



## Declaration of principles of profine GmbH

and its affiliated companies within the meaning of §§ 15 ff. AktG pursuant to the Supply Chain Due Diligence Act (LkSG) to respect human rights

# DECLARATION OF PRINCIPLES OF PROFINE GMBH

## Introduction

As a global company, we, profine GmbH and all our affiliated companies according to §§ 15 ff. AktG ("profine" or "profine Group"), are aware of our corporate responsibility to respect human and environmental rights.

We firmly believe that respect for and protection of human rights, including the abolition of forced labor and child labor, as well as ensuring fair labor practices, are fundamental principles that are rooted in all aspects of our business. Similarly, we recognize that protecting the environment and promoting sustainable practices are essential to making a positive contribution to a livable future.

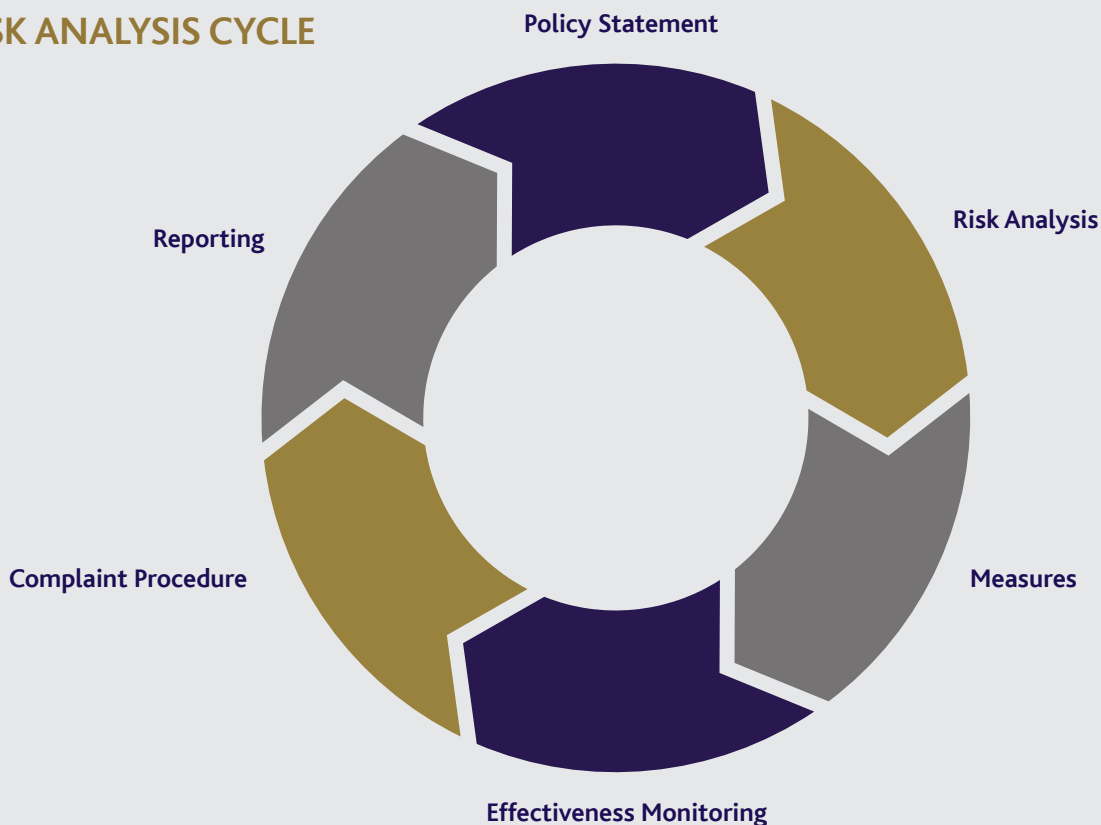
We are therefore committed to respecting human and environmental rights within our own operations and supply chain and to providing access to remedy for those affected by human rights and environmental rights violations.

In doing so, we align our business activities with internationally recognized human rights, labor and environmental conventions such as the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises on Corporate Responsibility, the core labor standards of the International Labor Organization (ILO) and the International Bill of Human Rights, thus implementing the requirements of the National Action Plan for Business and Human Rights.

We expect our business partners to also commit to respecting human rights, to establishing appropriate due diligence processes and to passing on our expectations to their own suppliers.

We recognize that our business activities and our global supply and value chains can have a potentially adverse impact on human rights and the environment.

## RISK ANALYSIS CYCLE



## Relevant human rights issues and potentially affected groups and environmental risks

On the basis of internationally recognized human rights and standards, we focus our human rights and environmental due diligence on the following human rights and environmental topics, which we have identified through a risk analysis as potentially material for our company:

### Human rights risks

- Forced and child labor and all forms of slavery
- Disregard for occupational safety and work-related health hazards
- Precarious employment and working conditions
- Corruption and bribery
- Disregard for freedom of association, freedom of assembly and the right to collective bargaining
- Discrimination in any form (e.g. based on gender, age, ethnic and social origin, nationality, religion or belief, physical or mental disability, sexual orientation)
- Destruction of the natural environment through environmental pollution
- Illegal violation of land rights
- Restrictions on the rights of local communities and indigenous peoples
- Restrictions on access to education

The following groups of people may potentially be at risk along our value chain and may be relevant:

- Our own employees
- Business partners and their employees
- Local residents near the sites of our own business units and those of our business partners

Within these groups, we have identified individuals who are at greater risk of adverse human rights impacts. These potentially affected individuals are given special consideration in our due diligence processes. These are groups of people who have special needs, who are socially marginalized or who find it difficult to get their concerns heard. We consider the following groups to be particularly vulnerable:

- Women and children
- Local communities (esp. indigenous peoples)
- Elderly, sick or poor people
- People with disabilities
- Groups in weak/unregulated environments
- Ethnic/religious minorities
- Lesbian, gay, bisexual, transgender, intersex and queer people

### Environmentally related risks

- Prohibited production, use and/or disposal of mercury (Minamata Convention)
- Prohibited production and/or use of substances within the scope of the Stockholm Convention (POP) as well as non-environmentally sound management of POP-containing wastes
- Prohibited import/export of hazardous wastes under the Basel Convention

We expect all groups of people in their own business areas to act in accordance with the same ethical principles as set out in this declaration of principles and the profine Code of Conduct, and that our direct business partners comply with the profine Supplier Code of Conduct.

## **Due diligence, risk management, risk analysis, prevention and mitigation**

For us, respecting human and environmental rights is an ongoing process. The implementation of human rights due diligence in relation to changing contextual conditions, the nature of business activities, and the size and structure of the company is regularly reviewed and, if necessary, further developed.

We meet our human rights and environmental due diligence obligations with the following measures:

### **Risk management**

We have set up an appropriate and effective risk management system to ensure compliance with the required due diligence, and our human rights officer is responsible for monitoring and implementing it.

The risk management system enables us to identify human rights and environmental risks and violations, minimize them and take remedial action. In doing so, the interests of employees in our own business area and in the supply chain as well as the protected legal positions of those potentially affected.

To ensure that we can always make informed, strategic and operational decisions, we rely on regular and ad hoc internal reporting on human rights-related findings from our risk analysis, information from our grievance mechanisms, and information on the effectiveness of our remediation and prevention measures.

### **Risk analysis**

We conduct an appropriate risk analysis at least once a year and as needed to identify potential human rights and environmental risks in our own business area and in that of our direct suppliers, and to take appropriate remedial action.

The risk analysis is based on classification criteria (country- and company-specific risk matrix) and, if necessary, takes into account information from internally validated supplier self-assessments. The risk is then assessed based on the severity and probability of occurrence of the identified risks. When assessing severity, the extent and scope are taken into account.

External databases and external service providers can be used to identify, assess and verify risks. The information provided by suppliers in their self-assessments is validated by the responsible departments.

The results of the risk analysis are documented accordingly and included in the reporting. If measures need to be implemented as a result of the results, these are also included in the documentation and reporting.

The Human Rights Officer is responsible for identifying and assessing risks related to human and environmental rights violations, and for taking action, the Human Rights Officer is responsible and is supported as needed, in particular by the purchasing and sales departments.

## Prevention

In order to fulfill our responsibility to respect human and environmental rights, risk analysis is used to develop and implement appropriate preventive measures as needed to and to protect those who could potentially be affected and to prevent or at least minimize adverse effects.

Relevant preventive measures in our own business area are:

- Publication and implementation of this declaration of principles
- Appointment of a human rights officer
- Adherence to our Code of Conduct and Supplier Code of Conduct
- Training and awareness-raising of employees
- Implementation of risk-based control measures
- Enforce sanctions for violations

Relevant preventive measures for direct suppliers are:

- Consideration of human rights and environmental requirements in the cooperation with existing and new suppliers
- Implementation of risk-based analysis measures for existing and new suppliers
- Obligation to comply with human rights and environmental due diligence as part of a risk-based approach
- Obtaining a declaration of principles or a comparable assurance (e.g. supplier code of conduct)
- Enforcing contractual assurances
- Implementing risk-based control measures

## Remedial action

If we become aware of a violation of human or environmental rights standards, we immediately initiate a thorough investigation to determine the areas affected and the impact of the violation, so that the violation of human or environmental duty can be terminated or at least minimized.

Depending on the severity, extent and scope of the violation, we reserve the right to take appropriate action in connection with our business partners, from demanding that the violation be remedied to taking legal action or terminating the business relationship. Regardless of this, we work towards redressing the violation.

A joint plan for ending or minimizing the violation will be created and implemented with the party responsible for the violation of duty, which contains a specific timetable and is suitable for preventing or minimizing future human rights or environmental violations. In the event of a permanent or serious violation of the agreements made or of human or environmental rights, we reserve the right to terminate the business relationship as a ultima ratio, terminate the business relationship with immediate effect.

If we obtain substantiated knowledge of a violation of a human rights and/or environmental obligation by indirect suppliers, an immediate risk analysis will be carried out and appropriate preventive and remedial measures will be implemented to end the violation or at least minimize its impact.

## **Effectiveness control**

We review the effectiveness of our risk management and any measures derived from it at least annually and as warranted to avoid or at least mitigate adverse human rights or environmental impacts.

We also check whether our requirements are being met. Within our company, we also conduct risk-based audits, follow up on all indications of potential human rights and/or environmental violations, conduct employee surveys and review the effectiveness of training and continuing education measures by means of comprehension questions during training or in the form of final tests. In our value chain, we assess the effectiveness of the measures implemented by monitoring the results of our continuous analysis of human rights and/or environmental risks and impacts. We also conduct risk-based audits of our direct suppliers, e.g. document reviews, online assessments and, where necessary, on-site inspections. Wherever possible, the inclusion of those potentially affected is ensured, as is the consultation of rights holders with regard to the aforementioned audits.

## **Complaint system**

We reject any form of human and/or environmental rights violations. Appropriate and effective complaint management is therefore an important part of our due diligence processes in order to effectively prevent and remedy any potentially adverse human and/or environmental impacts by our company and our business activities and to effectively provide remedies.

We have set up a company grievance system that is accessible inside and outside the company.

We operate a grievance system that offers internal and external stakeholders and all potentially affected parties worldwide a confidential communication channel to report possible violations of human and environmental rights and international agreements. Access to the grievance system is proactively communicated to these groups in appropriate language to take into account differences in the target groups. Reports can also be made anonymously. We inform the target groups to be reached about the available grievance mechanisms using measures that are adapted to the target group and the local context.

All reports and substantiated suspicions of possible human and/or environmental rights violations are processed in a transparent, balanced and predictable manner for all parties involved. The confidentiality and anonymity of whistleblowers is respected. We ensure, as far as possible and within our sphere of influence, that whistleblowers are protected from protected from discrimination and punishment. Our systematic handling of complaints and the insights gained from them enables us to continuously improve our human rights and environmental due diligence processes.

To do this, we also review the effectiveness of the existing complaint mechanisms along the effectiveness criteria of the United Nations Guiding Principles on Business and Human Rights once a year and on an ad hoc basis in the event of significant changes the risk situation or specific indications of restrictions in complaints management.

## **Documentation and reporting requirements**

We document the fulfillment of due diligence requirements within the company.

In addition, we prepare a report on the fulfillment of due diligence requirements and publish it on our website. The report contains all legal requirements. Insofar as risks or violations of human rights or environmental risks have been identified, these are listed accordingly.

In addition, we submit the report to the relevant authority in accordance with the statutory deadlines. Insofar as there are further obligations for publication or presentation, these are also complied with.

## Responsibilities

We have defined clear responsibilities for the performance and observance of our human rights and environmental due diligence defined. The responsible corporate bodies are accountable for respect of human rights in our business activities and in the upstream and downstream value chain.

Regular and ad hoc internal reporting to the aforementioned corporate bodies on human rights and environmentally relevant findings from our continuous risk analysis, information from our complaints mechanisms and information on the effectiveness of our preventive and remedial measures, as well as complaints procedures, ensures that informed decisions can always be made.

The Human Rights Officer is responsible for the operational implementation, strategic support and monitoring of our human rights and environmental due diligence processes and is supported by the departments concerned, in particular the management of the purchasing, sales and human resources departments (for internal employees).

## Training

To raise our employees' awareness of respecting human rights and to provide the necessary expertise in the relevant business areas for the effective implementation of our human rights and environmental due diligence processes, we regularly conduct mandatory training and continuing education measures within our company in the form of training courses and, when needed, department-specific information events.

Pirmasens, December 1, 2024

**Dr. Peter Mrosik**  
Owner and CEO

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