

Corporate Social Responsibility (CSR)

Kleinbongartz & Kaiser oHG
Heinrich-Hertz-Straße 5
40721 Hilden
Germany

Principles of working conditions and human rights at Kleinbongartz & Kaiser oHG

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Dear colleagues, dear sir or madam,

Our strategic goals and values are defined in our mission statement. Through our general code of conduct, we establish the basis for trustworthy and transparent collaboration.

Kleinbongartz & Kaiser oHG sells its products in over 100 countries worldwide. The global activities associated with that are governed by a wide range of national and international regulations. It is, therefore, essential for all employees to be aware of the relevant legal obligations and to commit to observing them. The range of legal prohibitions and obligations covers three additional areas in particular:

- General code of conduct
- Business ethics policy
- Environmental policy

Through our binding specification of lawful and humane action, we ensure that the dignity and personal rights of individual employees of Kleinbongartz & Kaiser oHG are respected.

Yours truly, Michael Kleinbongartz

Michael Kleinbongartz

Fair working conditions

Kleinbongartz & Kaiser oHG attaches a high priority to a stable and reliable working environment which simultaneously provides enough scope for personal development.

A strong corporate culture and innovative structures, with scope for individual action for which employees take responsibility, are the distinguishing features of the company as an employer. Success, job satisfaction and security can be maximized by taking an approach in which each individual has a part to play in shaping the company's future, taking account of the legal requirements.

1. Fair working conditions for happy employees

Kleinbongartz & Kaiser oHG meets all the regulations of labor law and thus complies with the right of employees to appropriate remuneration. As a family-run company, we consider that we have a particular responsibility for our employees. We offer fair, performance-related pay and pension schemes and help our employees achieve a good work-life balance, thanks to our flexible working arrangements. Our regular full-time working week comprises 40 hours, to be worked weekdays Monday through Friday. Overtime is generally rare and is always on a voluntary basis.

The development of social, technical and personal skills is encouraged and training programs are provided insofar as they are in line with the company's interests. Kleinbongartz & Kaiser oHG, therefore, supports master tradesman's courses and Master's degrees alongside work. In addition, Kleinbongartz & Kaiser oHG supports all employees in setting up additional, self-financed pension provision.

Our business partners pay remuneration and social benefits that are at least in line with national and local statutory standards, regulations, or agreements. The respective applicable regulations on working hours and leave are observed.

2. Career-life balance

Kleinbongartz & Kaiser oHG is a family-run company with a tradition stretching back over more than 100 years. The satisfaction and motivation of our employees is our greatest asset in ensuring the success of the company, now and in the future. Pursuit of the business interests of the company is always balanced against consideration for the personal interests of its employees. Kleinbongartz & Kaiser oHG is a pioneer in working models that are compatible with family life. About 25% of the workforce, therefore, works on a part-time basis or with flexible working time models. These arrangements make it possible for employees to be proactive in shaping their working patterns and to apply their skills as effectively as possible in all phases of their lives.

With this practical corporate culture, we create the best possible win-win situation for the company and its employees, which meets all the challenges posed by the digital transformation and demographic change.

3. Safety in the workplace

Compliance with industrial health and safety regulations is the top priority in all our production facilities. Our operational management ensures that all employees working in the company receive careful instruction in the safety regulations. Through internal and external audits, certifications and special programs, the safety standards in our company are improved continuously.

In this way, we guarantee that our business processes are free from accidents and disruptions. In addition, Kleinbongartz & Kaiser oHG provides a safe working environment in which all of the statutory provisions regarding health and environmental measures are met. Furthermore, Kleinbongartz & Kaiser oHG promotes all activities that encourage its employees to look after their own physical and mental health.

As a minimum, our business partners comply with the pertinent national standards for a safe and hygienic working environment and, within the scope of this, take appropriate measures to guarantee health and safety in the workplace in order to ensure healthy working conditions.

Respectful treatment and ban on discrimination

Kleinbongartz & Kaiser oHG is committed to equal opportunities for all employees – irrespective of gender, origin, nationality and age. The corporate culture is characterized by respect, openness and fair treatment. The interaction of different opinions and freedom of expression in developing creative and sustainable solutions for new customers is a particular important priority in the management of the company.

1. Promoting diversity and uniqueness

Unity in diversity – this guiding principle describes the Kleinbongartz & Kaiser oHG family. As an international company with branches throughout the world and commercial activities in more than 100 countries, Kleinbongartz & Kaiser oHG is committed to a good understanding of its global role with simultaneous awareness of local requirements. Almost 30% of its employees have a multicultural background.

Support for women in management positions is a particular priority. Kleinbongartz & Kaiser oHG has clearly been a role model here, as 50% of its departments are led by women.

2. Zero tolerance of discrimination

As a matter of principle, Kleinbongartz & Kaiser oHG is opposed to any type of ethnic, national, religious, sexual or biological discrimination. No harassment, coercion, intimidation or abuse is tolerated and appropriate sanctions apply. All managers are role models in their behavior and must ensure that the working environment is free from discrimination and harassment.

3. Rejection of forced and child labor and protection of human rights

All forms of forced and child labor are categorically rejected. Kleinbongartz & Kaiser oHG adheres strictly to legal requirements.

We expect our suppliers, service providers and partners to be equally committed to the guiding principles on respect for human rights formulated by the United Nations, including in their respective supply chains. We use self-disclosure to check suppliers and service providers in critical countries before we even enter into a business relationship and, in part, on-site audits with the particular aim of evaluating issues relating to human rights (e.g. fire safety and industrial safety). All employees are required to report any breaches. If our business partners breach our human rights guidelines, Kleinbongartz & Kaiser oHG explicitly reserves the right to require action to be taken to improve the situation or to end the business relationship.

Policy for lawful and ethical action at Kleinbongartz & Kaiser oHG

Compliance report

Kleinbongartz & Kaiser oHG
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- Principles of working conditions and human rights
- General code of conduct
- Environmental policy

Through these binding guidelines on corporate ethics, all employees are required to familiarize themselves with the relevant legal obligations and to commit without reservation to observing them. Kleinbongartz & Kaiser oHG takes all the measures necessary to ensure lawful conduct on the part of all of its employees. In doing so, we respect and comply with local, national and international laws and regulations wherever we conduct business. Our compliance policy covers, in particular, rules of conduct to fight corruption and deal with competition. The result is that integrity and morally faultless conduct underpins our commercial success.

Yours truly, Michael Kleinbongartz

Michael Kleinbongartz

Avoidance of conflicts of interest

Kleinbongartz & Kaiser oHG expects 100% loyalty and integrity from all its employees. This requires all employees to keep their private interests meticulously separate from the interests of the company through dutiful conduct. If, as a result of certain situations, personal conflicts of interest arise, the relevant supervisor must be notified immediately and the management board consulted. On appointment, every employee receives instruction on the code of conduct. Supervisors ensure that the employees assigned to them are aware of and comply with those standards. Conduct in breach of the code is not tolerated by Kleinbongartz & Kaiser oHG and may result in legal action. No incidents in breach of these obligations have come about since the company was founded in 1919.

Potential points of conflict which could lead to conflicts of interest are listed below.

1. Competition with Kleinbongartz & Kaiser

An employee is not permitted to manage or work for a company that is in competition with Kleinbongartz & Kaiser oHG nor to pursue any activities that compete with our company.

2. Secondary employment

This also applies to secondary employment that could constitute competition for Kleinbongartz & Kaiser oHG. The management board must be notified if an employee takes up secondary employment in return for remuneration, and this requires the board's prior written consent.

Supplement from employment contract

Behavior towards business partners and third parties

Kleinbongartz & Kaiser oHG expects 100% loyalty and integrity from all of its employees. This requires all employees to keep their private interests meticulously separate from the interests of the company through dutiful conduct. If, as a result of certain situations, personal conflicts of interest arise, the relevant supervisor and the management board must be notified without undue delay.

Potential points of conflict which could lead to conflicts of interest are described below.

1. Fair competition

Every employee of Kleinbongartz & Kaiser oHG is obliged to comply with the rules of fair competition. In particular, the following agreements and relationships between competitors are prohibited:

- Division of territory or customers
- Agreements on or exchange of information about prices/pricing components
- about supply relationships and their conditions
- about capacities and quotation procedures
- Exchange of information about market strategies and investment strategies
- Sales strategies and PoS promotions (sales incentives)
- Association activities

Kleinbongartz & Kaiser oHG prohibits breaches of the rules of fair competition in written contracts, verbal agreements and also in the form of tacit, coordinated parallel behavior.

In addition, we observe the respective national regulations on clauses that restrict competition in customer and supplier agreements.

Furthermore, we do not abuse the strong market position of the company to impose price discrimination, an obligation to accept other products or a refusal of delivery./

We do not restrict customers and buyers in setting their resale prices and avoid exercising any influence in this area.

2. Integrity

For us, integrity means doing the right thing by putting our values into practice. Our corporate values and general code of conduct act as a guide to behaving with integrity. The management board of Kleinbongartz & Kaiser oHG also draws fundamentally on the individual, personal integrity of every employee. Your inner voice and the conviction that you are doing the right thing frequently serve as a valuable compass for correct and loyal conduct.

3. Fighting corruption

Kleinbongartz & Kaiser oHG rejects any form of corruption and bribery.

Systematic enforcement of the ban on corruption in the company and with our partners is crucial to us. The fact that no corruption offences have been uncovered or confirmed in the company since it was founded (as of November 2023) is impressive.

Direct and indirect benefits (through business partners, for example) are permissible only if they are appropriate and transparent. Offering benefits (gifts, invitations or other perks) to public officers or government officials to promote the company's business is not permitted.

In general, giving and receiving gifts, invitations or any other forms of benefit puts the independence of our own judgement and the judgement of our business partners at risk. All employees must be aware of and comply with the anti-corruption laws of the countries in and with which business is transacted.

On appointment and on a continuous basis via the internal intranet, all employees are informed of the compliance policy and, in particular, the guidelines on preventing corruption.



To stop corruption

We do not give or accept bribes in the form of:

- Excessive gifts and invitations
- Payment of inappropriate travel costs
- Misuse of donations, memberships and sponsorship
- Unjustified payments

We follow the defined amount limits as far as proportionality of gifts, benefits and invitations are concerned:

- Gifts from third parties: €50
- Invitations from third parties: €100
- Amounts that go beyond these guide values are reported and documented. This is without prejudice to reporting obligations under statutory provisions, such as tax law.
- In the case of gifts and invitations from our business partners and customers, we adhere to the principle that the appearance of inappropriate influence must be prevented at all costs.
- Benefits are permitted only up to an appropriate amount and in the context of normal business activities.
- Benefits to employees of public bodies and companies are scrutinized particularly carefully.

We are aware that sponsorship requests and donations may be interpreted as (concealed) bribery.

4. Trade controls

Employees of Kleinbongartz & Kaiser oHG who process imports, exports and inland trade in goods and services must be aware of the laws and regulations that govern the way in which these transactions are dealt with and behave accordingly. It must be ensured, for example, that business transactions with third parties do not breach economic embargos, trade rules, provisions regarding import and export controls or those that prevent the financing of terrorism.

Handling IT and information

Kleinbongartz & Kaiser oHG is a solutions developer and places digitization at the heart of its entrepreneurial value creation in all business processes and procedures. Fundamentally, the quality of the data, transparency and data security are the primary focus here.

We build up trust in our employees, business partners and customers by respecting data protection as a right to privacy. We, therefore, process personal data only to the extent allowed by legislation, regulations, the principles of our own mission statement and the data subjects themselves.

1. Compliance with the provisions for data protection

The privacy of employees, business partners and customers is important to Kleinbongartz & Kaiser oHG. Protecting data that they provide to the company and the security and confidential handling of those data are guiding principles for us. The scope and purpose of collection of personal data is explained in detail in our privacy policy, which is documented on the international website.

2. Protection of confidential information

All employees of Kleinbongartz & Kaiser oHG are obliged to ensure more than simple protection of data. In addition, all company information must be protected and treated in confidence. This applies both to our own confidential information and to that entrusted to us by our business partners and third parties.

Data protection is taken into account from the outset. Data are analyzed intelligently and stored, shared and used responsibly. Our employees, business partners and customers should have appropriate transparency about the way their data are used and a say in the purpose for which we use those data.



FOOD FOR THOUGHT

To ensure data security and protection of information:

We do not use any insider information:

- we do not misuse any confidential information in order to exploit it when trading in securities and other financial instruments.
 - As a matter of principle, we do not give insider information to any third parties.
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Principles for responsible and sustainable economic activity

Environmental report

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Our strategic goals and values are defined in our mission statement. Through our general code of conduct, we establish the basis for trustworthy and transparent collaboration.

Sustainable value creation is also deeply rooted in our corporate strategy. Handling materials and products in a way that protects resources and achieving a supply of energy that reduces consumption are the focus of this ecological entrepreneurial activity.

As sustainability is a key component of the DNA of Kleinbongartz & Kaiser oHG, we also require a responsible approach to the environment and society on the part of our employees and business partners. The entire range of legal prohibitions, obligations and requirements covers three additional areas, in particular:

- Principles of working conditions and human rights
- Business ethics policy (compliance report)
- General code of conduct

Through this environmental policy, all employees are required to familiarize themselves with the relevant environmental regulations and to commit without reservation to observing them.

Yours truly, Michael Kleinbongartz

U. Klb-jartz

Sustainable production and resource efficiency

A forward-thinking approach to work that conserves resources has a long history at Kleinbongartz & Kaiser oHG and runs through all of its divisions.

Processes in production are standardized and automated, for example, so that a consistently high level of quality is ensured. The product quality guarantees continuous use over decades and we undertake to provide spare parts on a similarly long-term basis. In the rare case that tools have to be disposed of, the parts are sorted and recycled.

The importance of sustainability extends to packaging. As a primary supplier of hand tools, Kleinbongartz & Kaiser oHG has delivered its tool sets in outer packaging that simultaneously serves as a tool box and is not, therefore, disposable packaging.

The environmentally friendly approach of Kleinbongartz & Kaiser oHG also includes use of the latest technology, as it can make an active contribution to protecting resources in many areas.



KEY PERFORMANCE INDICATORS AND TARGETS FOR OUR ENVIRONMENTAL PERFORMANCE

- Annual reduction in the amount of waste by approx. 1%
- 100% environmental compatibility in dealing with used devices
- 80% waste recycling rate
- Mission 2030: 70% recycling rate

Economical energy

The area of energy supply also clearly shows that KUKKO is prepared to take a stand. Through the company's combined heat and power plant, which came on line in 2016, it has so far saved about 20% of the heating energy required and provides itself with almost 30% of its electricity requirements.



KEY PERFORMANCE INDICATORS AND TARGETS FOR OUR ENVIRONMENTAL PERFORMANCE

- Reduction in the total demand for energy by 17%
- CO₂ savings with an annual storage equivalent to 10,000 trees
- Mission 2030: 100% independent and decentralized energy supply with ongoing expansion of renewable energy at the Hilden site

Safe working environment

Kleinbongartz & Kaiser oHG provides its employees with a safe working environment by complying with the statutory requirements and regulations regarding industrial health and safety as a minimum.

We run our business under strict compliance with the safety regulations.

In this way, we ensure that our systems run without disruptions and reduce the risk of accidents. The relevant managers and plant management ensure that all employees are selected, trained and instructed in accordance with the applicable specifications.



KEY PERFORMANCE INDICATORS

- 2019: one industrial accident with minor disruption to operations
 - Continuous training in fire safety, first aid, annual safety training, protective measures for COVID-19
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