



Kannegiesser[®]

DECLARATION OF
PRINCIPLES
Kannegiesser Group

Edition 2024

Kannegiesser Group

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Kannegiesser Group

1. Preface and Explanation

In a business environment that is changing at an ever-faster rate, the requirements for socially and ethically responsible behavior are increasingly important – both for us and for our customers and suppliers. That is why the Kannegiesser Group has developed a declaration of principles to define the essential principles, recommendations for behavior and code of conduct we are committed to following in our relationship with business partners. This declaration of principles serves as a binding framework to guide all employees, managers and the company management where the following topics are concerned:

- Adherence to laws
- Corruption and bribery
- Basic human rights
- Child labor
- Health and safety
- Environmental protection

This code of conduct sets high standards for our company and our employees and is, at the same time, a crucial commitment toward our business partners.

A single instance of misconduct can cause lasting damage to the company group.

The declaration of principles lists our principles as clear, binding rules for behavior. These serve as common guidelines for our decisions and our actions. We expect all employees to identify with and act according to our ethical principles. It goes without saying that our managers are expected to model our principles and communicate them.

We would like to see our own commitment to this code of conduct reflected in our business partners, customers and suppliers. That is why we are offering our partners this declaration of principles as a self-declaration.

1.1. Release signature - declaration of principles for the Kannegiesser Group

Vlotho, May 2024



Tina Kannegiesser

Managing director



ppa. Simon Meister

Head of HR

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2. Scope of Validity within the Kannegiesser Group

The following code of conduct applies to all factories and all international subsidiaries within the Kannegiesser Group.

3. Kannegiesser Principles

3.1. Cornerstones of Socially Responsible Corporate Governance

The Kannegiesser Group is committed to proactively ensuring observance of and adherence to the values and principles listed below (chapters 3.1 and following).

The rules of behavior described in this document represent defined objectives and are not just minimum requirements or standards for the Kannegiesser Group itself, but also reflect the values the group expects of its partners and customers

3.2. Adherence to Laws

The Kannegiesser Group adheres to all laws and other statutory regulations applicable in the countries where it is active. In countries with a weak institutional framework, the relevant bodies in the Kannegiesser Group shall carefully consider which best practices from its country of origin should be applied to aid in ensuring responsible corporate governance

3.3. Integrity and Organizational Governance

The Kannegiesser Group bases its actions on general ethical values and principles, in particular integrity, honesty, respect for human dignity, transparency and non-discrimination based on religion, worldview, sex/gender and ethics.

We intend to secure contracts in fair competition. We base our success on our innovative products and services. Corruption of any type will not be tolerated.

Therefore, the Kannegiesser Group rejects corruption and bribery as defined by the relevant UN Convention¹. Transparency, integrity and responsible leadership and control shall be promoted in a suitable manner within the company.

The Kannegiesser Group therefore pursues honest, approved business practices and fair competition. When competing with other businesses, the Kannegiesser Group values professional behavior and high-quality work. Kannegiesser fosters partnership and trust in its interactions with supervisory authorities.

3.4. Consumer Interests

Where consumer interests are affected, the undersigned company follows consumer protection regulations and acts in accordance with appropriate sales, marketing and information practices. Particularly vulnerable groups are given special attention.

¹ United Nations Convention Against Corruption of 2003, in effect since 2005

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3.5. Communication

The Kannegiesser Group communicates transparently and promotes dialogue with employees, customers, suppliers and other stakeholders about the requirements of this declaration of principles and its implementation.

All documents and records are created in accordance with the relevant obligations, are not modified or destroyed illegitimately and are stored in a suitable manner. Company secrets and business information disclosed by partners are treated confidentially and with the necessary care.

This system is available at the following link: <https://kannegiesser.vispato.com/>

3.6. Human Rights

The Kannegiesser Group is committed to protecting human rights. It adheres to human rights as laid down in the UN human rights charter², in particular the following:

3.6.1. Privacy

The Kannegiesser Group respects the protection of privacy.

3.6.2. Health and Safety

The Kannegiesser Group promotes health and safety at work and, in particular, ensures a safe and healthy work environment to avoid accidents and injuries.

3.6.3. Harassment

The Kannegiesser Group protects employees from physical punishment and physical, sexual, psychological or verbal harassment or abuse.

3.6.4. Freedom of Opinion

The Kannegiesser Group considers the protection and granting of the right to freedom of opinion and freedom of speech extremely valuable.

3.7. Work Conditions

The Kannegiesser Group adheres to the following core labor standards of the ILO³:

3.7.1. Child Labor

The Kannegiesser Group supports the ban on child labor, i.e. employment of people younger than 15 years of age, unless local legislation defines a higher age limit and no exceptions are permitted.⁴

3.7.2. Forced Labor

The Kannegiesser Group supports the ban on forced labor of any kind.⁵

² Universal Declaration of Human Rights, UN Resolution 217 A (III) of 1948

³ ILO = International Labour Organization

⁴ ILO Convention No. 138 (1973) and ILO Convention No. 182 (1999)

⁵ ILO Convention No. 29 (1930) and ILO Convention No. 105 (1957)

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3.7.3. Wages

The Kannegiesser Group ensures adherence to labor standards regarding wages, in particular a wage level in line with applicable laws and regulations.⁶

3.7.4. Workers' Rights

The Kannegiesser Group respects employees' freedom of association, freedom of assembly and right to conduct collective bargaining, provided this is legally permissible and possible in the respective country.⁷

3.7.5. Non-discrimination

The Kannegiesser Group supports non-discriminatory treatment of all employees.

3.8. Work Hours

The Kannegiesser Group adheres to country-specific labor standards regarding the maximum work hours.

3.9. Environmental Protection

The undersigned company adheres to the regulations and standards for environmental protection that apply to its facilities, and is committed to acting in an environment-friendly manner at all locations. Moreover, it treats natural resources responsibly in accordance with the Rio Declaration.⁸

3.10. Civic Involvement

The Kannegiesser Group contributes to the social and economic development of the country and region where it is active and promotes voluntary activities by its employees in service of that goal.

3.11. Implementation and Enforcement

By signing this declaration of principles, the Kannegiesser Group undertakes to make every suitable and reasonable effort to follow the principles and values described herein. It is committed to promoting adherence to the goals laid down herein internally and externally, to accepting any reports of suspected violations and suggestions for improvements without prejudice or bias, to reviewing such reports and making decisions based on this evaluation.

⁶ ILO Convention No. 100 (1951)

⁷ ILO Convention No. 87 (1948) and ILO Convention No. 98 (1949)

⁸ The 27 principles of the "Rio Declaration on Environment and Development" of 1992 as a result of the United Nations Conference on Environment and Development in Rio de Janeiro

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3.12. Procurement in Accordance with the Professional Duty of Care to Avoid Human Rights Violations in Supply Chains

As laid down in the German supply chain law, the company shall conduct a regular risk analysis with the aid of the ESG risk management software IntegrityNext to ensure a thorough and profound analysis.

In the **first step**, referred to as the "abstract risk analysis", we evaluate country-specific and industry risks to human rights and environmental standards in our own sphere of business and among our immediate suppliers. The abstract risk is evaluated based on a variety of topics (risks) to facilitate a detailed risk assessment. Numerous quantitative indicators developed by renowned institutions, such as the World Bank or the United Nations, form the basis for assessing the country-specific risk. An additional analysis of industry risks complements the country-specific risk analysis. Various qualitative sources and databases, such as the CSR Risk Check or studies by the Helpdesk Business & Human Rights, permit evaluation of the industry risks in a variety of topics. The industry risk assessment features 88 different industries according to the NACE codes. We combine the results of the country-specific risk analysis with the results of the industry risk analysis to form a single assessment. This combination permits classification of the potential risk for each topic and for each direct supplier or each of our own spheres of business into the risk categories 'low risk', 'medium risk' and 'high risk'. It therefore creates the foundation for an extensive risk analysis.

In the **second step**, referred to as the "concrete risk analysis", the identified potential risks related to direct suppliers or our own spheres of business are reviewed in greater detail. A risk-based process lets us prioritize those suppliers with a medium or high risk of violation of human rights or environmental standards identified in the abstract risk analysis. Questionnaires based on international standards create transparency about how an immediate supplier or our own sphere of business responded to the identified elevated risk. Based on the feedback by the immediate supplier, we evaluate the ability of the immediate supplier or our own sphere of business to ensure protection of human rights and environmental standards. This information and evaluation is crucial for identifying any gaps that our immediate suppliers may have in the areas of human rights and environmental standards, allowing us to respond to these. We combine the results of the questionnaires with the results of the abstract risk analysis we conducted in the first step to get an assessment of the actual risk in the risk categories 'low risk', 'medium risk', 'high risk' for a wide base of suppliers and our own business segment. The actual risk determined in the first two steps serves as an indicator for the likelihood of a human rights violation or violation of environmental standards occurring at our immediate suppliers or in our own sphere of business. Moreover, we monitor a wide supplier base for critical news to remain informed about reports regarding human rights and environmental standards, so we can react to these.

In the **third step** we prioritize our immediate suppliers and our own spheres of business as well as risks by topics based on suitability criteria. The likelihood of occurrence for each risk field determined in the abstract and concrete risk analysis is an important data point for this step. Moreover, we evaluate risks based on their severity to identify significant risk fields. To prioritize direct suppliers we define influence on the supplier in addition to the likelihood of occurrence wherever possible. We consider risks in our own sphere of business a top priority for response in order to give consideration to the increased causal contribution.

For questions or comments, we are available at the following contact address:

Whistleblower system: <https://kannegiesser.vispato.com/>

Sustainability team: sustainability@kannegiesser.de

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Appendix

4. Internal / external references - declaration of principles at Kannegiesser

4.1. Summary of external references - declaration of principles Kannegiesser / partners

List of external references
United Nations Convention Against Corruption of 2003, in effect since 2005
Universal Declaration of Human Rights, UN Resolution 217 A (III) of 1948
ILO Convention No. 138 (1973) and ILO Convention No. 182 (1999)
ILO Convention No. 29 (1930) and ILO Convention No. 105 (1957)
ILO Convention No. 100 (1951)
ILO Convention No. 87 (1948) and ILO Convention No. 98 (1949)
The 27 principles of the "Rio Declaration on Environment and Development" of 1992 as a result of the United Nations Conference on Environment and Development in Rio de Janeiro
Source references: (see also)
http://www.ilo.org

Shown here: Summary list of all external references of the declaration of principles by the Kannegiesser Group

4.2. Internal references - declaration of principles at Kannegiesser

For the sake of completeness, we would like to refer our partners to the following Kannegiesser documents that support our declaration of principles, but are not explicitly attached to this document and may include internal guidelines.

List of internal references
General Terms and Conditions
Kannegiesser procurement manual (internal)
General Terms and Conditions of Purchasing (external)

Shown here: Summary of Kannegiesser's supporting documents