

COMPLIANCE

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Declaration of principles on human rights

Preamble

As a globally active company, Kalle considers the protection of human rights to be a central element of its corporate responsibility. We base our commitment to respecting human rights on the United Nations Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We are committed to respecting internationally recognised human rights and upholding them in our business activities and along our value chains. This includes, in particular, the prohibition of child and forced labour, the prohibition of all forms of slavery and discrimination and the strengthening of freedom of association. We are also committed to upholding labour protection, paying appropriate wages and prohibiting environmental pollution, forced eviction and the use of security forces if their use entails the risk of human rights being disregarded or restricted. We are committed to the Minamata¹, POPs² and Basel Conventions³.

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¹ The Minamata Convention is a convention under international law that regulates the mining, processing and disposal of mercury in order to reduce harmful mercury emissions. It has been implemented by EU Regulation 2017/852 since 1 January 2018.

² The Stockholm Convention is a convention under international law with the aim of reducing or banning the release of persistent organic chemicals. In the EU, the Stockholm Convention was implemented by Regulation (EC) 2019/1021.

³ The Basel Convention is a convention under international law that regulates the export of hazardous waste. In the EU, the Basel Convention was implemented by Regulation (EC) 1013/2006.

1 Expectations of employees, suppliers and other business partners

The principles set out in this declaration apply to our own business activities and all Kalle employees. In the following, "Kalle" refers to all companies directly or indirectly controlled by Kalle Management GmbH, including the operating US entities.

Furthermore, we expect our suppliers and other business partners to commit to complying with the principles set out herein and to implement appropriate processes to safeguard human rights. This also includes providing information on how they comply with these principles when requested to do so.

For the purposes of this policy statement, supplier means any business partner that provides a service or delivers products that are required to manufacture the products or services of a Group company, from the extraction of raw materials to delivery to the customer (in particular raw material suppliers, transport companies, contract manufacturers, plant engineers).

We are committed to always comply with applicable national laws. In cases where international human rights are restricted by local laws, we endeavour to promote the principles of international standards without coming into conflict with local laws. Where local laws exceed international standards, we will comply with such local standards.

2 Respect for human rights

Respect for human rights is achieved in particular by excluding or avoiding the following risks as far as possible:

- Child labour
- Forced labour and servitude (e.g. through extreme economic exploitation),
- failure to comply with mandatory occupational health and safety obligations (e.g. due to inadequate standards),
- the disregard of freedom of association (e.g. through the prohibition to organise),
- Unequal treatment in employment (e.g. on the basis of national and ethnic origin, social background, disability, sexual orientation, age, gender, political opinion or religion),
- the disregard of minimum wages,
- harmful soil, water or air pollution or water consumption that is likely to damage the natural basis for food production, water supply or health,
- the production or use of mercury in accordance with the Minamata Convention,
- the production or use of persistent organic pollutants in accordance with the Stockholm Convention,
- the improper disposal of waste.

3 Description of the process by which the company fulfils its corporate due diligence obligations

As a company in the chemical industry, we have the opportunity to strengthen the protection of human rights in a variety of ways. However, we are also aware of the human rights risks that can be associated with our business activities.

As part of our regular risk analysis, which we carry out for our own business areas, our supply chain and our services and products, we identify topics and risks that we consider to be priorities due to their potential severity and our ability to influence them: Child and forced labour, inadequate remuneration, discrimination, lack of occupational safety, water and air pollution and the use of hazardous chemicals.

We incorporate/will incorporate the results of our risk analyses into relevant business processes, in particular into our supplier management system. Where risks exist, we implement suitable preventive measures:

Supplier selection and evaluation: We take human rights and selected/specific environmental criteria into account when selecting and evaluating our suppliers and implement appropriate control measures.

Training: We organise training courses in the relevant business areas and, if required, also at our suppliers' premises.

Health and safety measures for own employees: Safety first is our motto, because the health of our employees is our top priority. Our aim is to live and further develop an occupational safety culture in the company in which every employee can proactively contribute. Prevention concepts are continuously developed and implemented with the involvement of employees and their representatives. Recognised hazards are eliminated and risks reduced. Our goal and aspiration is to continuously reduce and, where possible, prevent the number of accidents at work by reducing and eliminating hazards and providing targeted training. Occupational health and safety also includes third parties in order to enable all persons working on our company premises to work safely.

Product safety measures: As an important part of the food and retail industry, Kalle bears a high level of responsibility for the food and product safety of its products and therefore for the health and safety of consumers. Food and product safety therefore plays a pivotal role in both product development and manufacturing process. Application-orientated test methods and practical trials support our efforts in these areas. Our aim is to live and further develop a food and product safety culture within the entire group in which every employee can proactively contribute.

Sustainability and environmental protection: We focus on the long-term goals of building and maintaining a sustainable company - building a diverse workforce and environmentally friendly products and processes. We have invested heavily in developing an integrated environmental, recycling and disposal concept for our production process. Where possible, we recycle production-related materials within the process, reuse them and recover process waste heat. One example of this is that we return regeneration baths to the production process via an evaporation plant. We treat wastewater, for example, in the modern biological treatment plant at the Kalle-Albert industrial park. We comply with all relevant legal regulations.

4 Remedial actions

If we determine that a violation of a protected legal right has already occurred or is imminent, we will immediately take appropriate remedial actions to prevent, stop or minimise this violation.

If the infringement of a protected legal position cannot be ended in the foreseeable future, we will develop a concept with a specific timetable

- to remedy the grievance with the company that caused the violation.
- within the framework of industry initiatives and industry standards in order to increase the ability to influence the polluter.
- a temporary suspension of the business relationship during efforts to minimise risk.

The termination of a business relationship is only required if

- the violation of a protected legal position or an environmental obligation is considered to be particularly serious,
- the implementation of the measures developed in the concept does not remedy the situation after the time specified in the concept has elapsed,
- no other less severe means are available to the Group company and an increase in influence does not appear promising.

If the business area is located in Germany, the remedial measure must lead to an end to the infringement in Germany.

If the breach relates to the business area of a group company based outside Germany, the remedial measure must generally lead to the termination of the breach.

5 Complaints mechanism

Any person can report human rights or environmental risks as well as violations of protected legal positions caused by the business activities of one of our Group companies or one of our direct or indirect suppliers in accordance with the following provisions:

The local or Group Compliance department is responsible for processing reports. The responsible officers are independent and not bound by instructions. They are obliged to maintain confidentiality.

Possible compliance violations or human rights violations can be reported to Kalle Group Compliance under the following email address:

compliance@kallegroup.com



TORBEN MÜLLER

Co-CEO



SIEGFRIED WEBER

Co-CEO