

# KATEK

Lead the category

# Declaration of principle

## English

## 1. Foreword

KATEK SE and its subsidiaries (hereinafter: „KATEK“) are committed to improving the global human rights situation and to shaping sustainable business relationships along their supply chains. The company is committed to respecting human rights and the environment. KATEK implements a risk management system to identify potential and acute human rights violations and some environmental pollution in the supply chain and to take measures in accordance with the Supply Chain Protection Act. This includes refraining from child labor, forced labor, slavery, lack of labor protection, disregard of freedom of association, unequal treatment of employees, inadequate wages, harmful pollution of soil, water and air, forced eviction, hiring security companies with the risk of violations, ban on mercury, ban on persistent organic pollutants, ban on the export of hazardous waste. KATEK rejects unethical practices and is committed to training its employees in these values and actively addressing violations.

## 2. Human rights and environmental strategy

### Our commitment to international standards & implementation within the company

KATEK is one of the signatories of the UN Global Compact of the United Nations. As the KATEK Group, this underlines our commitment to the ten principles and creates annual transparency about our progress in the area of ESG.

In our Code of Conduct, KATEK sets out a general framework for the behavior we expect from our employees towards KATEK SE, the employees of the individual companies of the KATEK Group and third parties. The Code reflects management's efforts to introduce fundamental ethical standards throughout the Group and to create a working environment based on integrity, respect and fair conduct. These include the prohibition of discrimination, respect for the principle of equal opportunities and equal treatment, free choice of employment (no forced labor), the prohibition of child labor, appropriate remuneration, freedom of collective bargaining and association, and compliance with safety regulations.

KATEK's Code of Conduct also includes a comprehensive commitment to respect human rights, which includes the prohibition of operational impacts of business activities on the natural environment in accordance with Section 2 (2) No. 9 LkSG, the deprivation of natural resources in accordance with Section 2 (2) No. 10 LkSG and the hiring of security forces in accordance with Section 2 (2) No. 11 LkSG.

### Human rights strategy at KATEK & in the supply chain

KATEK is clearly committed to respecting human rights and does not tolerate any form of illegal employment, slavery, human trafficking or child labor. KATEK also respects the legally prescribed working hours, compensation and social benefits. A management system for occupational health and safety has also been implemented.

The ban on discrimination is a central component of the KATEK Code of Conduct. All employees and managers of the KATEK Group are committed to this. Suppliers must ensure compliance with applicable laws, regulations and customer requirements, demonstrate compliance with this Code and identify and mitigate associated operational risks.

KATEK's Supplier Code of Conduct stipulates the following, among other things: Respect for human and workers' rights; prohibition of illegal employment, slavery, human trafficking and child labor; also protection of young workers; fair working hours; fair pay; right to freedom of association and assembly; prohibition of discrimination and harassment; compliance with occupational health and safety and appropriate hygienic conditions. The following guidelines must also be followed: Compliance with environmental specifications, prevention and reduction of pollution, compliance with material specifications, waste reduction, improvement of energy efficiency and reduction of air emissions.

Non-compliance with the supplier's code of conduct may lead to the termination of the business relationship with the supplier, depending on the severity of the violation and special circumstances.

## Environmental protection

KATEK has been a signatory to the United Nations Global Compact (UNGC) since April 2021, is committed to the ten principles and provides annual transparency on our progress in the area of sustainability. In terms of content, we focus on the topics of human rights & labor standards, environment & climate, corruption prevention, reporting and the UN Sustainable Development Goals (SDGs).

In its Code of Conduct, the KATEK Group also obliges all employees to conserve natural resources. Our employees are motivated to work towards minimizing the negative impact of KATEK's business activities on the environment through material savings, energy-efficient planning, waste avoidance and recycling. In addition to economic aspects, every employee should also take ecological and social criteria into account when selecting suppliers, advertising materials or other external services.

## 3. Procedure description

### a) Procedures for the implementation of human rights and environmental due diligence

#### Risk management

Identifying risks and potential impacts and developing effective measures are key components of our implementation of human rights and environmental due diligence obligations. We view this responsibility as a continuous improvement process, whereby the early identification of human rights and environmental risks is crucial for efficient risk management.

#### Risk analysis

KATEK follows a standardized process to identify risks in the supply chain. The analysis is carried out annually and on an ad hoc basis and uses a risk management tool that provides a comprehensive IT-based solution for compliance with the LkSG. This system enables risk and supplier management based on the criteria of the LkSG and provides a detailed overview of suppliers' business areas, including their specific human rights and environmental risks.

All direct suppliers and companies in the company's own business area are integrated into the system. An abstract risk is determined for each company on the basis of recognized international indices. In a second step, the concrete risks are calculated based on the recommendations of the commercial law firm Graf von Westphalen for individual suppliers on the basis of self-assessments, news crawling and information from the complaints procedure, whereupon individual preventive measures are implemented.

The results of the analyses are collected annually, reviewed with regard to preventive measures and prioritized. This process is also carried out in the event of specific incidents, in particular if there are indications of possible breaches of duty by indirect suppliers. The results are incorporated into KATEK's compliance risk management and communicated to the management.

When assessing risks in our supply chain, we initially rely on an automated, AI-supported approach. This analysis is mainly based on the following principles:

- The location of the suppliers
- Classification of the economic sector
- External and officially recommended risk indices
- Certain self-disclosures from individual suppliers
- the weighting and calculation of risk assessments based on the available data for all categories within the meaning of Section 2 LkSG.

## b) Preventive measures

### Implementation of the human rights strategy in the relevant business processes and implementation of suitable procurement strategies and purchasing practices

KATEK requires its business units to immediately implement and monitor adequate preventive measures both internally and in procurement practices when risks are identified. These measures are intended to preventively and reactively address or minimize human rights and environmental risks. Compliance with these measures is also ensured in every business area.

In the event of clear risks relating to direct suppliers, KATEK immediately demands suitable preventive measures, which are monitored on a risk basis. The KATEK Code of Conduct for Suppliers defines clear requirements for contractual partners.

In the event of substantiated indications of breaches of duty by indirect suppliers, KATEK also takes appropriate preventive measures and supports indirect suppliers in complying with their human rights and environmental obligations.

### Training and capacity building

The implementation of sustainability principles at KATEK is based on a voluntary commitment and the continuous, target group-oriented development of expertise. This includes interactive training for employees, especially in global and regional sales and compliance. Training for employees is supplemented as required with content on the Supply Chain Duty of Care Act, including training on preventive measures.

The KATEK Code of Conduct for Suppliers helps to raise awareness and support our suppliers and business partners. In addition, KATEK offers internal (web-based) training and courses on sustainability and human rights as well as on environmental, social and human rights due diligence.

### Implementation of risk-based control measures in the supply chain

When identifying risks in the supply chain, KATEK implements suitable control measures vis-à-vis with suppliers and carries out risk-based monitoring of their implementation. Compliance with the defined measures is continuously reviewed and suppliers are monitored according to the results of the risk analysis.

### Networks and coalitions

KATEK maintains a regular dialog with companies in the same industry in order to create a trusting platform for the exchange of information on human rights and environmental protection. We continuously derive improvement measures from this exchange. The aim is to discuss challenges and solutions, address conflicting goals and identify opportunities for joint action in order to achieve progress more quickly.

As a member of the UN Global Compact and through its participation in the econsense working groups, KATEK is involved in the international context. Topics such as environmental and climate protection and the human rights implications of access to natural resources are also addressed here.

## c) Remedial measures

If KATEK becomes aware of potential or actual violations of the LkSG or the KATEK Code of Conduct for Suppliers, KATEK immediately initiates measures to prevent, stop or minimize these violations. Indications of possible violations are immediately passed on internally to the responsible person in supplier management for follow-up.

In the event of (imminent) violations at direct suppliers, the purchasing managers draw up corrective action plans with the suppliers to end or minimize the violation. In the case of indirect suppliers, the implementation of appropriate measures is requested from the direct supplier in the event of proven (imminent) violations. If the demands have no effect, the supplier is noted on a „not preferred“ list, which is taken into account when selecting suppliers.

In accordance with the principle of „development before termination“ and the provisions of the LkSG, KATEK reserves the right to terminate business relationships as a last resort. This only applies in the event of serious breaches of the law, failure to take remedial action after the expiry of specified deadlines or if no milder means appear effective.

#### d) Whistleblower system/ complaints procedure

Every KATEK employee, as well as third parties such as customers, suppliers and business partners, can use our IT-supported whistleblower system to report violations of laws and guidelines worldwide and around the clock - securely, confidentially and, if desired, anonymously.

Reports can also be submitted at [compliance@katek-group.com](mailto:compliance@katek-group.com) or by calling +43 1 80191 1199.

Reports received will be checked and processed by the compliance contact at KATEK SE. The reports submitted will of course be treated confidentially. With regard to the protection of the person affected by a report, we would like to point out that the suspicion of a person can lead to serious consequences for them and we encourage everyone to use the whistleblower system responsibly.

## 4. Reporting obligations

KATEK's commitment to human rights and environmental protection and compliance with the UN Guiding Principles on Business and Human Rights is monitored by the KATEK Executive Board, which discusses progress and challenges and derives measures for improvement.

The Compliance Officer and the officer appointed in accordance with Section 4 (3) LkSG report regularly and as required to the Executive Board on compliance with human rights, environmental and other obligations under the LkSG.

KATEK's annual reports in accordance with Section 10 LkSG and the sustainability reports are made available on the KATEK website.

## 5. Regular inspections

The procedures for compliance with the human rights and environmental due diligence obligations under the LkSG are reviewed regularly, at least once a year, and as required. This includes continuous monitoring of risk developments for the individual prohibitions of the LkSG. In addition, findings from the processing of information from the complaints procedure are incorporated into the review of the procedures.