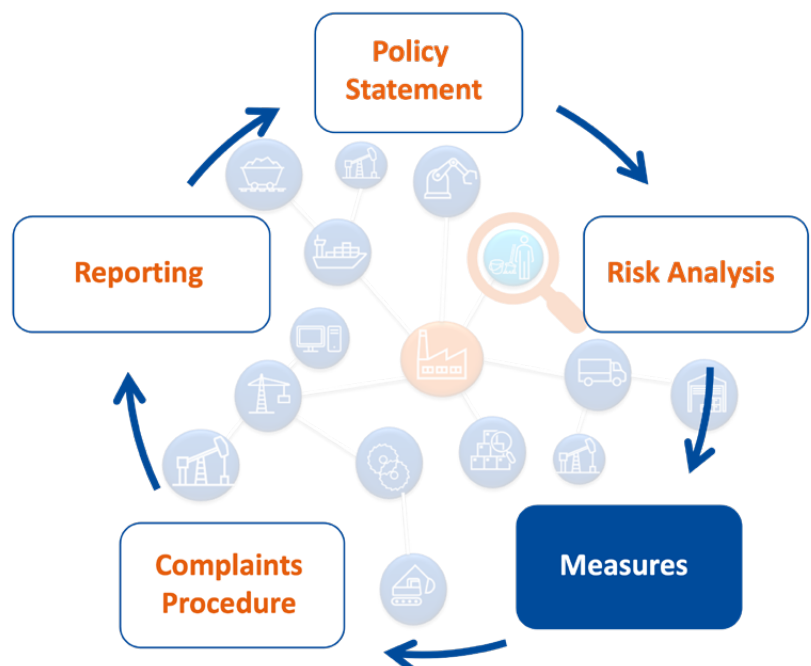
We have formulated the following expectations and preventive measures with regard to compliance with human rights and environmental due diligence obligations for our employees and our suppliers.

For our employees worldwide, our Code of Conduct sets out the Handtmann Group of Companies understanding of human rights and its commitment to upholding them. This Code of Conduct is part of our corporate culture and documents our commitment to practicing integrity.

When selecting our suppliers, we make a contribution to respecting and promoting human and environmental rights as far as possible. In our Sustainability Standard for Suppliers, we set out the Handtmann Group of Companies understanding of human rights and environmental protection and our commitment to upholding these for our suppliers worldwide. Violations of these standards by a supplier can lead to the termination of the business relationship.

We also implement appropriate preventative measures.

This policy statement, a risk management system, a code of conduct and certifications in occupational health and safety and environmental protection support us in the implementation of the Supply Chain Due Diligence Act. Our employees receive transparent and regular training and information on this. There are also effectiveness checks and associated measures in the event of violations for both suppliers and employees.



6 COMPLAINTS PROCEDURE

An appropriate and effective complaints procedure is an important part of our due diligence processes in order to effectively prevent and remedy potential adverse human rights and environmental impacts in our business divisions and in our supply chain. However, we consider this to be a last resort that should only be used if all other measures fail.

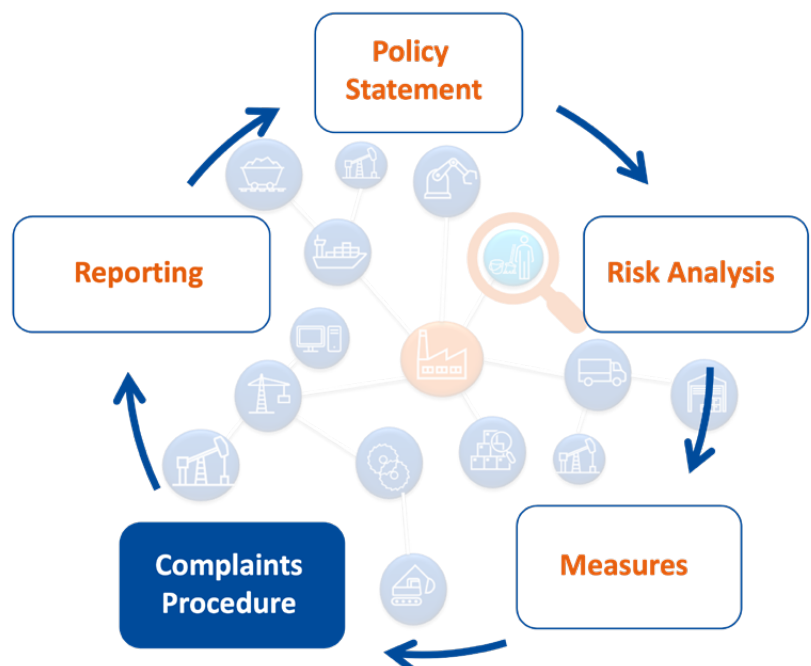
We have therefore also aligned our whistleblower system with the requirements of the German Supply Chain Due Diligence Act in order to report possible violations of human and environmental rights. The following confidential communication options are available:

- By telephone on +49 7351 342-2100
- By e-mail to compliance@handtmann.de
- By post: to the addressee Compliance Officer, c/o Handtmann Service GmbH & Co. KG, Arthur-Handtmann-Straße 23, D-88400 Biberach, with the „Personal/Confidential” note

All reported information and substantiated suspicions of possible violations of human and environmental rights are processed as part of a transparent process for all parties involved.

When making a report, care is always taken to ensure confidentiality in order to protect the person making the complaint.

The Rules Of Procedure for the Complaints Procedure Pursuant to section 8 of The Act On Corporate Due Diligence Obligations In Supply Chains (LkSG) are available at the following link. This provides a detailed description and answers the most important questions relating to whistleblowing: [handtmann-rules-of-procedure-HinSCHG](#)



7 DOCUMENTATION AND REPORTING

We will document the implementation of our due diligence obligations.

The report will be published on our website after the end of the respective financial year in accordance with legal requirements.

This policy statement is reviewed on an ongoing basis and revised as necessary.

