



Policy Statement concerning the Human Rights Strategy of Lohmann & Rauscher GmbH & Co. KG

I. Introduction

In accordance with our corporate philosophy and our claim **“People.Health.Care.”**, we at Lohmann & Rauscher are committed to economic, environmental and social sustainability in our business activities. As an international corporate group, we ensure that these standards are reviewed and continually improved. We are committed to producing and distributing our products and services in a way that respects human rights and the environment. In order to ensure that the requirements laid down by the Act on Corporate Due Diligence Obligations in Supply Chains (Gesetz über die unternehmerischen Sorgfaltspflichten in Lieferketten – LkSG) are complied with at the Lohmann & Rauscher Group, the following Policy Statement has been approved:

We are committed to ensuring respect for human rights and environmental obligations within our supply chain. The stated goal of the Company’s Executive Board is to respect, protect and promote human rights and the environment throughout the entire value chain. We comply with the applicable law, respect internationally recognised human rights and environmental obligations and ensure that human rights violations and environmental pollution are prevented within the ambit of our business activities.

This is naturally an integral part of our Group-wide Sustainability Policy.

Human rights and environmental due diligence obligations are based inter alia on the following international instruments, which we are committed to upholding:

- United Nations (UN) Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD)
- Core labour standards of the International Labour Organization (ILO)
- Minamata Convention of 10 October 2013 on Mercury
- PoP Convention of 23 May 2001 on Persistent Organic Pollutants
- Basel Convention of 22 March 1989 on the Control of Transboundary Movements of Hazardous Wastes and their Disposal

The rules and principles set out in this Policy concerning the human rights and environmental strategy shall apply to all business areas of Lohmann & Rauscher GmbH & Co. KG, including its subsidiaries in Germany and abroad.

The Policy Statement shall apply from 1 January 2024. It shall be regularly reviewed in order to ensure that it is up to date.

II. Implementation of due diligence obligations under the LkSG

In order to comply with our due diligence obligations under the LkSG, we have established a Group-wide risk management framework, which is rooted in all significant business areas. We have also appointed a Human Rights Officer, who monitors the efficacy of our risk management framework and reports regularly (at least once per year) to the Executive Board.

The aim of our risk management framework is to identify any risks or violations of rights affecting human rights and the environment within our supply chains and to prevent, end or at least minimise them.

1. Risk assessment

In order to identify risks, we carry out risk analyses at regular intervals and in response to specific incidents within our own business areas and also with our direct suppliers. The complexity and scale

of our international supply chain relationships calls for technical solutions to be used, which can support us in identifying and prioritising risks.

a) Risk assessment for direct suppliers

In order to carry out the risk assessment and increase transparency within the supply chain, in the first instance our own procurement processes are analysed and our direct suppliers are identified and classified. Our risk assessment system makes it possible to identify any individual risks associated with a given supplier. An abstract analysis is carried out with reference to general supplier information – including in particular the country of origin and the sector – based on a variety of recognised indices and studies by external experts. We then examine suppliers for any specific human rights or environmental risks, having regard to supplier self-assessments, an AI-powered media analysis tool, documented certifications, indications received through complaints channels as well as the information obtained from our own controls or business processes.

We weigh and prioritise risks by comparing the typical anticipated severity of a possible breach as well as its reversibility with the likelihood of occurrence. We also take account of any potential contribution on our side as well as the extent of our influence in order to prioritise risks and to take action in a targeted manner where there is a risk of impending harm. Using a risk matrix we identify any need for action by us and take preventive and remedial action wherever necessary.

b) Risk assessment within our own business area

We carry out an initial risk assessment within our own business area on the basis of external sources and data in order to identify companies with a theoretically greater exposure to risk based on the country in which they are active and the procurement category. Thereafter, information concerning the local situation and the way in which risks are managed is obtained from all of the group’s own companies within self-assessment questionnaires, which are used in order to establish the plausibility of the previous abstract identification of risks. This means that specific human rights and environmental risks at L&R companies with an increased exposure to risk can be identified, weighed and prioritised.

c) Priority human rights and environmental risks

As part of the risk assessment we identify those human rights and environmental risks that we consider to have priority status on account of their type and extent as well as the potential impact on our company. We shall supplement the Policy Statement regarding this aspect after we have completed an initial comprehensive risk assessment.

2. Preventive action

We aim to act proactively to prevent any violation of human rights or environmental obligations. The principles set out in this Policy Statement apply both to our own business area, i.e. for all of our employees, as well as those of our direct suppliers.

We expect our suppliers and business partners to commit to complying with our principles and to develop and establish appropriate and effective processes. We also expect our suppliers and business partners to address and prevent both any risks or violations identified by us within their own supply chains and also to identify any other potential risks. The Purchasing Department plays a particularly important role in the prevention of human rights violations or environmental pollution. It has competence over the configuration of business relationships, and as part of this process we oblige our suppliers to sign our Code of Conduct for Business Partners. We thus undertake to pass on our expectations in the area of human rights and the environment along the supply chain

and to review compliance with them on an ongoing basis. We review compliance with the requirements set out in the Code of Conduct at regular intervals and also in response to specific incidents. In addition, the requirements imposed on our suppliers constitute an integral part of the Guidelines on the Procurement of Goods and Services, our framework supply agreements and General Terms and Conditions.

An internal company Code of Conduct for employees applies within our own business area, which communicates expectations to our employees.

We carry out controls within our own business area at regular intervals and also in response to specific incidents in order to identify risks at an early stage and to minimise them. We review suppliers insofar as permitted and required by law.

We offer comprehensive instruction and training options, which are available to our employees. The employees responsible for compliance with human rights and environmental due diligence obligations participate regularly in advance training in order to be able to comply with international human rights and environmental requirements throughout the entire supply chain. Where required, we also offer our suppliers instruction and training options in order to empower them to ensure respect for human rights and environmental protection within their respective business areas.

3. Remedial action

If we establish within the ambit of our risk assessment that an obligation relating to human rights or the environment has already been violated, or that such a violation is directly impending, we take remedial action without delay. Any remedial action taken within our own business area must consistently result in the prevention or cessation of the violation.

We endeavour to prevent or terminate any violation without delay also in the event of a breach of duty by any of our direct suppliers. If this is not possible, acting jointly with them, we draw up and implement a strategy for ending or minimising the violation. For this purpose we define a process, targets and clear responsibilities within the company in relation to the specific situation. Each remedial action is associated with a specific timeframe, and may also involve interim targets. Action that may potentially be taken by us may include for example:

- training concerning human rights and environmental issues
- affiliation with other companies within the ambit of sectoral associations and sectoral standards in order to enhance scope to exert influence over those responsible for violations

- contact with local agencies/NGOs
- (raw material-related) certifications
- audits and controls
- a temporary suspension of the business relationship whilst action is being taken to minimise risks

4. Complaints procedures

We have set up the publicly accessible whistleblowing system “Tell us” (<https://www.lohmann-rauscher.com/en/company/tell-us/our-whistleblowing-system/>) in order to report any human rights or environmental risks or breaches of duty. It can also be used anonymously by any stakeholder within the supply chain.

Our Rules of Procedure for Complaints contain further information about how the process works, how reports are handled as well as internal responsibilities.

5. Due diligence obligations relating to indirect suppliers

We also extend our risk assessment to suppliers with which we do not have any direct business relations, where they are particularly significant for us or where we have a tangible reason to suspect that a violation of a human rights or environmental obligation may occur. If necessary, preventive or remedial action is subsequently taken. In such cases, the procedure is similar to that applicable to direct suppliers.

6. Documentation and reporting obligations

We document our efforts to ensure effective compliance with our due diligence obligations on an ongoing basis. In addition, as of 1 January 2025 we shall publish an annual report concerning compliance with our due diligence obligations. This report will be published on our website within four months of the end of our financial year and will remain available for download for a period of seven years.

III. Outlook

We are committed to reviewing, developing and improving our risk management system on an ongoing basis. Efficacy reviews are accordingly carried out in response to specific incidents or otherwise at least once per year with a view to guaranteeing genuine and effective protection against human rights and environmental risks.

The Executive Board of the  Corporate Group

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