



Policy Statement on Human Rights and Environmental Protection

KAEFER. Count on us.



KAEFER

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1. Preface

KAEFER has always been committed to corporate responsibility and sustainability. Respect for human rights and the environment is a fundamental value for us and plays a central role in our corporate culture and the policies that guide our daily actions.

This policy statement describes the approach of KAEFER* with regards to human rights and environmental due diligence. It is based on the requirements of applicable legislation like the German Act on Corporate Due Diligence Obligations in Supply Chains and internationally recognised standards.

We are committed to create and promote a working environment that respects the fundamental principles of human rights. As a Group, we are determined to promote and ensure that human rights are understood and respected as a non-negotiable in all our operations. We strive to avoid or reduce the negative environmental impact of our business activities.

* This policy statement applies to KAEFER SE & Co. KG and its affiliated companies.



We expect the same respect for human rights and the environment from our suppliers and the actors in our supply chain worldwide.

The measures and procedures implemented by KAEFER to respect human rights and the environment in our own business activities and our supply chain are described in this policy statement. Our expectations towards our employees and our suppliers are set in the KAEFER Code of Business Conduct and the KAEFER Supplier Code of Conduct.

This way, we are convinced to contribute to the protection of human rights and the environment and to fulfil our corporate responsibility

Dr. Roland Gärber
CEO

Sandro Barrach
COO

Karsten Wirth
CFO

2. Human rights and environmental due diligence



KAEFER's strategy is guided by international standards and frameworks, in particular:

- The United Nations Universal Declaration of Human Rights
- The United Nations Guiding Principles on Business and Human Rights
- The United Nations International Covenant on Civil and Political Rights
- The United Nations International Covenant on Economic, Social and Cultural Rights
- The Declaration of the International Labour Organization on Fundamental Rights and Principles at Work
- Minamata Convention on Mercury
- Stockholm Convention on Persistent Organic Pollutants
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal

Our strategy builds on and goes beyond national laws.

This policy statement is part of KAEFER's comprehensive due diligence strategy and should be read in conjunction with the following policies:

- KAEFER Code of Business Conduct
- KAEFER Supplier Code of Conduct
- KAEFER Group Company Policy
- KAEFER Health & Safety Policy
- KAEFER Environmental Policy
- Rules of Procedure for the Grievance Mechanism

We aim to avoid or minimise human rights and environmental risks and to prevent, end or reduce the impact of violations. To achieve this, we have set up measures and procedures in our own operations and procurement processes.

As part of our risk management and materiality assessments, we involve our stakeholders through regular stakeholder dialogues in various formats. Thereby, we pay particular attention to the interests of potentially affected parties.

2.1 Risk management

KAEFER has established a comprehensive risk management system for human rights and the environment within the company and in the supply chain. Established processes and structures support the success of our risk management and a continuous improvement process.

The risk management consists of the following sub-processes: risk analysis, preventive and corrective measures, grievance mechanism, effectiveness review, reporting and documentation.

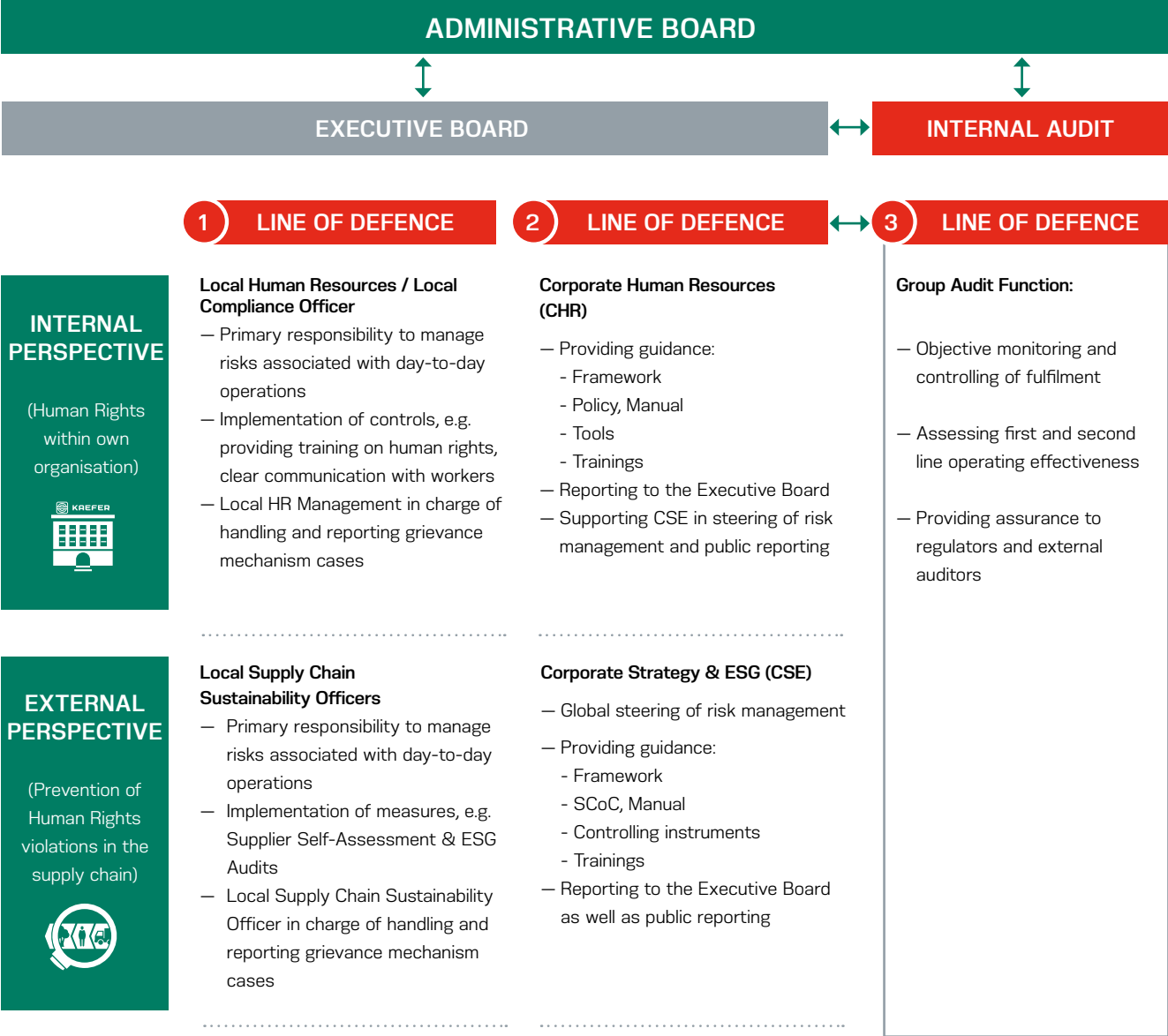
2.2 Responsibilities

KAEFER ensures the implementation of human rights and environmental due diligence through clear structures, responsibilities and communication. We have decided to structure responsibility for human rights due diligence in a comparable way to our long-established compliance management.

While the Executive Board of the KAEFER Group is responsible for ensuring effective due diligence and for setting the strategic guidelines, the management of operating KAEFER companies worldwide are responsible for operational implementation.

The following governance and cooperation model was defined for the fulfilment of strategic and operational responsibilities

Responsibilities in the internal control system



Approaches, structures and insights are discussed in established committees, working groups and platforms to facilitate the exchange of best practices and mutual learning within the KAEFER Group.

2.3 Risk analysis

Own operations

As an industrial service provider, we are a people business and are therefore also exposed to human rights risks. We consider the risk of negative environmental impacts resulting from our business activities to be relatively low due to our business model, which does not involve significant resource consumption, waste or production processes. We therefore focus our risk analysis on human rights risks.

We use abstract risk analysis as a first step to gain an overview of potential risk areas in our own business area with the help of publicly available information such as risk indices at country and industry level and NGO reports, as well as KAEFER's internal findings, for example from audits or our grievance mechanism.

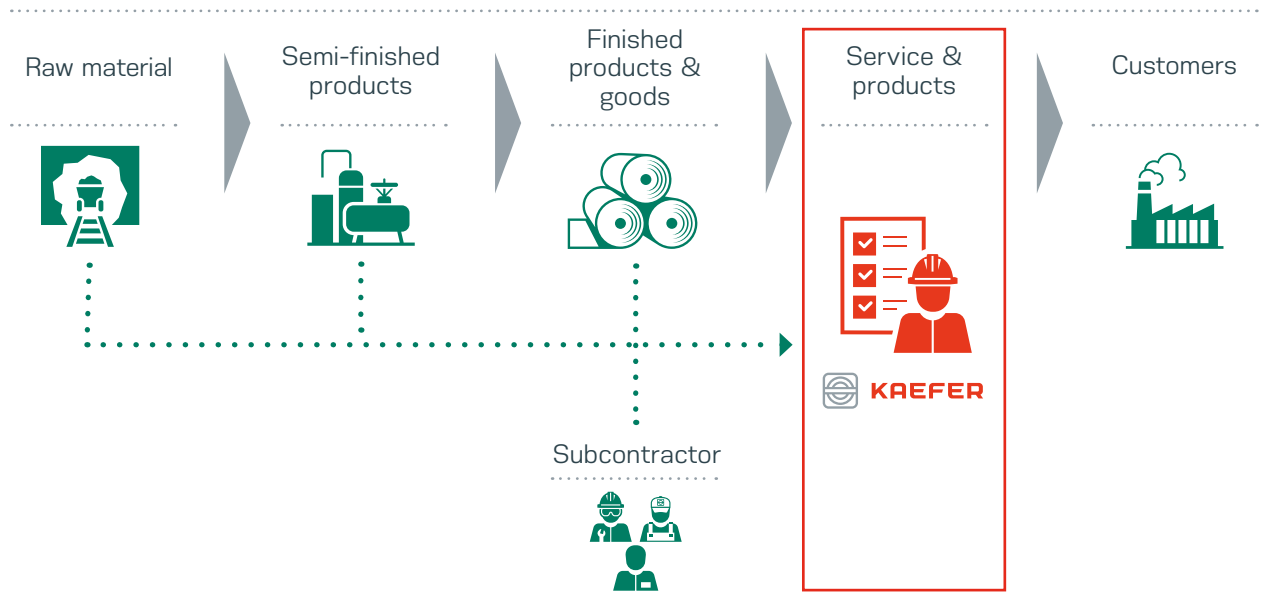
In order to better assess the specific risk to KAEFER, we evaluate KAEFER's exposure, and the preventive measures taken, as well as their effectiveness in reducing risks, as part of a concrete risk analysis in dialogue with local managers and employees and by comprehensively reviewing documents.

Supply chain

Human rights and environmental risks also exist in our supply chain. Similar to the analysis for our own business area, we first obtain an overview of possible risk areas in our supply chain.

To deliver our services to our customers, we use a wide range of goods and materials and regularly engage subcontractors (see KAEFER value chain). While most of our material suppliers are large, capital market-oriented companies that are subject to high (transparency) requirements, we often partner with small, local craft businesses as subcontractors and temporary employment agencies.

KAEFER value chain




Risk indices, public information and experience with direct suppliers form the basis for the abstract risk analysis. Suppliers where we see significant environmental or human rights risks are considered as part of the concrete risk analysis. Self-assessment questionnaires are used to evaluate the concrete risk posed by relevant suppliers and subcontractors.

We analyse human rights and environmental risks in the deeper upstream supply chain on a case-by-case basis when we gain substantiated knowledge or credible indications of risks or violations.

Our abstract risk analyses, both for our own operations and our suppliers, are updated at least one per year and are supported by external software. The concrete risk analyses are ongoing processes that take place throughout the year. We also conduct event-driven risk analyses in case of significant changes or restructurings in our business or purchasing strategy.

The following priority human rights and environmental risks were identified as part of the risk analysis:

 **OWN BUSINESS OPERATIONS**

Focus areas:

- Blue collar workers are particularly vulnerable to human rights risks, as they are often unaware of their rights
- This applies especially to migrant workers which are employed to cover labour shortages / demands in specific markets

Focus topics:

- Health and safety
- Working conditions
- Freedom of association
- Forced labour and modern slavery

 **SUPPLY CHAIN**

Focus areas:

- Subcontractors and employment agencies over which we have no direct control
- Suppliers for high-risk products and materials or from high-risk countries

Focus topics:

- Health and safety
- Working conditions
- Freedom of association
- Forced labour and modern slavery
- Environmental pollution



2.4 Preventive measures

Besides this policy statement, KAEFER has implemented policies, procedures and measures to prevent human rights and environmental violations in our own operation:

- The KAEFER Code of Business Conduct forms the basis for our social, ethical and environmental values. Available in various languages and communicated frequently, it formulates our expectations towards the protection of human rights and the environment to our employees
- Training on the KAEFER Code of Business Conduct for all new employees and regular refresher training for all employees
- Global health, safety and environment (HSE) organisation with comprehensive trainings, campaigns, risk assessments and controls
- High share of ISO 9001, ISO 14001 and ISO 45001 certified companies
- Targeted awareness-raising among the relevant departments regarding human rights and environmental risks, e.g. when hiring migrant workers or working with recruitment agencies.

To prevent violations in our supply chain, we established the following preventive measures

- Contractual obligation to comply with the KAEFER Supplier Code of Conduct in purchasing contracts
- Needs-based training and knowledge sharing with suppliers and purchasers
- Regular communication and dialogue with suppliers
- Request of external certifications / assurance
- Self-assessment questionnaires for high-risk suppliers to review risk mitigation measures

2.5 Grievance mechanism

KAEFER recognises that despite the utmost care, violations may still occur. To report violations, we offer secure and anonymous access to our digital grievance mechanism to persons affected – in our own operations, but also our supply chain. Grievances can also directly be reported to the line manager, the contact person at KAEFER, or KAEFER's Compliance Department.

All grievances are treated confidentially and investigated carefully. We do not tolerate discrimination against whistleblowers, either at KAEFER or in the supply chain.

Further information can be found in the [Rules of Procedure for the Grievance Mechanism](#).

2.6 Corrective and remedial measures

If KAEFER identifies human rights or environmental violations in our own operations, we take immediate and appropriate corrective action to end the violation or minimise its impact. We endeavour to reduce any negative impact on the persons affected by taking remedial measures.

If the violation concerns a direct supplier or an actor our supply chain, we will seek to correct and remedy the situation as appropriate. Where required, we will work with the responsible party to develop a plan to end the violation with defined timelines and responsibilities. KAEFER reserves the right to suspend or terminate the business relationship if the violation is not corrected in a sustainable manner.

2.7 Effectiveness review

As global conditions and our business environment are constantly changing, the effectiveness of our risk management is reviewed regularly, at least annually, or ad hoc in the event of significant changes to our business model or purchasing strategy.

We see respect for human rights and the environment as an ongoing task that requires continuous improvement. Insights from the reviews are therefore incorporated into the further development of measures and processes.

2.8 Reporting and documentation

The Executive Board of the KAEFER Group is informed about risk management at least once a year. Further, we report on due diligence publicly in our annual ESG and sustainability report.

The implementation and execution of risk management activities is documented according to legal requirements.





3. Aspiration

We expect our employees, suppliers and business partners to share our commitment to human rights and the environment. Together, we want to work towards avoiding human rights or environmental violations as far as possible, and if these are unavoidable, to mitigate their effects and provide remedy.

If you have any questions about this policy statement, please contact our ESG team:

esg@kaefer.com

To report risks and violations, please use our grievance mechanism:

<https://www.bkms-system.com/kaefer>



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Compliance Helpline:

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