

KOEPPER Statement of principles on human rights and associated environmental standards

Version January 2024, FO.187

Preamble

As an internationally leading company in the development and production of high-precision gears for engine and transmission applications, KOEPFER is aware of its responsibility within the global flow of goods.

In accordance with our fundamental values, which we have lived for over 150 years and which form an integral part of our corporate culture, we not only align our actions with legal requirements, but are also committed to ethical standards.

We know that our success as a company is the success of the people around us.

We therefore treat our fellow human beings and the environment with respect and value them.

Our company can only be sustainably successful in the future if the impact of our business activities is in harmony with people and the environment. We are aware of our social and societal responsibility.

KOEPPER stands for the establishment and strengthening of internationally recognized human rights, which are universal, inalienable and indivisible rights that every person is equally entitled to and which we are committed to respecting, both within the framework of our own business activities and in relation to our global supply and value chains worldwide. KOEPFER is therefore particularly committed to strengthening human rights and preventing human rights violations. KOEPFER and its workforce are committed to observing and applying the fundamental principles on human rights, working conditions, environmental protection, health and the fight against corruption and bribery.

As a company, we have a social responsibility. We are committed to a free basic order, a fair market economy and free competition. We respect the laws and culture of the countries in which we operate. At all locations, we support innovative approaches and projects that advance social development and serve people. We live equality and reject discrimination of any kind. At the same time, we pay attention to transparency, reliability and openness in internal and external communication. Because that creates trust. And last but not least, protecting the environment and health is important to us.

We therefore use the best technology in each case to avoid harmful effects of our economic activities.

We see a common understanding of socially and ecologically responsible actions and ethical business behavior as an essential basis.

1. Human rights and environmental standards

We protect and respect human rights and the associated environmental standards. This code defines requirements that KOEPFER sets for itself and which KOEPFER expects to be adhered to along the supply chain.

This includes:

- United Nations (UN) Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights (UNGPR)
- Conventions and recommendations of the International Labor Organization (ILO) on labor and social standards
- Principles of the United Nations Global Compact (UNGC)
- UN Convention on the Rights of the Child UN Convention on the Elimination of Discrimination against Women
- Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- Forced Labor Priority Principles of the Consumer Goods Forum (CGF)

We are committed to working closely with these organizations and implementing their recommendations and guidelines to fulfill our responsibilities. This declaration incorporates the principles of our code of conduct, which is binding for all employees of the KOEPFER Group.

We are aware that compliance with human rights must be ensured not only in our own business operations, but along the entire supply chain. Our Supplier Code of Conduct defines the expectations of our suppliers with regard to the environment, social standards, legal compliance and business ethics. The Code of Conduct for Suppliers is the basis for cooperation with our suppliers, who in turn should apply the corresponding standards in their supply relationships.

We ensure that our suppliers comply with the Supplier Code of Conduct and take appropriate measures to ensure compliance where necessary.

2. Human rights and good working conditions

We attach particular importance to human rights and good working conditions in our own group companies, but also among our suppliers and business partners.

Prohibition of child labor

We strictly reject any form of child labor and are committed to complying with the ban on child labor and respecting ILO Conventions No. 138 and No. 182. We ensure that no child labor is carried out in our operations and that we do not have business relationships with people or organizations that engage in child labor.

Prohibition of slavery and forced labor

In accordance with international labor standards and laws, we do not tolerate any form of forced labor, such as slavery, debt bondage, human trafficking and forced or compulsory labor.

Right to health and safety at work

We are committed to providing a safe and healthy work environment while complying with all applicable laws, regulations and industry standards. We design our workplaces in such a way that possible dangers are excluded and risks are minimized. We help reduce workplace-related injuries by providing training and education and providing information to employees to promote awareness and competence in working safely.

Freedom of association and the right to collective bargaining

We respect and promote our employees' right to freedom of association and the right to collective bargaining. Our employees have the right to join or form a union without risk of discrimination or retaliation.

Protection against discrimination

We do not discriminate against anyone based on personal characteristics such as ethnic origin, skin color, age, gender, sexual orientation, disability, religion, nationality, trade union membership or political orientation. We are committed to ensuring equal opportunities and fair behavior in our company and to refrain from any discrimination.

Fair working conditions

We are committed to ensuring fair working conditions for our employees that comply with national and international labor and social standards, including the ILO guidelines. We follow the regulations on working hours and appropriate remuneration in all of our companies.

Rights of local communities and indigenous peoples

We respect the land, water and resource rights of indigenous peoples and local communities and ensure that we protect, support and respect them in accordance with the United Nations Declaration on the Rights of Indigenous Peoples.

Deployment of security forces

We ensure that human rights and the principles of our Code of Conduct are strictly observed when engaging and using private or public security forces.

Human rights and the environment

We protect our natural resources by using our resources responsibly and sustainably. We take measures to design our products and processes to reduce our ecological footprint. This includes reducing greenhouse gases and minimizing harmful soil changes, water and air pollution or harmful noise emissions. We strive to comply with all applicable national and international environmental and nature conservation laws and all other relevant regulations. We ensure that we label, handle, transport, store, reuse, recycle and dispose of all hazardous materials and waste used in accordance with applicable laws and regulations.

We take the utmost care when sourcing raw materials and minerals and ensure that they do not come from illegal sources or conflict areas.

3. Scope

This policy statement applies to all group companies over which we as the KOEPFER Group have an influence, as well as employees and business partners along our entire supply chain. We ensure that our suppliers act according to the same principles that we have recognized as binding for ourselves and our own business operations.

4. Risk management and Responsibilities

We consider the identification of potential risks and the derivation and implementation of effective risk-based measures to be core elements of human rights and environmental due diligence. We see the fulfillment of this responsibility as a continuous improvement process.

The protection of human rights and the associated environmental standards is an essential part of our sustainability strategy.

5. Reporting channels for tips or complaints when dealing with violations

Our employees and external third parties can use various methods to report human rights violations or existing risks.

Information can be reported directly to the central compliance organization via the portal <https://koepfer.anzeige.digital/>.

All incoming reports or tips are investigated by the compliance organization in compliance with the confidentiality requirement and in compliance with the principles of a fair procedure. If the investigations confirm violations of human rights or environmental law, appropriate further measures will be taken. Where necessary, state authorities will be informed and violations of provisions subject to penalties will be reported.