

Declaration of Principles



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Declaration of Principles

AWG Allgemeine Warenvertriebs-GmbH

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1. Our Commitment to Respect Human Rights and our Expectations

We, AWG Allgemeine Warenvertriebs-GmbH (hereinafter "AWG"), acknowledge our corporate responsibility to respect human rights. Therefore, we are committed to respecting human rights in our business activities as well as in our global supply and value chains, and to provide access to remedies to those affected by human rights violations. We align our corporate actions with the internationally recognised UN Guiding Principles on Business and Human Rights and German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) and thus implement the requirements of the National Action Plan for Business and Human Rights.

Furthermore, our human rights strategy, and our human rights due diligence processes are based on the following international human rights reference instruments, to which we are committed:

The International Bill of Human Rights, i.e. the Universal Declaration of Human Rights of the United Nations and the International Covenants on Civil and Political Rights and Economic, Social and Cultural Rights, which define the civil, political and social rights to which all people are entitled by virtue of their dignity.

The Core Labour Standards of the International Labour Organization (ILO), which encompass the four fundamental principles of freedom of association and the right to collective bargaining, the elimination of forced and child labour, and non-discrimination in employment and occupation.

We expect our business partners and our employees to also be committed to respecting human rights, to establish appropriate due diligence processes, to implement them carefully and to pass these expectations on to their own suppliers and business partners or implement them accordingly in AWGs own business area

2. Relevant Human Rights and Potentially Affected Groups of People, prioritised Risks

We recognise that our business activities and our global supply and value chains may have the potential for an adverse impact on human rights.



We are committed to respecting all internationally recognised human rights and to particularly focusing our human rights due diligence processes on the following human rights issues that we have identified as essential for our company through a risk analysis. We believe that the following issues pose the greatest risks of adverse effects on people who are directly or indirectly linked to our business activities at our sites and in our global supply and value chains:

- Forced and child labour
- Restrictions on freedom of assembly and association
- Discrimination in any form; equality
- Jeopardising data protection and privacy
- Disregarding occupational health and safety standards
- Jeopardising health and safety at work
- Withholding appropriate remuneration for work
- Corruption and bribery
- Jeopardising consumer protection and lack of product responsibility
- Damage to health, shelter or the economic resources needed for subsistence, for example due to water, soil or air pollution and deforestation
- Restrictions on land rights
- Violence by private and public security forces
- Restrictions on access to education

In our efforts to respect human rights, we focus on the following groups of people, as their human rights are potentially jeopardised by business activities along our global supply and value chains:

- (Former) employees of AWG
- Employees of direct and indirect suppliers and business partners
- Customers
- Next of kin of employees
- Trade unions, non-governmental organisations and other organisations that gain knowledge of risks or damage and/or support those affected

As part of the regular risk analysis, AWG has identified potential human rights risks in the areas of destruction of natural resources through environmental damage, violation of land rights and prohibition of child labour at direct suppliers in Bangladesh, Turkey, India, Pakistan and Taiwan.

3. Our Approach to Implement Human Rights Due Diligence Obligations

For us, respect for human rights is a continuous process. The implementation of human rights due diligence obligations, under consideration of the changing contextual conditions, type of business activity, and size and structure of the company, is constantly reviewed and continuously developed.

To meet our commitment to respecting human rights we have embedded human rights due diligence processes as integral components in our organisation and in our relationships with our business partners and in all relevant business areas of AWG.

4. Risk Analysis

We consider it part of our due diligence obligations to know the potential and actual adverse human rights risks and impacts of our business activities on people along the entire value chain.

We act according to the ISO 3166 guidelines (ISO-alpha2 / ISO-alpha3 / M49).

For this reason, we use an established management process to identify and evaluate relevant human rights issues, and potentially affected parties throughout our business activities, and our direct and indirect business relationships. This includes the analysis of both human rights risks and impacts arising from the use of our products and services.

The analysis in our own business area and at our suppliers is carried out in abstract terms and then in concrete terms by a globally established evaluation tool based on nine relevant databases relating to applicable laws, human rights and environmental risks.

To this end, we have systematically added human rights issues to our company-wide risk and supply management. In our management process, we also consider human rights criticism from third parties and reported incidents as well as our own findings. The analysis of human rights risks and impacts is updated annually and if there are significant amendments to the company profile or business activities. For this purpose, we involve internal and external human rights experts, business partners and selected stakeholders, including representatives of actually or potentially affected groups.

LKSG-RISIKOANALYSE: DAS „TRICHTERMODELL“

Abstrakt, konkret, Prävention & Abhilfe



The results of the analysis of human rights risks and impacts are incorporated into our entrepreneurial decision-making processes with regard to supplier selection, business partner management, product responsibility and development, and mergers and acquisitions. The risk analysis provides the basis for identifying appropriate measures.

In addition, we use the results as a basis for preparing and, where necessary, amending internal regulations, processes and training to meet the changing requirements of our due diligence processes.

5. Preventive Measures

In order to meet our responsibility to respect human rights, we rely on combining different preventive measures when identifying risks.

At present, these preventive measures include the following rules and standards:

- The company's internal Code of Conduct
- The questionnaires, which are specifically tailored to human rights and environmental risks and therefore enable to identify these risks in particular. The questionnaires are included in the established and GDPR certified Mercanis tool. All suppliers and service providers are supplied with them during the onboarding process and must complete them. All valid contracts and certificates are also collected and categorized in the tool. By automatically reading out the data, it is possible to track the terms and to remind the supplier in a timely manner to renew and submit their certificates.

We expect all our employees to comply with the Code of Conduct. We are in regular contact with our suppliers and cooperate preventively to remedy grievances.

We actively and systematically involve rights holders and potentially affected parties (such as employees of suppliers or local communities) and human rights experts, we are in regular dialogue with other companies, for example as part of industry initiatives, and we cooperate with stakeholders to promote the realisation of human rights. Concerns raised by right holders, or their legitimate representatives, local stakeholders, experts and civil society are taken into account.

Depending on the type and extent of the risk, we take further appropriate and suitable preventive measures with the aim of preventing the respective risk from materializing.

1 BEOBACHTETES BRANCHENRISIKO

Risikobewertungen auf der Grundlage der Analyse einer Vielzahl an branchenspezifischen Studien in Bezug auf Arbeits- & Menschenrechte sowie Umweltrisiken. Die Basis hierfür sind die im LkSG §2 (2) & §2 (3) definierten Risikofaktoren.



6. Review and Effectiveness Control

We review the effectiveness and efficiency of our measures to prevent and/or mitigate adverse human rights and environmental risks impacts at least once a year and on an ad hoc basis. We do so during our regular supplier appointments and on-site visits to manufacturers.

We also check if our risk management guidelines are being followed. Within our company, we also carry out risk-based audits and investigate any suspected violations of human rights. We review the effectiveness and efficiency of measures in our value chain by monitoring and evaluating the results of our continuous analysis of human rights risks and impacts. In addition, we conduct risk-based audits of our direct suppliers, for example document audits, online assessments and on-site inspections. Wherever possible, we ensure the involvement of potentially affected parties or at least their representatives and, with regard to above audits, the consultation of rights holders.

7. Complaints Procedure

We have established a low-threshold operational complaint management system by means of an internally and externally accessible whistleblower system, and we participate in industry-wide procedures. The system is available in several languages, including on our website. AWG is committed to ensuring that the complaints mechanism is made known to those affected groups.

We take measures to mitigate or end violations while continually reviewing and adjusting our processes to achieve this objective. This includes the opportunity for our employees and external partners to report imminent or actual violations. AWG is thus able to quickly identify and resolve reported matters, and to act accordingly, if necessary.

The following reporting channels are available to notify of imminent or actual violations related to the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG).

- CrefoSupply online whistleblowing system: <https://awg-mode.crefosupply.de>
- E-mail: Compliance@awg-mode.de

All information and complaints will be treated confidentially and processed in accordance with the legal requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) and can – to the extent possible – also be reported anonymously through the above reporting channels.

Please see the Rules of Procedure for further details on the exact procedure in the event of a complaint about a violation related to the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), which is available in a multiple languages on our company website. AWG strives for sustainable business relationships with its customers and business partners to the mutual benefit of both parties.

8. Remedies

If we as a company have directly caused a human rights violation we will immediately take remedial action to end the respective business activities or make them consistent with human rights, and work towards redress. Appropriate sanctions are imposed on employees who behave in a way incompatible with human rights.

In the event that we contribute to or are indirectly linked to potential or actual human rights violations through our business activities, we endeavour to contribute to appropriate elimination

and prompt redress by the responsible authorities.

We carefully and consistently investigate any reasonable suspicion or concrete indication of possible human rights violations in our company or along our upstream and downstream value chain.

Within the scope of what is legally possible, we commit our business partners to support us in clarifying the facts and to cooperate fully within a reasonable time frame. Depending on the severity of the violation, we reserve the right to take appropriate action towards our business partners, from requesting immediate elimination of the violation to legal action and termination of the business relationship. Irrespective of this, we work towards redress of the violation.

We do not intend to pass on the obligations of the LkSG to our business partners.

9. Documentation and Reporting

We continuously document the implementation of our due diligence obligations internally on an ongoing basis in compliance with the statutory retention periods. We will inform the public in our annual sustainability report about our human rights commitments as well as our due diligence processes in our value chains and their effectiveness. We will report on material human rights risks, violations, and the potential impacts that we have identified through business activities along our global supply and value chains and describe our implemented preventive and remedial measures. The reports will be published on our website (www.awg-mode.de) and will be easy to access and find.

Until the implementation of sustainability reporting, we will prepare an annual report in accordance with Section 10 (2) LkSG within the permitted deadlines and publish it on our website.

10. Responsibilities

We have defined clear responsibilities for meeting and complying with our human rights due diligence obligations. At top level, our management is responsible that human rights are respected in our business activities as well as in the upstream and downstream value chain.

In addition, we provide regular training and awareness-raising activities to employees and business partners to ensure that they are familiar with, implement and understand the human rights due diligence processes.

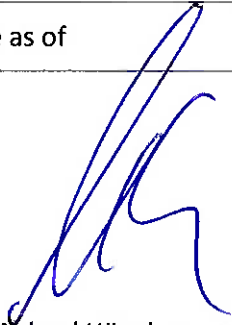
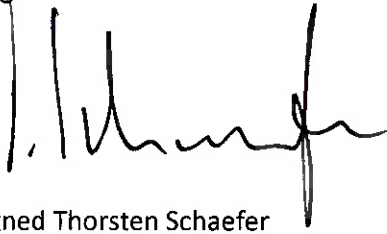
The Head of Buying is responsible for the operational implementation of our human rights due diligence processes in cooperation with the stakeholders of the relevant specialist departments.

Our Human Rights Officer is responsible for monitoring risk management and reporting to the Management Board.

11. Commitment to Continuously Develop our Human Rights Due Diligence Processes

As part of this human right strategy, the Management Board accepts this challenge on behalf of AWG and is committed to continuously develop our human rights due diligence processes.

Effective due diligence processes are especially important to us. Therefore, we are committed to engaging in dialogue with people who are potentially affected by adverse human rights impacts of our business activities as well as along our upstream and downstream value chain.

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