

# Directive on labour conditions and human rights

Stand: 10/2024



## Foreword by the Management Board

The LKE Group strives for excellent quality in products, processes and behaviour. Our corporate values form the basis for this. We are firmly convinced that respecting and upholding our values will continue to be the basis of our success in the future.

For this reason, we have introduced rules and procedures in our group of companies to ensure that we can fulfil these high standards. These rules and procedures are accessible to all employees. They are constantly reviewed, updated and adapted to current legal requirements by management.

This guideline on labour conditions and human rights provides a detailed overview of our most important principles for compliance with them at the LKE Group.

As strict compliance with these rules is one of our principles of good corporate governance, we commit ourselves and all our employees to upholding them.

LKE Group GmbH

A handwritten signature in black ink, appearing to read 'S. Neuhaus-Schwermann', written over a thin horizontal line.

Sebastian Neuhaus-Schwermann

Managing Director

## 1. Basic provisions on compliance with human rights

The LKE Group is aware of its responsibility towards society and acts accordingly. We recognise the shared responsibility of the company and our employees for the common good. For this reason, we are committed to the United Nations Universal Declaration of Human Rights and actively advocate compliance with it.

We therefore have a zero-tolerance policy towards child labour, forced or compulsory labour and human trafficking, as well as harassment and discrimination. Should any of our employees or business partners become aware of a violation of any of the following regulations, we will penalise or sanction them.

### 1.1 Child labour and young workers

We do not tolerate child labour. The statutory age restrictions applicable in the respective country apply, according to which we do not employ children under the age of 15 or young people who are required to attend school full-time. This does not apply to work placements for school pupils (vocational orientation at grammar schools) or other work placements during compulsory full-time schooling that support the child's development.

When employing adolescents and young employees, we pay particular attention to compliance with the statutory regulations on working hours, rest breaks and hazardous work. Any activity that is classified as dangerous and could jeopardise the physical or mental health and development of the young employee is prohibited.

We support the dual training system by offering apprenticeships in our company. In addition to the Youth Labour Protection Act, the Vocational Training Act also applies.

### 1.2 Forced or compulsory labour and human trafficking

All activities in our working environment are carried out by our employees voluntarily and without coercion or threat of punishment. This includes ensuring that we do not destroy, conceal or confiscate employees' identification documents (e.g. identity cards, passports or residence permits) or deny or obstruct access to them, unless such action is required by applicable law.

Furthermore, we ensure that no fees or other charges are demanded from potential employees in the recruitment process by us or any existing partners. We ensure that all employment relationships are based on a written contract and that the terms of the employment relationship are explained in a language well understood by the employee if necessary.

These measures are our contribution to the complete avoidance of forced labour, bonded labour, involuntary prison labour and slavery or human trafficking, which should not be used by any company and are strictly condemned by us.

### 1.3 Harassment

We respect and protect the dignity of our employees and treat them with respect. We are committed to ensuring that all employees can work in an environment free from sexual, psychological and physical harassment.

Harassment of employees is therefore strictly prohibited. This includes harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of employees, as well as the threat of such treatment.

Should any of our employees or business partners become aware of treatment in this or a similar form, the cooperation will be terminated.

### 1.4 Non-discrimination

We offer equal opportunities for all employees and do not tolerate any kind of discrimination based on ethnic origin, national and social origin, gender, religion or belief, political opinion, disability, age, sexual identity or membership of an employee organisation or on any other grounds.

Medical tests or physical examinations of an employee or potential employee for the purpose of discrimination are not permitted in any situation. If necessary, arrangements will be made for the exercise of religious practices within reasonable limits.

## 1.5 Inclusion

At the LKE Group, all employees are treated equally regardless of gender, age, ethnic origin, religion, sexual orientation, disability or other personal characteristics. By creating an inclusive working environment, they can realise their full potential and achieve sustainable success.

All employees, especially managers at the LKE Group, are responsible for promoting and maintaining an inclusive culture.

If they have the same qualifications, people with severe disabilities are given preference in recruitment. The technical and organisational conditions are created to enable them to carry out their work in line with requirements.

Violations of this policy will be taken seriously and penalised accordingly.

## 1.6 Land, forest and water rights and forced evictions

We follow internationally recognised standards, guidelines and guiding principles to protect land, forest and water rights and to avoid forced evictions. Respecting land, forest and water rights and evictions in practice is important to us to act in accordance with the law, promote sustainable business practices, demonstrate social responsibility, minimise risks and take advantage of business opportunities. By using resources responsibly, we help to protect the environment and ensure the long-term availability of these vital resources for future generations.

## 1.7 Deployment of security forces

If the deployment of private or public security forces is necessary, we undertake to carry out the deployment in accordance with internationally recognised human rights standards. In doing so, we ensure that the rights and safety of all those involved are protected.

## 2. Working conditions

Productivity and humanity together are indispensable for sustainable corporate success. The economic success of the LKE Group can only be ensured by and with our employees. For this reason, the following regulations apply.

### 2.1 Wages and social benefits

Wages, salaries, social benefits and other claims arising from the employment relationship (e.g. paid sick days, sickness-related absences or holidays) are paid directly by us at the agreed time in accordance with the statutory regulations. Overtime is compensated in accordance with the agreed regulations (usually the employment contract) and the statutory regulations on working hours.

A payslip containing appropriate information to verify the remuneration for the work performed for each payment period is prepared for each payment period and made available to the employee. The relevant statutory rules and regulations apply to the deployment of temporary or external employees.

### 2.2 Working hours

We ensure that the applicable working time regulations are complied with. This includes ensuring that the actual working hours correspond to the contractually agreed working hours.

We also ensure that our employees have at least one day off every seven days and that the laws and regulations on maximum working hours and holiday time applicable in the respective country are observed.

### 2.3 Freedom of association and assembly

We respect the right of our employees to freedom of association and collective bargaining as well as the right to form interest groups. We grant our employees the right to defend their interests based on national legislation.

## 2.4 Occupational health and safety

The protection of our employees is our top priority. For this reason, we have drawn up comprehensive regulations on occupational health and safety, which are regularly trained. Personal protective equipment is provided by us and is freely accessible to all employees. General safety regulations such as fire alarms and emergency exits as well as safety devices for machines are in place in accordance with legal regulations. Emergency instructions and drills are carried out regularly in accordance with legal requirements. We also ensure that all necessary permits and licences as well as inspection and test reports are available and up to date. For further information on occupational health and safety, please refer to the Occupational Health and Safety Policy.

## 2.5 Training and further education

The LKE Group ensures that employees are able to acquire and expand the knowledge required to fulfil their assigned tasks and activities. This can be done, for example, by attending training courses, specialised events and trade fairs. Further training can also extend beyond the existing field of activity and thus support professional development. Employee training is a key component in fulfilling the LKE Group's quality standards.

## 2.6 Whistleblower system

Employees of the LKE Group are obliged to report all suspected or observed violations of the law or breaches of this policy or other company principles. The same applies if they are incited to such behaviour by employees or third parties. The reckless incrimination of employees or third parties is not permitted.

Our employees can use the link to the whistleblowing system on our intranet for this purpose. Possible misconduct or unlawful activities in our company can be reported there securely and reliably.

With our whistleblower system, we reaffirm our commitment to integrity and ethics and thus contribute to the protection of each individual employee.