

HUMAN RIGHTS POLICY



FOREWORD

Our company designs and implements highly specialized process solutions for pharmaceutical and medical technology companies worldwide, as well as for consumer and home care products of well-known brands. Our portfolio is complemented by comprehensive services related to the customer's product. As a technology leader in various market segments, we are able to provide customers with customized solutions ranging from laboratory applications to full production lines. With a global network of subsidiaries and representatives, we are always close to our customers.

Harro Höfliger Verpackungsmaschinen GmbH is aware of its responsibility to respect and promote human rights in all areas of its business activities and throughout its supply chain. In line with the International Bill of Human Rights and the principles of the UN Global Compact, which we joined in 2024, we are committed to the highest standards in the areas of human rights, labor standards, environmental protection and anti-corruption.

This Human Rights Policy specifies the principles set out in the policy statement in accordance with the German Supply Chain Due Diligence Act (LkSG) and describes both the objectives and key elements of the operational implementation of our human rights due diligence obligations.

Our Human Rights Policy is based on the following principles:

- Respect for human rights throughout the entire supply chain
- Compliance with the German Supply Chain Due Diligence Act (LkSG)
- Prevention and monitoring to avoid human rights violations
- Remediation and corrective action in cases of human rights violations
- Regular reporting on progress and challenges

Our commitment is supported by an AI-based supplier risk management tool, which helps us to identify and monitor risks in our supply chain in real time through the following steps:

- **Abstract risk analysis:** Pre-qualification of all suppliers (100%) based on country and industry risk, as well as their share of our company's total revenue.
- **Concrete risk analysis:** Detailed analysis of 5% of suppliers based on the abstract risk assessment, including evaluation using an LkSG self-assessment questionnaire for suppliers identified as high risk.
- **Risk prioritization:** Risks are classified in a risk inventory in accordance with BAFA escalation criteria, allowing systematic prioritization. Where increased risks are identified, appropriate preventive or remedial measures are determined.
- **Development of improvement measures:** Measures are defined for each identified risk. The progress and responsibilities for all preventive and corrective actions are documented and assessed through follow-up of defined corrective measures and regular audits. If suppliers fail to cooperate Harro Höfliger reserves the right to terminate business relationships.
- **Documentation and reporting:** Risks and measures are documented based on the taxonomy and structure defined in the BAFA questionnaire to enable efficient reporting.



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Awareness among our suppliers is strengthened through regular supplier meetings and supplier audits.

Harro Höfliger is committed to ethical conduct in all business practices as defined in its Code of Conduct, which has been part of our purchasing conditions since 2023. All key suppliers and new suppliers are required to sign this Code (or an equivalent policy) and commit to compliance. Acceptance of the Code of Conduct is documented in the ERP system and can be accessed by procurement staff.

We recognize the importance of social security and adequate living standards. Therefore, we are committed to ensuring that our employees and individuals working within our supply chain have access to fair wages and appropriate living conditions.

- **Living wages:** Over 90% of our employees are based in Germany, where a statutory minimum wage ensures a living wage. Harro Höfliger always pays salaries above this threshold. Salaries paid outside Germany are reviewed annually against country-specific living wage benchmarks to ensure fair remuneration.
- **Right to education:** We support educational initiatives that benefit employees and their families so promoting personal development and quality of life.
- **Right to access to affordable, sufficient, and safe water:** At all our locations, we provide our employees with high-quality drinking water and advocate for this standard among our partners.

The cultural rights of our employees are respected. We promote participation in cultural life and recognize diversity within our organization. We guarantee freedom of religion and expression and foster an environment in which individual rights and freedoms are respected and promoted. Harro Höfliger is committed to preventing discrimination based on gender, religion, ethnic origin, or other personal characteristics and promotes an inclusive working environment that values diversity.

In 2024a public whistleblowing channel was implemented, enabling employees and external stakeholders to report human rights violations anonymously.

To measure effectiveness, we use, among other indicators: the number and type of supplier audits, the number and processing time of complaints, training rates and participation figures, supplier evaluations, employee satisfaction and turnover, and the reduction of reported human rights risks.

As a complement to our Human Rights Policy, we have also published our Anti-Corruption Policy to ensure that human rights and business ethics go hand in hand.

The Human Rights Policy is reviewed annually and published in the Human Rights Report, which forms part of our sustainability reporting.

A stylized, handwritten signature in black ink, likely belonging to Thomas Weller.

Thomas Weller
CEO