

## **Policy Statement on Human Rights and the Environment**

### **Our commitment to human rights and environmental standards**

At trans-o-flex<sup>1</sup>, social responsibility is at the heart of our corporate identity. By issuing this policy statement, we expressly acknowledge our responsibility to protect and promote human rights and environmental standards in our own business and along our supply chain.

Our actions are guided by various international standards and frameworks such as:

- **the Universal Declaration of Human Rights;**
- **the Ten Principles of the UN Global Compact;**
- **the Four Fundamental Principles and Rights at Work of the International Labor Organization; and**
- **the Charter of Fundamental Rights of the European Union.**

We are committed to complying with the provisions of the German Supply Chain Due Diligence Act (LkSG) and consistently integrate its implementation into our processes. These regulations serve as an important guideline for us to identify, minimize and prevent risks relating to human rights and the environment.

Compliance with all legal requirements applicable to our business activities is not only a matter of course for us – it is also an essential part of how we do business. We know that violations not only have legal consequences, but can also harm the confidence that people have in our company and in our responsibility towards society and the environment.

This policy statement supplements the trans-o-flex Code of Conduct, which serves as a binding framework for all employees. The Code of Conduct forms the basis of our internal guidelines and requirements and ensures that we act ethically and responsibly in all our activities.

---

<sup>1</sup> The group includes all companies in which trans-o-flex Express GmbH & Co. KGaA has a direct or indirect stake of at least 50%.

By undertaking this commitment, we want to make our contribution to a fair, sustainable and respectful business world.

## **Our expectations of employees and suppliers**

We expect all our employees and suppliers to fully comply with all applicable laws and internationally recognized human rights.

We also find it particularly important that our employees implement our Code of Conduct. As a guideline for our decisions and actions, the Code of Conduct sets out binding minimum standards for responsible conduct both within the company and towards our business partners and the public. It helps to avoid violations by raising awareness of legal risks. It covers all aspects of our daily work. We encourage all employees to report violations of our Code of Conduct or the applicable regulations – whether through their supervisors, Human Resources, the Legal department or our whistleblowing system.

We also have clear expectations of our suppliers, which are set out in our Supplier Code of Conduct. We expect our suppliers to base their actions on these ethical principles and to ensure that their subcontractors do the same. We also find it important that risks relating to human rights and the environment along the supply chain are identified at an early stage and reported promptly so that appropriate mitigation measures can be taken.

## **Our measures to fulfill due diligence obligations under the LkSG**

We are constantly working to ensure respect for human rights. We are continuously reviewing and developing the implementation of human rights due diligence obligations in line with changing circumstances, types of business activity and the size and structure of our company.

We have therefore integrated human rights due diligence processes as an integral part of our organization and in our relationships with our business partners to ensure respect for human rights.

## **1. Risk management**

Our risk management system aims to protect individuals and to prevent or at least minimize potential negative human rights impacts.

The management bears ultimate responsibility for compliance with human rights and environmental due diligence. On January 1, 2024, we installed a Human Rights Officer within the Compliance department. The Human Rights Officer monitors the implementation of our risk management system in accordance with the LkSG and is given the necessary resources and authority to perform these tasks.

In addition, a cross-departmental LkSG project team has been formed to develop and coordinate measures and incorporate them into our business processes. By taking this approach, we are consistently implementing our commitment to ethical and responsible conduct.

## **2. Risk analysis**

trans-o-flex conducts risk analysis that covers both our own business and our direct suppliers with the aim of systematically identifying and evaluating risks relating to human rights and the environment and defining appropriate preventive or corrective measures. Our risk analysis is based on the guidelines issued by the Federal Office for Economic Affairs and Export Control (BAFA), both in our own business and for our direct suppliers.

We conduct this risk analysis at least once a year and on an ad-hoc basis. Ad-hoc risk analysis is conducted for indirect suppliers as soon as there is concrete evidence of possible violations of human rights or environmental obligations. We also carry out ad-hoc risk analysis when we expect significant changes or new risks in the supply chain (e.g. due to the introduction of new products or business areas).

In our own business, we meet our risk analysis obligation with the help of an external company that provides comprehensive corporate sustainability assessments. This platform enables any abstract risks to be systematically recorded and evaluated. Based on these abstract analyses, the external company investigates specific risks in detail by evaluating self-disclosures and the documents we provide. The insights gained are used to weight and prioritize risks and initiate appropriate measures.

To analyze risks with our direct suppliers, we use an in-house tool that takes into account a variety of relevant parameters to assess abstract risks. The parameters include country of origin, the supplier's industry, the purchasing volume and the type of products or services. With the help of stored indices and values, abstract risks are classified as low, medium or high. We conduct detailed investigations for medium and high-risk suppliers – based on information provided by them – to identify and assess specific adverse risks.

The analyzed risks are weighted and prioritized, taking into account the nature and scope of the business activity in question, as well as the potential impact, severity and reversibility of a possible violation and the company's own contribution to the cause. On this basis, we take targeted measures to prevent, mitigate and eliminate the identified risks. Any violations of human rights are consistently tracked and actively addressed to prevent or minimize their impact.

As part of our first annual risk analysis, we identified and prioritized four key risk areas. In our own business, we place particular emphasis on improving occupational safety. In relation to our direct suppliers, we have classified the following risks as significant: disregard for occupational safety, unequal treatment in employment, the withholding of adequate wages and disregard for freedom of association.

As trans-o-flex only has locations in Germany and Austria and most of our suppliers are based in Germany, the significant risks are limited to a small number of suppliers, especially our subcontractors in Germany and abroad.

### **3. Preventive measures**

We have implemented various preventive measures in our own business and in relation to our direct suppliers to effectively prevent or minimize identified risks.

In our own business, we have implemented the following measures in particular:

- appointing a Human Rights Officer;
- publishing and implementing this policy statement, which meets the requirements of Section 6 (2) LkSG;

- establishing a Code of Conduct for our employees, as well as internal guidelines and training courses on topics such as the German General Act on Equal Treatment (AGG), occupational safety and compliance; and
- raising awareness within the relevant business areas by providing training on due diligence obligations and protected legal interests under the LkSG.

We have established various measures with our direct suppliers, including:

- paying attention to human rights and environmental requirements when selecting suppliers based on the Supplier Code of Conduct;
- obtaining contractual assurances that our expectations with regard to human rights and the environment are being met and appropriately addressed along the supply chain; and
- agreeing on contractual control mechanisms to verify compliance with human rights and environmental expectations.

#### **4. Corrective measures**

If we discover that human rights or environmental obligations have been violated in our own business or in relation to our direct suppliers, or if we identify an impending violation in this regard, we immediately launch a thorough investigation and take appropriate remedial action.

If we have a reasonable suspicion or specific information about possible human rights violations in our company or along our supply chain, we investigate the matter carefully and thoroughly. We require our suppliers to assist us in clarifying the facts of the matter and to cooperate fully within a reasonable timeframe. Depending on the severity of the violation in question, we reserve the right to take appropriate action in relation to our business partners – from demanding the immediate rectification of the violation to taking legal action and terminating the business relationship.

#### **5. Whistleblowing system**

We reject any form of human rights abuses. That's why our due diligence processes importantly include an appropriate and effective whistleblowing system to prevent and remedy any adverse human rights impacts that may be caused by our company and business activities.

The whistleblowing system is available to all internal and external parties and covers both human rights and environmental violations that occur in our own business or in relation to our suppliers.

More detailed information on our whistleblowing system can be found in our publicly accessible rules of procedure: <https://www.trans-o-flex.com/en/whistleblowing-systems/>.

## **6. Monitoring effectiveness**

The effectiveness of measures taken to prevent human rights abuses and environmental violations in our own business and for our direct suppliers is reviewed at least once a year and on an ad-hoc basis. Any necessary adjustments are then planned and implemented.

## **7. Documentation and reporting**

All due diligence measures are fully documented and retained in accordance with the relevant legal requirements.

The first report will be prepared in accordance with the legal requirements and the BAFA's reporting guidelines. It will be published on our website and submitted to the responsible supervisory authority, the BAFA, in due time.

The management board of  
**trans-o-flex Express GmbH & Co. KGaA**