



*Declaration of Principles of the Ensinger Group  
to Observe and Promote Human Rights and  
Environmental Protection*

# *Introductory remarks by the Management*

Dear Colleagues,

The observance and promotion of human dignity and environmental protection were certainly of great importance for the founder of Ensinger. Nothing has changed in this regard to this day.

For us, especially as a family business that thinks and acts holistically with the long term in mind, respecting human rights and promoting environmental protection are a part of responsible corporate management, both in our own business area, that is, at our own locations and in subsidiaries in which we hold a controlling interest or otherwise have a decisive influence, as well as in our supply chains. We therefore assume responsibility for our actions and make good on our motto “Today For Tomorrow.” We are committed to observing human rights and promoting environmental protection in our business activities worldwide. We also expect this from our suppliers as we rely on cooperative, long-term, trust-based business relationships.

We firmly believe that exemplary corporate governance can only be successful if we look out for people and our environment. This Declaration of Intent reflects this conviction and is of great importance for Ensinger. Together with our Mission Statement and Code of Conduct, it is among our overarching commitments that shape our corporate culture and our day-to-day actions.

It documents our stance on respect for human dignity and on climate and environmental protection. It also describes what we, as a company, specifically do to implement this fundamental stance in our day-to-day actions in the best possible way.

In this Declaration of Intent, we first express our commitment to observe and promote human rights and environmental protection and then state our expectations of employees and business partners. Lastly, we describe what we do to fulfill our responsibilities with respect to human rights and environmental protection.

This Declaration of Intent applies to all Ensinger companies.



***Ralph Pernizsak***  
*Managing Director*

***Dr. Roland Reber***  
*Managing Director*

# *Our commitment to observe and promote human rights and environmental protection*



***We align our business activities with the following internally recognized standards in particular:***

- United Nations (UN) Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights (UNGP)
- Principles of the United Nations Global Compact (UNGC)
- Core Labor Standards of the International Labor Organization (ILO)
- United Nations Sustainable Development Goals (SDGs)

***We observe these standards worldwide and, from them, have derived the basic principles regarding human rights and environmental protection described in more detail below:***

- **Prohibition of child labor**  
We strictly reject any form of child labor. In accordance with the Core Labor Standards of the International Labor Organization (ILO), we only employ employees who have reached the legal minimum age at the place of employment and are not required to attend school.
- **Prohibition of forced labor and any kind of slavery**  
We do not tolerate any form of forced labor or slavery and advocate the elimination of all forms of forced labor.
- **Health and safety at the workplace**  
Physical integrity and occupational safety are our top priority. We undertake to comply with all applicable occupational safety laws. Our goal is to avoid operational accidents and illnesses.

→ **Fair working conditions**

We undertake to pay an appropriate and fair wage and to comply with the applicable laws and regulations regarding working hours, breaks, and vacation.

→ **Freedom of association and right to collective bargaining**

We respect the right of employees to establish organizations of their choice and to join them without experiencing or fearing any threat, intimidation, discrimination, or any other disadvantage. Furthermore, we respect the right of trade unions to conduct collective bargaining negotiations and to exercise the right to strike.

→ **Prohibition of any form of discrimination**

We advocate equal opportunity and equal treatment and promote fair and unprejudiced cooperation. We do not tolerate discrimination against employees due to gender, national, ethnic, or social origin, skin color, religion, age, sexual orientation or any other reason.

→ **Use of security personnel**

Ensinger does not tolerate the unlawful behavior of security personnel. If security personnel are used, they are trained and monitored accordingly.

→ **Environmental protection and preservation of natural means of subsistence**

Environmental protection and the preservation of natural means of subsistence are of great importance to us. We rely on the most sustainable and efficient technologies possible during production and act with the greatest possible care to avoid harming the environment, particularly the soil, bodies of water, and the air, and to avoid using natural resources in a way that endangers people's means of subsistence. We strive to avoid or continuously reduce waste as much as possible.

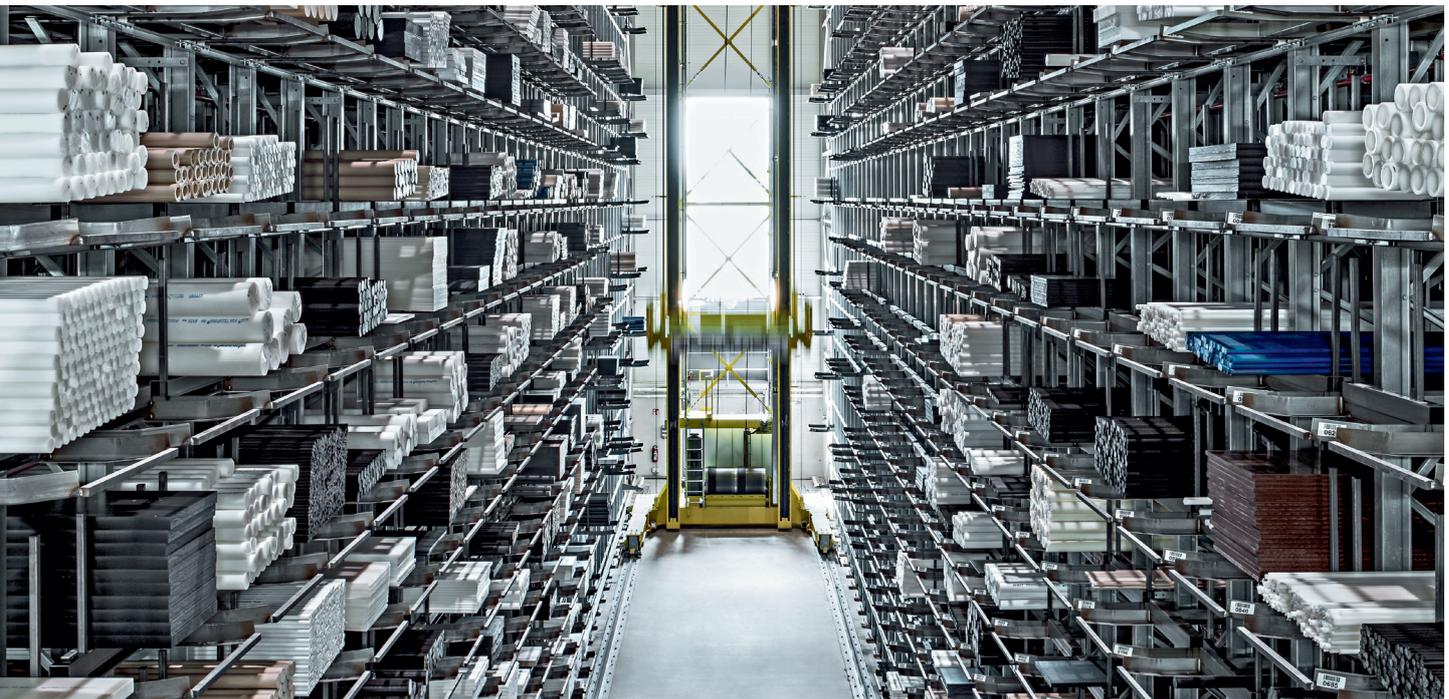
## *Our expectations of employees and business partners*



Our principles regarding human rights and environmental protection can be found in the Ensinger Code of Conduct and in other topic-related corporate documents. Every employee must comply with these regulations, and we expect our employees to align their actions with them.

In addition, we have anchored the principles set forth in this Declaration of Intent in the Code of Conduct for Business Partners. We expect our business partners to comply with these principles. They are encouraged to implement structures and processes to be able to quickly take effective measures in the event of identified risks or violations. At the same time, we ask our business partners to pass on our expectations to their business partners.

## Our procedure



***Below we describe the appropriate measures we take to put our position regarding human rights and the environment into practice.***

### ***Responsibilities***

We have defined clear responsibilities for our risk management with regard to compliance with human rights and environmental due diligence obligations. Management bears the overall responsibility for risk management, that is, the implementation and monitoring of human rights and environmental due diligence obligations.

Management has delegated the monitoring of human rights and environmental risk management to the Head of Compliance and the Head of HSE, who are responsible for supervising the implementation of our risk management and for regularly reviewing its adequacy and effectiveness. They report on this together to the Risk & Compliance Committee, of which the Management is also a part, at least once a year and as needed.

A team consisting of Purchasing, Quality Management, Legal, and Compliance is tasked with the operational implementation of risk management, particularly the implementation of the risk analysis with respect to our suppliers. This also applies to the implementation of the risk analysis with respect to our own business area. If risks

or violations regarding the observance of human rights or our natural means of subsistence are identified in connection with our suppliers, the Purchasing Department will make further decisions that affect the existence or scope of the supply relationships. In the event of corresponding risks or violations in our own business area, the relevant department or subsidiary under whose functional responsibility the risk or violation arises will continue to handle it and make a decision regarding the elimination or minimization of the risk.

### ***Risk analysis***

Ensinger conducts an annual risk analysis and assessment for its own business area as well as for its direct suppliers. An ad hoc risk analysis is also carried out in the event of substantiated knowledge or a changed risk situation, and indirect suppliers, if known, are also considered.

Ensinger implements a step-by-step procedure for this: To identify risks, the first step is to determine whether human rights or environmental risks can be conceived of in our own business area or in connection with direct suppliers through the use of external data sources, essentially country- and industry-related indices. In the second step, information that Ensinger can access based on tools or on a case-by-case basis is added as part of a specific risk analysis. The results of this then undergo an overall

analysis. The results of the risk analysis are continuously incorporated into the business decision-making processes with regard to internal business strategies and supplier selection and management. The risk analysis is the basis for identifying appropriate preventive and corrective measures.

### **Preventive measures**

To avoid, remove, or minimize risks in its own business area or with suppliers, Ensinger has anchored appropriate preventive measures in its own business area and with respect to its direct suppliers.

#### **In own business area**

All employees at Ensinger must comply with the Ensinger Code of Conduct and additional guidelines that supplement this code. Employees are regularly made aware of the content of the Ensinger Code of Conduct. Mandatory training on the content of the Code of Conduct is also planned. Appropriate procurement strategies and purchasing practices are currently under development and are expected to be implemented soon.

At quarterly board meetings, the subsidiaries report to the Management of the Ensinger Group on topics such as compliance, occupational safety, and the environment.

Enginger GmbH maintains the certified management systems ISO 14001 (environmental management system) and ISO 45001 (management system for safety and health at work) and is audited on this basis by external organizations. Regardless of these certifications, Ensinger pursues a risk-based approach and conducts internal audits in the GmbH in this context. Company-wide mandatory guidelines with regard to the occupational health and safety of employees and environmental protection are intended.

#### **With respect to direct suppliers**

When selecting direct suppliers, expectations of suppliers with respect to human rights and the environment are taken into account. After selection, their profiles are regularly updated and checked.

Enginger's Code of Conduct for Business Partners requires direct suppliers to comply with human rights and environmental due diligence obligations and thus serves to prevent possible violations. This includes binding

requirements based on laws and regulations, such as the Supply Chain Due Diligence Act and international standards of the ILO. Suppliers are also required to communicate the values and principles of the Code of Conduct for Business Partners to their suppliers and, thus, to Ensinger's indirect suppliers. The rollout of the Code of Conduct for Business Partners to Ensinger's direct suppliers began in the fall of 2023.

Enginger's direct suppliers are asked to carry out training courses on human rights and environmental due diligence based on identified and prioritized risks.

Enginger reserves the right to perform risk-based control measures, such as on-site audits, with its direct suppliers.

### **Corrective measures**

Should it be determined that business-related actions contribute to potential or actual human rights violations or are indirectly associated with them, Ensinger will endeavor to provide the appropriate corrective measures.

In the event of misconduct in its own business area, the necessary measures to end the violation or risk will be taken immediately.

If a corresponding case or suspicion arises with respect to a supplier, we will determine the necessary measures to remove or reduce the risk in coordination with the supplier. Depending on the specific circumstances and the supplier's behavior, this can also result in the termination of the business relationship. We aim to maintain the contractual relationship and to improve the situation on-site before terminating contractual relationships with suppliers.

If there is substantiated knowledge, Ensinger will take these measures within the scope of its legal possibilities, including in relation to indirect suppliers.

### **Complaint procedure**

Internal and external stakeholders have the option to report (also anonymously) information about possible compliance violations, such as human rights and environmental violations, via the "Schindhelm Whistleblowing Solution for the Ensinger Group" available in a variety of languages.

The whistleblower system can be found on the Ensinger website and on the Ensinger intranet, along with further

information on how reported compliance alerts are handled.

All reported events are reviewed and assessed, and any necessary measures are initiated. Whistleblowers receive a message about the measures taken, unless they concern anonymous reports. Within the scope of the complaint procedure, it is of course ensured that confidentiality and anonymity are maintained. The systematic handling of complaints and the knowledge gained from them make it possible for Ensinger to continuously improve its own processes.

The complaint procedure is reviewed with regard to its effectiveness.

#### ***Effectiveness checks***

As part of regular effectiveness checks, Ensinger examines annually and on an ad hoc basis whether the established risk management effectively prevents or counteracts human rights and environmental risks. In particular, we use findings from stakeholder surveys, Ensinger internal audits, audits at suppliers, and risk analyses to validate the effectiveness of preventive and corrective measures taken.

If deficits are detected during these tests, further necessary changes are made. Risk management is thus continuously improved and further developed.

#### ***Documentation and reporting***

The fulfillment of due diligence obligations is systematically documented. The respective documentation is maintained for at least seven years from the time of its creation.

Our fiscal year ends on March 31 of each calendar year. By July 31 of the respective calendar year at the latest, for the first time on July 31, 2024, we will report on our website on the status of our risk management achieved at the end of the previous fiscal year with regard to the observance of human rights and our natural means of subsistence. This report is also kept for at least seven years and remains accessible on our website during that time. This report is sent to the German Federal Office for Economic Affairs and Export Control (BAFA).

Further information on human rights and the environment at Ensinger can be found in the Ensinger Group's Sustainability Report.

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