

## Declaration of principles for the human rights strategy

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## I. Preface

As an international family business, GEZE GmbH (referred to in the following as “GEZE”) is aware of its responsibility as part of global supply chains as well as its social responsibilities, and wants to live up to these responsibilities without neglecting its obligations towards its employees. Because of this, since its founding, GEZE has been committed to doing business in a long-term, sustainable way. Taking human rights and environmental aspects into account along the supply chain, identifying risks related to human rights and environmental considerations, and reducing identified risks in a responsible, socially appropriate manner are all a matter of course at GEZE. Likewise, sustainability, fair treatment, and ethical and economical values are firmly anchored in GEZE's corporate culture.

This commitment is true both for our own business areas and for suppliers within our supply chains. As part of this commitment, the board of management has resolved the following declaration of principles on human rights. Compliance with this declaration is reviewed regularly.

This declaration of principles supplements measures GEZE has already implemented in its processes, regulations and guidelines for meeting human rights and environmental protection requirements. The declaration is intended to underscore GEZE's work towards fair treatment and trust within its supply chains.

## II. Compliance with human rights and social responsibility

GEZE is fully committed to complying with and respecting its due diligence responsibilities in the areas of human rights and environmental considerations.

Because of this, GEZE aligns its corporate activities to guidelines such as:

- o United Nations Global Compact (UNGC)
- o Core labour standards of the International Labour Organisation (ILO)
- o The German Act on Corporate Due Diligence in Supply Chains
- o UN Guiding Principles on Business and Human Rights
- o UN Convention on the Rights of the Child
- o UN Convention on the Elimination of all Forms of Discrimination Against Women

GEZE expects that its business partners and employees will orient and align their activities and everyday decision-making around these guidelines and this declaration of principles.

## III. Implementation: risk management and risk analysis

To fulfil this mission, GEZE has implemented guidelines, management systems and trainings to provide further details on applicable requirements.

The following documents and guidelines are particularly relevant, and set forth the basic principles applicable at GEZE:

- Code of Conduct for Business Partners
- Code of Conduct for Employees

- Human Rights and Environmental Strategy
- GEZE standard contracts, in particular the framework delivery contract and framework service contract
- GEZE conditions of purchasing and sale
- Quality assurance agreements
- Global Procurement Policy guidelines
- Document: Sustainable purchasing at GEZE

Both the Code of Conduct for Business Partners and the Code of Conduct for GEZE Employees contain the minimum standards GEZE considers essential for collaboration. In addition to aspects related to human rights and the environment, these codices contain specifications regarding corruption, data protection, confidentiality and other matters. Compliance with the principles and values set forth in these documents is essential for GEZE.

GEZE requests that its business partners, in particular its direct suppliers, comply with these human rights and environmental protection standards. GEZE supports both its business partners and employees in implementing the requirements by providing information and training sessions, including on the German Act on Corporate Due Diligence in Supply Chains (also referred to as the “LkSG”). The goal is to sensitize each individual and to identify and avoid risks related to human rights and the environment. When choosing suppliers, for example, GEZE looks for contractual assurances regarding compliance with human rights and environmental due diligence obligations, as well as other applicable local laws. Supplier compliance with these requirements is reviewed through audits as necessary.

To improve understanding of statutory regulations internally and sensitize employees regarding these matters, GEZE has also established internal guidelines beyond the Code of Conduct, and regularly trains employees on many different topics.

## 1. Risk management

GEZE's global risk management is based on the “3 lines of defence model”. It takes all corporate risks into account; due to the enactment of the German Act on Corporate Due Diligence in Supply Chains, human rights and environmental issues are a particular area of focus. Because of this, priority risks identified in the LkSG risk analysis have been added to or further detailed in the LkSG risk management.

Risk management is an ongoing process which is continuously questioned and optimized as needed. Risk management can be adjusted, for instance, due to changes and updates to the risk analysis.

At GEZE, risk management is monitored by the Human Rights Officer. The relevant departments are responsible for risk assessments and operational implementation of associated processes; the Global Procurement department, in particular, is responsible for LkSG-related monitoring.

## 2. Risk analysis within own business area and in the supply chains

At GEZE, risk analysis is a multi-stage process that will never be completed; instead, it is regularly reviewed to ensure it is up to date, and adjusted if needed. First, abstract and concrete risks related to human rights and environmental considerations are identified for suppliers and for our own business area. The purpose of this is to identify and evaluate corresponding potential and actual impacts that suppliers' actions will have within the supply chain, and within our own business area. GEZE then uses

this information to identify priority risks and define relevant measures to minimise or avoid these risks. Based on this risk assessment, GEZE takes necessary preventative and corrective measures within its own business area and in the supply chain. We do so by involving responsible departments and including any complaints from the complaint process. Results of this process are documented and also included in the annual reporting. If the ongoing risk analysis identifies deviating or further priority risks, then these are adjusted the next time this declaration of principles is updated.

In addition, the results of the risk analysis are regularly considered in GEZE's internal processes, in particular in our supplier management.

This risk analysis serves as the basis for identifying appropriate preventative and corrective measures, and is also used to update these accordingly and regularly.

GEZE evaluates any risks continuously, at least once per year and on a case-by-case basis – both internally in its own business area and at its suppliers, as well as when there are changes within its business area. We do so, for instance, based on notifications of potential human rights and environmental risks. Using these assessments and analyses, GEZE can identify potential risks as quickly as possible and take any necessary corrective measures.

In general, regular risk analyses are conducted in multiple steps to help maintain transparency regarding global supply chains. Risks are first considered on an abstract basis, then classified into categories – in particular into industry-specific, country-specific and raw material-specific risks for our own business area and our supply chains. Suppliers are classified once again, based on their level of turnover. Companies and suppliers with elevated risks based on this classification are then investigated specifically for priority human rights and environmental risks. The responsible companies and departments are involved in this investigation, so their experiences can be included in the risk analysis.

GEZE has used the following official indices, among others, for the risk analysis:

- OECD Country risk
- UN Human Development Index
- Environmental Performance Index from Yale University
- Sustainable Development Report from Cambridge University
- Corruption Perception Index from Transparency International

Risks are evaluated based on the impacts economic activities have on human rights and environmental risks within our own business area as well as along our supply chains. GEZE has identified the following risks as priority risks:

- Child and forced labour
- Unequal treatment in employment and withholding reasonable wages
- Work hours
- Occupational and health protection
- Discrimination
- Soil and groundwater pollution
- Use of mercury and/or so-called persistent organic substances
- Denying the freedom of association

The following priority countries have been identified based on GEZE's risk analysis:

- China
- India
- South Africa
- Russia
- United Arab Emirates

## IV. Preventative and corrective measures

To ensure GEZE can live up to its responsibilities, a wide variety of preventative and corrective measures have been implemented beyond the processes, documents and trainings described above. If risks are identified – regardless of whether they are internal or external – they are minimised as far as possible through appropriate measures. There are already internal guidelines and trainings, for instance on occupational safety, to limit any risks.

In case of external risks, further information is obtained from suppliers depending on the extent of the risk – for instance regarding human rights strategies and avoiding environmental risks – and audits of suppliers are conducted. Approaches for handling potential risks are discussed and defined alongside suppliers. Suppliers identified as having an elevated level of risk based on risk analyses or through other means are contacted directly by Global Procurement with a specific survey. This must be answered by a given deadline.

If a substantiated violation occurs despite all of the preventative measures taken, then appropriate corrective measures are identified, defined and taken promptly. These are implemented depending on the type and degree of the violation. Reported or otherwise identified potential risks are reviewed, and the matter at hand is analysed. Responsible persons and/or departments are involved. Concrete measures are identified alongside responsible persons and departments, and implemented by them. The supplier is informed of these, and any corrective measures are discussed, argued and recorded with him, with the provision of a reasonable deadline. The goal of these measures is to correct the potential risk. If this is not successful, the responsible persons must decide whether, in consideration of the severity of the risk, to end the business relationship as a final consequence.

If a substantiated human rights violation has occurred within our own business area, or if there is a sufficiently detailed indication of such a violation, then measures are taken promptly to end the violation or risk.

Established measures, analyses, processes, and guidelines are also critically evaluated on an ongoing basis, documented, and reviewed regularly to ensure they are effective. If this evaluation shows that processes can, for instance, be optimised, they are promptly fine-tuned. The Human Rights Officer also reports on identified risks and resulting preventative and/or corrective measures at least once annually. These are also evaluated and included in the risk analysis, human rights strategy and/or risk management if necessary. The human rights and environmental situation is also documented, with thorough reporting, in the annual overall report.

This declaration of principles is also reviewed regularly and updated as needed.

GEZE has a complaint process for handling complaints on human rights and environmental risks in accordance with the German Act on Corporate Due Diligence in Supply Chains. This has been set up on the GEZE website <https://www.geze.de/en/complaints-procedure>. Here, persons wishing to submit

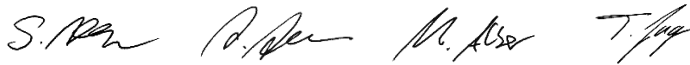
complaints can report potential risks, violations or grievances related to human rights or environmental contamination. Complaints resulting from the complaint process or tips GEZE receives through other mechanisms are pursued and reviewed. Effective corrective measures are also identified, analysed and initiated based on the results.

## V. General information

The board of management implements this declaration of principles; department managers are responsible for local implementation, in particular the Global Procurement department.

GEZE's internal audit also includes these criteria as priority audit criteria, and ensures they are complied with.

This declaration of principles goes into force upon signing. No third party or individual rights can be derived from this declaration. It is reviewed and updated as needed based on the regular risk analysis – at least once annually and on a case-by-case basis.



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Board of management of GEZE GmbH

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