
STATEMENT OF PRINCIPLES IN ACCORDANCE WITH SECTION 6 PARA. 2 OF THE GERMAN SUPPLY CHAIN ACT (LIEFERKETTENSORGFALTSPFLICHTENGESETZ—LKSG)

We, the Koehler Holding SE & Co. KG board of management, have always been committed to running all Koehler Group companies operating on the market in an environmentally and socially responsible manner. Our Corporate Social Responsibility (CSR) policy is based on international and national standards (in particular certifications in accordance with ISO 9001, ISO 14001, ISO 50001, ISO 45001, ISO 22000, FSC^{®1} and PEFC² certificates, adherence to the Ten Principles of the UN Global Compact as well as company evaluations such as the Gold medal in the EcoVadis sustainability ranking including the requirements of the LkSG).

■ Our Commitment

We expect our employees to observe the principles of ecological, social, and ethical behavior set out in the Koehler Group Code of Conduct with regard to responsibility for humans, the environment, and society and to actively integrate into the culture of the company. This also ensures that our employees' behavior in relation to human rights and the environment meets the standard expected in order to meet the objectives of the LkSG. We are continually striving to optimize our business dealings and our products and services based on the principles of sustainability. These principles are an integral part of our Code of Conduct, which is binding for all employees. We use the websites of the Koehler Group companies to provide transparent information about our efforts to promote sustainable development, our sustainability strategy, and how we measure our sustainability performance.

■ Our Preventive Measures

We expect our suppliers and other business partners to engage and behave accordingly. Our expectations in terms of behavior that takes into account the requirements and objectives of the LkSG are subject to contractual agreements and are reviewed by means of audit. Goods, works, and services are procured in a socially responsible and ethically viable manner. The Koehler Group procurement guidelines relate to compliance with human rights, labor and social standards, anti-discrimination, and anti-corruption. In this regard, we request that our suppliers provide written confirmation of our contractual terms, which serve as the basis for entering into or continuing business relationships. By accepting the contractual terms, suppliers commit to comply with them and ensure that their suppliers and subcontractors also observe these LkSG obligations.

¹ FSC®C016508

² PEFC/04-31-1206

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■ Our Risk Management System

As part of our group-wide risk management system, we collect and assess human rights and environmental risks in our processes within the meaning of the LkSG. The key elements in relation to our supplier portfolio are, on one hand, the involvement of EcoVadis for determining the risk level of our suppliers and, on the other hand, a package of adequate measures to support compliance with LkSG objectives oriented to the risk level (e.g. specific LkSG contract clauses, training opportunities, supplier audits). The fulfillment of due diligence obligations in accordance with Section 3 of the LkSG is continually documented in accordance with Section 10 para. 1 of the LkSG. We define appropriate and suitable preventive measures in accordance with our process description and implement these on a consistent basis. The risk analysis is performed annually. The results are reported to the boards on a regular basis, i.e. at least once per year.

■ Our Complaint Management Procedure

We have established a group-wide complaints procedure which enables external parties and employees alike to submit information relating to compliance with human rights and deviations from environmental regulations that apply to Koehler Group companies or our suppliers. Incoming information is carefully processed and documented taking into account the legal requirements of the German Supply Chain Act [Lieferkettensorgfaltspflichtengesetz], the German Whistleblower Protection Act [Hinweisgeberschutzgesetz], and the requirements of the chain of custody certification standards. Suitable corrective actions are then taken depending on the result.

This statement of principles is published on the websites of all Koehler Group companies and on the intranet. All Koehler Group companies produce an annual report regarding the fulfillment of our due diligence obligations in the previous financial year. This report is made available on the websites of the Koehler Group companies.




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