

ElringKlinger policy statement

on human rights and
associated environmental standards



FOREWORD

As a company that operates all across the globe, we – the ElringKlinger Group – accept our responsibility to protect human rights and comply with the associated environmental standards. This applies not just to our own business activities but also our entire supply chain, and in particular our immediate suppliers. The measures we take in this respect are aligned with internationally recognised standards and guidelines.

The German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz*) sets out specific requirements for companies and the wider supply chain in terms of assuming corporate responsibility for respect for human rights. This policy statement explains the principles and methods that guide us as we comply with the legal requirements and in further-reaching measures. We are playing our part in helping to protect human rights and ensure we have a world worth living in, both today and for many generations to come. As part of this approach, we identify potential risks and then derive and take corresponding preventative steps to rule out human rights violations and environmental damage. We do not accept

violations of the principles, norms and standards that guide us. Instead, we call for an immediate end to these situations and the necessary remedial measures. This requires us and our business partners to maintain strong collaborations based on mutual respect and trust.

We will provide regular, public reports about the progress we are making and the challenges we are facing as we take the necessary action, and will work continuously to live up to our responsibilities in this respect.

The Management Board



THOMAS JESSULAT



REINER DREWS



DIRK WILLERS

1. WE PROTECT AND RESPECT HUMAN RIGHTS AND ASSOCIATED ENVIRONMENTAL STANDARDS

We aim to protect human rights and in so doing comply with associated environmental standards. This applies both to our own business activities and throughout our supply chain. The measures we take in this respect are based on internationally recognised standards and guidelines published by the United Nations (UN), International Labour Organization (ILO) and Organisation for Economic Co-operation and Development (OECD). They include:

- **UN Global Compact**
- **UN International Bill of Human Rights**
- **UN Guiding Principles on Business and Human Rights**
- **ILO Declaration on Fundamental Principles and Rights at Work**
- **OECD Guidelines for Multinational Enterprises**

We strive to work closely with these organisations and implement their recommendations and guidelines as we fulfil our responsibilities. This statement incorporates the principles set out in our Code of Conduct, which is binding for all ElringKlinger Group employees.

We recognise that respect for human rights needs to be ensured both in our own company and throughout the supply chain. Our Code of Conduct for Suppliers sets out what we expect of our suppliers when it comes to the environment, social standards, compliance with the law and business ethics. The Code of Conduct for Suppliers underpins our collaboration with them. The suppliers must incorporate the relevant standards as a cornerstone of their supply relationships.

We make sure that our suppliers comply with the Code of Conduct for Suppliers and, if required, that they take appropriate measures to guarantee compliance.

2. HUMAN RIGHTS AND GOOD WORKING CONDITIONS

We set great store by respect for human rights and good working conditions in our own Group companies, at our suppliers and at our business partners.

BAN ON CHILD LABOUR

We strictly reject any and all forms of child labour and undertake to uphold the ban on child labour and respect ILO Conventions No. 138 and No. 182. We ensure that no child labour is used in our companies and that we do not maintain business relationships with persons or organisations that use child labour.

BAN ON SLAVERY AND FORCED LABOUR

We comply with international labour standards and legislation and therefore do not tolerate any form of forced labour, such as slavery, bonded labour, human trafficking or coercive or compulsory labour practices.

RIGHT TO A SAFE AND HEALTHY WORKING ENVIRONMENT

We are committed to providing a safe and healthy working environment and comply with all applicable laws, regulations and industry standards. We design our workplaces so as to prevent potential hazards and minimise risks. We help to reduce work-related injuries by offering training courses and further education programmes and making sure our employees are well informed. This raises awareness amongst our staff and empowers them to work safely.

FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING

We respect and promote our employees' right to freedom of association and collective bargaining. Our employees are entitled to join or establish a trade union without the threat of discrimination or retaliation.

PROTECTION AGAINST DISCRIMINATION

We do not discriminate against anyone on the basis of personal characteristics such as ethnic origin, skin colour, age, gender, sexual orientation, disability, religion, nationality, trade union membership or political leanings. We undertake to ensure equal opportunities and fairness in our company and to prohibit any and all forms of discrimination.

FAIR WORKING CONDITIONS

We undertake to ensure that our employees enjoy fair working conditions that comply with national and international labour and social standards, including the ILO guidelines. We follow the regulations governing working hours and appropriate remuneration in all our companies.

RIGHTS OF LOCAL COMMUNITIES AND INDIGENOUS PEOPLES

We respect the rights of indigenous peoples and local communities to land, water and resources and ensure that we protect, support and uphold them in compliance with the “United Nations Declaration on the Rights of Indigenous Peoples”.

USE OF SECURITY FORCES

When commissioning and using private or public security forces, we ensure that human rights and the principles set out in our Code of Conduct are strictly observed.

HUMAN RIGHTS AND THE ENVIRONMENT

We protect our natural environment by taking a responsible and sustainable approach to our resources. We take appropriate measures to design our products and processes in a way that reduces our environmental footprint. This includes reducing greenhouse gases and minimising adverse soil alterations, pollution of water bodies and the air and harmful noise emissions.

We strive to comply with all applicable national and international laws governing environmental protection and nature conservation, as well as all other relevant regulations.

We ensure that we label, handle, transport, store, reuse, recycle and dispose of all hazardous substances used and waste materials in accordance with the applicable laws and regulations.

We exercise utmost care when procuring raw materials and minerals and ensure that they do not come from illegal sources or conflict regions.

3. SCOPE

This policy statement applies to all affiliated companies over which we exert influence as ElringKlinger AG, and to employees and business partners throughout our supply chain. We ensure that our suppliers do business according to the same principles as those that we have deemed binding for us and our own business activities.

4. RISK MANAGEMENT AND RESPONSIBILITIES

In our opinion, identifying potential risks and determining and implementing effective risk-based measures are two cornerstones of our due diligence obligations relating to human rights and the environment. We believe that fulfilling this responsibility corresponds to a continuous improvement process.

The relevant departments at the ElringKlinger Group monitor the supply chain and regularly review the effectiveness of their own processes. If this review uncovers potential improvements, they analyse them and take them into account when optimising the processes. The Legal & Compliance department assumes overall responsibility for risk management and reports directly to the Chair of the Management Board.

The protection of human rights and associated environmental standards is a key part of our sustainability strategy.

Our regular risk analysis is conducted on an annual basis. It observes the requirements set out in the German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz*) and looks at our own business activities and all immediate suppliers. We also conduct ad-hoc risk analyses as required. If we become aware that there are also risks in the wider supply chain, we look into them as well. When identifying risks, we consult publicly accessible, country-specific sources containing data about a country’s political and economic stability, labour conditions and environmental impacts and classify them into risk fields. We also incorporate expert insights from within our organisation.

These findings about human-rights-related and environmental risks then serve as input for our corporate decision-making processes. We devise appropriate measures for ruling out the risks, or at least reducing them. As before, these measures apply both to our own business activities and to our suppliers. In particular, they include the definition of criteria for selecting suppliers, training measures, audits, and contractual agreements.

5. REPORTING

In accordance with the German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz*), we report regularly – at least once a year – on the steps we have taken in connection with this policy statement, including the results of the risk analysis, any measures initiated and how effective they are.

6. SUBMITTING TIPS/REPORTS OR COMPLAINTS AND DEALING WITH VIOLATIONS

Our employees and external third parties have various means available to them to report human rights violations or risks. In particular, this includes our whistleblower system SHARE WITH US, which can be accessed at:

<https://sharewithus.elringklinger.com/en>. It can also be used to submit anonymous tips/reports. In addition, information can be reported directly to our central Compliance team by e-mailing: glb.compliance@elringklinger.com.

Our Compliance team will investigate all reports and tips received in the strictest confidence and will uphold the principles of due process. If their investigations confirm violations of human rights or environmental legislation, appropriate follow-up measures will be initiated. Where appropriate, government authorities will be informed and/or unlawful breaches of regulations will be notified.

ElringKlinger AG

Max-Eyth-Straße 2
72581 Dettingen/Erms
Germany

Phone +49 7123 724-0
E-Mail info@elringklinger.com

www.elringklinger.com