



Statement of Principles on the Supply Chain Due Diligence Act of KALOG GmbH & Co. KG

Contents

- **Introduction**
- **Presentation of Priority Risks**
- **Description of the Risk Management System**
- **Prevention and Remediation Measures**
- **Complaint Procedure**
- **Documentation and Reporting Obligations**

Introduction

- Importance of the Statement of Principles

This document represents the Statement of Principles of KALOG GmbH & Co. KG in accordance with the requirements of the Supply Chain Due Diligence Act (LkSG). It outlines our systematic steps to identify and address human rights and environmental risks in our upstream supply chain and our own business operations.

- The Company's Commitment under the LkSG (Self-Commitment)

Adhering to specific due diligence obligations is part of our business activities, even though we are not directly affected by the LkSG. This statement explains the procedures and measures we intend to implement following our initial risk analysis to meet our legal obligations and ensure responsible management of our supply chains.

We commit to transparently communicating all identified risks and implementing effective risk mitigation measures to ensure compliance with legal requirements and uphold human rights throughout our supply chain.

- Relation to International Standards

We are aware of our corporate responsibility to respect human rights. Therefore, we commit to respecting human rights in our business activities and in our upstream supply chains and to providing access to remedies for those affected by human rights violations. We align our corporate actions with the internationally recognised UN Guiding Principles on Business and Human Rights and implement the requirements of the National Action Plan for Business and Human Rights. Furthermore, our understanding and human rights due diligence processes are based on the following international human rights reference instruments, to which we adhere:



- The International Bill of Human Rights, including the Universal Declaration of Human Rights of the United Nations and the International Covenants on Civil and Political Rights and Economic, Social and Cultural Rights, which define the civil, political and social rights due to all people for their dignity.
- The Core Labour Standards of the International Labour Organization (ILO), which encompass the four fundamental principles of freedom of association and the right to collective bargaining, the elimination of forced and child labour, and the prohibition of discrimination in employment and occupation.

Additionally, our understanding and human rights due diligence processes specifically reference the following international human rights instruments, to which we adhere:

- ILO Convention No. 29 of 28 June 1930 on Forced or Compulsory Labour (Federal Law Gazette 1956 II p. 640, 641) (ILO Convention No. 29)
- Protocol of 11 June 2014 to the ILO Convention No. 29 of 28 June 1930 on Forced or Compulsory Labour (Federal Law Gazette 2019 II p. 437, 438)
- ILO Convention No. 100 of 29 June 1951 on Equal Remuneration for Male and Female Workers for Work of Equal Value (Federal Law Gazette 1956 II p. 23, 24) (ILO Convention No. 100)
- ILO Convention No. 105 of 25 June 1957 on the Abolition of Forced Labour (Federal Law Gazette 1959 II p. 441, 442) (ILO Convention No. 105)
- ILO Convention No. 111 of 25 June 1958 on Discrimination in Employment and Occupation (Federal Law Gazette 1961 II p. 97, 98) (ILO Convention No. 111)
- ILO Convention No. 138 of 26 June 1973 on the Minimum Age for Admission to Employment (Federal Law Gazette 1976 II p. 201, 202) (ILO Convention No. 138)
- ILO Convention No. 182 of 17 June 1999 on the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II p. 1290, 1291) (ILO Convention No. 182)

Scope

Our Statement of Principles applies to all business areas and activities of our company, including all employees and within the upstream value chain.

The following companies and associated entities, where dominant influence applies under the Supply Chain Due Diligence Act, are included:

- KALOG GmbH & Co. KG

Presentation of Priority Risks

- Results of the Risk Analysis

Based on the results of our risk analysis, we have prioritised the risks most relevant and critical to our company and our upstream supply chain. These include risks associated with forced labour, human trafficking and child labour, soil and (ground)water pollution, as well as climate and energy issues.



Furthermore, we identify additional risks of adverse impacts on people directly or indirectly linked to our business activities and our global supply and value chains, including:

- Wages and remuneration
- Biodiversity and deforestation
- Taxation
- Environment and waste (general)
- Air pollution
- Water consumption and availability

- Human Rights Strategy

We will focus on implementing measures within our risk management framework to minimise and prevent these risks. The relevance of these priorities may change over time, allowing for the addition or replacement of risks based on annual risk analysis results. This depends on the results of the annual risk analysis.

We strive to ensure that our standards and requirements are met not only in our own business operations but also by our suppliers and other stakeholders in our upstream value chain. Therefore, we have set specific expectations for these groups:

- Established Human Rights and Environmental Expectations

Own business operations: We review our corporate principles and policies, as well as our procedural instructions, to ensure the human rights of our workforce. Our employees are expected to adhere to and implement the due diligence obligations we commit to.

Suppliers: This Statement of Principles applies to all suppliers and service providers who work with us, KALOG GmbH & Co. KG or our affiliated companies. Therefore, we expect our suppliers and service providers to understand our Statement of Principles and to identify with our values. We urge our suppliers and service providers to also conduct their business practices in a sustainable, ethical and responsible manner and to ensure that their products and services meet our standards as described here in the Statement of Principles.

We will work closely with our suppliers and service providers to ensure our values are implemented throughout the supply chain. We will support our suppliers and service providers, providing necessary resources to ensure they can meet our standards. We will also regularly monitor our suppliers' performance to ensure compliance with our requirements.

We firmly believe that our suppliers play a crucial role in achieving our goals. Together, we can build a sustainable and responsible supply chain that meets the highest standards.

Other stakeholders: We expect all business partners to fully respect human rights and comply with relevant laws and conventions. They should also actively contribute to the protection of the climate, resources and the environment, taking responsibility within their supply chains and business relationships.



Compliance with this Statement of Principles is a prerequisite and necessary basis for any business relationship. As part of our purchasing and service conditions, it is legally binding for all orders and contracts.

Description of the Risk Management System

- Procedures for Establishing a Risk Management System

Our risk management system is designed to systematically identify, assess, mitigate and communicate the impacts, potential risks and actual violations of human rights and environmental standards within our own business operations and upstream supply chain. Our system is based on continuous monitoring and expansion, regular and event-driven risk analyses and the development of effective action strategies to ensure that our business practices are appropriate.

To this end, we conducted an abstract and concrete risk analysis in Q1 2024 to identify, assess and prioritise impacts along our upstream value chain and within our own business operations.

Our risk analysis procedure includes the following steps:

- Initially, we conduct an abstract risk analysis. An abstract risk analysis under the LkSG is a preliminary assessment of country-specific and industry-specific risks within our own business operations and with immediate suppliers. The abstract risk analysis is part of the regular risk analysis, which must be carried out at least once a year.
- We supplement the results of the abstract risk analysis with additional research to conduct a concrete risk analysis. A concrete risk analysis under the LkSG is an in-depth investigation of the human rights and environmental risks and violations

identified during the risk analysis. The concrete risk analysis is part of our regular risk analysis.

- As part of the risk management process, our human rights officer prepares a report that includes a thorough analysis of the current risk situation. This report not only assesses the current adequacy of the risks but also aims to review the effectiveness of existing risk management measures and identify potential for adjustment.
- Following this, the report is presented in a management meeting, serving as the basis for a detailed discussion. During this meeting, the results are discussed and necessary decisions on further actions are made in the form of measures. The resolutions and the contents of the discussion are carefully documented and archived for future reference.

To monitor the implementation of the decided measures and make adjustments if necessary, a follow-up process is established. This process ensures that the management is regularly informed, at least once a year, about all aspects of risk management, enabling proactive and effective management of corporate risks.

Responsibilities

- Responsible Functions and Positions in the Company

During the reporting period, clear responsibilities were established within the framework of monitoring the risk management and the responsibility of the management.

In our organisational structure, three key roles play a central role in managing risk management efficiently and effectively. At the top is the management, which has overall control of risk management. The management monitors progress and ensures compliance with established schedules. The management has established a reporting process that ensures it is regularly, at least annually, informed about the work of the person responsible for monitoring risk management. This process is in accordance with Section 4(3) LkSG and ensures continuous and effective risk monitoring. This role is crucial in ensuring that all goals are met and resources are optimally used.

Another key role is the human rights officer, who is responsible for steering and monitoring the risk analysis. This role involves identifying potential risks related to human rights and environmental conventions, developing remediation and prevention measures, providing a complaint channel and monitoring their adequacy and effectiveness. The persons responsible for monitoring risk management are named and their functions specified to ensure transparency and accountability.

Finally, there are additional employees who are responsible for handling specific work packages as needed. As experts in their respective fields, they contribute significantly to the overall success of risk management through their specialised work.

- Training and Continuing Education, Miscellaneous

The resulting risk management procedures now form the foundation for our ongoing efforts to respect and promote human and environmental rights in all aspects of our own business operations and the supply chain.

Prevention and Remediation Measures

- Description of Implemented Prevention Measures

Prevention measures under the LkSG are actions companies must take to prevent and mitigate risks of human rights violations and environmental damage in their supply chains. These measures must be appropriately prioritised and implemented.

Examples of prevention measures include:

- Developing and conducting training to raise awareness of human rights and environmental standards.
- Introducing codes of conduct or policies that require compliance with human rights and environmental standards.
- Collaborating with suppliers to ensure they also comply with appropriate standards.

When implementing our human rights strategy, we draw on insights from the risk analysis to develop concrete measures and adjust our business processes. As part of our risk analysis, we initially implement prevention measures.

- Implementation of Own Prevention Measures



In our own business operations, we regularly communicate to inform employees about the work of the human rights officer and raise awareness of human rights and environmental due diligence obligations. At the same time, the human rights officer participates in continuing education.

For immediate suppliers, we initially focus on raising awareness and promoting legally correct, ethical and social behaviour through the use of a supplier code of conduct. We have determined the existence of the Code of Conduct.

- Description of Remediation Measures

Under the LkSG, we must take remediation measures as soon as we recognise that we – directly or through our suppliers – are involved in possible human rights violations or environmental damage, or when such violations are imminent or have already occurred.

These measures aim to remedy or minimise the negative impacts. Currently, we have no reports of violations.

- Handling of Indirect Suppliers

If KALOG becomes aware of possible violations by indirect suppliers, appropriate measures will be taken based on the circumstances. This includes conducting a risk analysis,

implementing suitable prevention measures and developing and implementing concepts to minimise and avoid human rights or environmental violations.

Complaint Procedure

We reject any form of human rights violations. However, due to the lack of a legal basis, we have decided not to implement a complaint procedure.

Documentation and Reporting Obligations

- Procedures for Fulfilling Documentation and Reporting Obligations

The preparations for implementing the Supply Chain Due Diligence Act are completed to ensure that our business practices and processes meet the high standards set by the law. The implementation is now beginning. We will supplement and update the description of our implementation and progress in this regard shortly. We review, at least annually and as needed, how effective our measures are in preventing and mitigating adverse human rights impacts. We also check if our guidelines are being followed. Furthermore, we continuously document the implementation of our due diligence obligations within our risk management. The documentation of the processes described in this Statement of Principles will be kept in accordance with legal requirements. We refrain from reporting on our website, as the proportionality is not given.

- Further Developments

The established safety processes and measures for prevention and remediation are aligned with our current business field. However, future developments may arise that we cannot foresee today.



Therefore, it is our goal to continuously improve our due diligence to ensure that we do not cause or support human rights violations. We will regularly review and evaluate our processes and measures for monitoring and mitigating risks related to human rights to ensure their effectiveness and make adjustments as necessary.

We recognise that compliance with human rights standards is an ongoing process that requires close collaboration with our employees, suppliers and business partners.

Norbert Wimmers
Managing Director

Kathrin Jäckel
Human Rights Officer

KALOG GmbH & Co. KG
Holterkamp 18
40880 Ratingen