

# HGDF

Policy statement under Section 6 (2) of the Supply Chain Due Diligence Act

At *HGDF Familienholding GmbH & Co. KG*, we are committed to respecting human rights and environmental obligations within our supply chain and consider the protection of human rights to be a central element. We therefore implement applicable law, respect internationally recognised human rights and environmental obligations, and take care to prevent human rights violations and environmental pollution as part of our business activities. In particular, we condemn all forms of child labour and forced labour, all forms of slavery and (modern) human trafficking, as well as all forms of discrimination. We are also committed to complying with occupational health and safety at the workplace, the payment of reasonable wages and the protection of our employees' freedom of association. We further uphold environmental conventions on mercury, persistent organic pollutants and the transboundary movements of hazardous wastes.

This policy statement of HGDF Familienholding GmbH & Co. KG was approved by the management on 1 December 2023.

In order to comply with our due diligence obligations under the Supply Chain Due Diligence Act (LkSG), we have established the basis for the following processes in our own area of business and, if necessary, with respect to our direct and indirect suppliers:

We have set up a risk management solution related to supply chain due diligence and will embed it in all relevant business processes. The implementation of the Daato software and performance of the abstract risk analysis based on the HGDF Group's direct suppliers provide the foundation for the practical risk analysis. Identified risks are raised among the corresponding suppliers and remedial measures are initiated if necessary.

As part of risk management, we conduct an annual and ad hoc risk analysis to identify human rights and environmental risks along our supply chain. In this risk analysis, we pay special attention to predominant risks based on our experience. We will identify the human rights and environmental risks that are prioritised for this company after implementation and on the basis of the risk declaration, and update these risks if necessary.

If we identify human rights or environmental risks along our supply chain as part of the risk analysis, we immediately take action including the following preventive measures:

Each subsidiary will attempt to influence suppliers according to its capabilities (depending on the supplier relationship, influence options, purchasing volumes and existing industry initiatives and standards, etc.) in order to minimise or eliminate possible risks. We consider contract design and amendments to be possible measures, as well as support in supplier training. Our purchasing policy is also reviewed with regard to supply chain due diligence criteria. Our buyers received introductory training on the topic of supply chain due diligence on 25 October 2023. Further training on the contractual structure and handling of suppliers was conducted by Alessandra Kilian from DLA Piper on 16 November 2023.

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If, as part of our risk analysis, we determine that a violation of a human rights or environmental obligation has already occurred or is imminent, we will immediately take the following remedial measures: We seek contact with our direct suppliers and try to find an amicable solution.

Irrespective of the risk analysis and the risks identified here, we have set up a complaints procedure that enables our employees and all other affected persons to report human rights and environmental risks as well as violations of human rights and environmental obligations. The complaints procedure is publicly accessible via our website [www.hgdf.de](http://www.hgdf.de) and refers directly to the cloud-based Akarion software. A case management process description for the handling of reports is available. If tip-offs or complaints are received via this system, the procedure is followed as stated in our case management.

At HGDF, two employees are appointed as internal reporting office and human rights representatives and are qualified as a result of training measures. Both employees are independent and not bound by instructions with regard to this work and are responsible for monitoring compliance with the LkSG. Each subsidiary has set up its own reporting office, which reports to the human rights representatives of HGDF. The responsibility for risk management lies with another person.

We continuously review the effectiveness of the complaints procedure on an ad hoc basis, but at least once a year, and develop the procedure as necessary.

We document our efforts to effectively implement our due diligence obligations on an ongoing basis, e.g. by providing evidence of training and adapting process flows and employment contracts, with the use of the Daato software solution. In addition, we will publish an annual report on the fulfilment of our due diligence obligations starting in 2024. This will be published on our website no later than four months after the end of our financial year (31 December) on 1 May of the following year and will be available free of charge for a period of seven years.

## Our human rights and environmental priorities

As part of the risk analysis we conduct, we will identify HGDF-specific risks for human rights and environmental issues that we consider to be a priority due to their nature and scope, as well as their potential significance for our company. After completing the first risk analysis, which we expect by the beginning of February, we will publish the identified human rights and environmental priorities in this policy statement.

## Our expectations of our employees and suppliers

The principles outlined in this policy statement apply to both our own area of business, i.e. for all our employees, as well as to our suppliers in the supply chain. For this purpose, we have developed a Code of Conduct for our employees, which clearly

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and comprehensibly sets out our expectations of our employees and is published on our website.

Furthermore, we expect our suppliers and business partners to also commit to complying with our principles and to develop and embed appropriate and effective processes to address and prevent the risks and violations we uncover, as well as to identify other potential risks. In order to communicate our expectations of our suppliers and business partners transparently, we have developed a Supplier Code of Conduct, which can also be found on our website.

Flensburg, 8 December 2023

HGDF Familienholding GmbH & Co. KG

Signed  
Management