LkSG – Policy Statement

Introduction to the Policy Statement

The globalization of many supply chains does not relieve companies of their responsibility for the impacts of outsourced manufacturing, transportation, and waste disposal processes. Key human rights and environmental risks include, among others, child labor, inadequate occupational safety, exploitation, discrimination, restrictions on freedom of association, and environmentally harmful production and waste disposal practices.

With the entry into force of the Supply Chain Due Diligence Act (LkSG) on January 1, 2023, a legal framework was established in Germany for companies' human rights and environmental due diligence obligations. The LkSG requires companies directly covered by the law, in particular, to analyze risks within their own business operations and among their direct suppliers, to take appropriate preventive and remedial measures, to establish a grievance procedure, and to regularly review the effectiveness of their measures.

As of January 1, 2024, the LkSG generally applies to companies that typically employ at least 1,000 employees in Germany. When determining the relevant number of employees, employees of affiliated companies within a corporate group must generally also be taken into account. According to current estimates, the relevant number of employees at the JOACHIM LOH GROUP falls within this statutory threshold. Therefore, the Group regularly reviews whether and to what extent it falls within the direct scope of application of the LkSG.

To the extent that the statutory requirements are met, the JOACHIM LOH GROUP implements the due diligence obligations arising from the LkSG. These include, in particular, defining responsibilities, conducting regular risk analyses, taking appropriate preventive and remedial measures, establishing a complaint procedure, and regularly reviewing the effectiveness of these measures. The core legal obligations under the LkSG remain in effect, even as individual requirements and the regulatory framework continue to evolve.

Regardless of whether the JOACHIM LOH GROUP of Companies falls directly within the scope of the LkSG in any given case, it is committed to its

responsibility for respecting human rights and protecting the environment. In doing so, it also takes into account requirements arising from business relationships, customer requirements, and contractual agreements.

At the European level, the Corporate Sustainability Due Diligence Directive (CSDDD) was amended by the Omnibus I Directive. Based on current assessments, the JOACHIM LOH GROUP falls well below the relevant thresholds of the CSDDD and therefore does not fall within its direct scope of application. Further legal developments will be monitored and evaluated as needed.

A key element of our responsible risk management is therefore the publication of this policy statement. It describes our expectations of employees, business partners, and suppliers, as well as the key principles, procedures, and measures we use to identify, prevent, and mitigate human rights and environmental risks within our own business operations and in our supply chains.

This policy statement is reviewed regularly and as circumstances warrant, and is updated in the event of significant changes in the legal landscape, business organization, risk profile, or supply chains.

Policy Statement

The terms used in this document to refer to people always apply equally to both women and men. To improve readability, we have omitted duplicate references and gender-specific terms.

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1. Our Promise

JOACHIM LOH UNTERNEHMENSGRUPPE GmbH, headquartered in Haiger, is the management company and the leading enterprise within the JOACHIM LOH UNTERNEHMENSGRUPPE (jlu). The jlu serves a wide range of industries, markets, and customer groups and has a global presence with a broad portfolio of products and services
. The core of the group consists of the business divisions Hailo, META, EXPRESSO, Hailo Wind Systems, and LOTUS. These activities are complemented by Axsol.

The **Hailo Group** is a leading manufacturer of climbing equipment and waste collection systems for household and commercial use. Its operations are divided into the business divisions Home and Business (ladders, trash cans and recycling bins, kitchen and bathroom accessories for the home and garden as well as for industry and commerce), Kitchen
(waste separation and organization systems for the kitchen industry and retail), and Professional (ladder systems and access technology for buildings and access points of all kinds, as well as shaft systems for industry and public facilities). The Hailo Group is headquartered in Haiger.

As one of the leading manufacturers of professional warehousing technology in Germany and Europe, the **META Group** develops, produces, and distributes stationary and dynamic racking systems. The product range includes shelf, wide-span, pallet, cantilever, and mobile racking, as well as flow racks. Many components can be combined to create customized system solutions. Shelving inspections and maintenance contracts round out the range of services.
The META Group is headquartered in Arnsberg.

The **EXPRESSO Group** is a leading manufacturer and supplier of transport, material handling, safety, and loading technology. Its operations are divided into the following business divisions: manual transport equipment (stacking carts, four-wheel carts, lift trucks
, and smart shopping carts), baggage cart systems (baggage carts, baggage cart dispensers), powered transport systems (lifts, balancers, and drive units), loading and safety technology (including truck securing systems and loading ramps), and service offerings. The EX-PRESSO Group is headquartered in Kassel.

The **Hailo Wind Systems Group** manufactures and develops systems for accessing wind turbines. These include climbing systems with fall protection, lifts, climbing aids,

and accessories such as guardrails, ladder brackets, and wire ropes. Furthermore, the companies offer related services including maintenance and commissioning of the systems, engineering, as well as product training and rescue training. The Hailo Wind Systems Group is headquartered in Haiger.

LOTUS provides services in the areas of information technology, finance, and human resources for large parts of the corporate group. Its information technology services include the provision of server infrastructure, applications, hardware provision and operation, software—
Product and license management, as well as project management and help desk services. The Finance department handles accounting—including cash management—and financial controlling. The Human Resources department provides services in payroll, training, recruitment, and development. LOTUS is headquartered in Haiger.

Axsol develops innovative battery storage systems for various applications. Energy Container Solutions integrate stationary battery storage systems into energy containers in combination with the company's proprietary energy management system, AXOS. These help maximize the share of renewable
energy sources, secure the energy supply, reduce costs, and ensure greater planning reliability. As a project partner, Axsol supports customers in the design, planning, and implementation of customized battery storage systems. Through a broad partner network, the company offers complete solutions for solar systems, battery storage, and charging infrastructure for electric vehicles. Axsol is headquartered in Würzburg.

jlu has been family-owned since its founding. We are financially independent, which ensures our entrepreneurial strength. Through forward-looking leadership, we provide security for our employees as well as for our customers and suppliers. Flat hierarchies promote rapid communication and direct leadership, enabling decisions to be made quickly and directly.

Our decisions are made based on Christian values. In doing so, we consciously take responsibility before God and people. We develop leaders from within our own workforce. Young people are our

future. We offer attractive apprenticeships and opportunities for professional development. We support families—both in parents' daily work lives and through child-friendly programs at various levels. We want the people in our community to benefit. We make this possible by promoting volunteer work, through donations, and by providing concrete assistance. A careful and forward-looking approach to raw materials and resources is part of our responsibility toward God's creation.

2. Our Strategy for Protecting Human Rights and the Environment

Since the company's founding in 1947, jlu has been committed to its corporate responsibility and has been dedicated to social and environmental causes. As a major global market player, we intend to further intensify this commitment in the future. The technological capabilities for making our value chains transparent and influencing them in close collaboration with other stakeholders are improving rapidly. At the same time, international standards and regulatory developments are creating a framework to promote corporate commitment to human rights and the environment, facilitate its financing, and motivate companies that have so far been reluctant to transform to make the necessary changes. An important lever is the German law on corporate due diligence to prevent human rights violations in supply chains.

We welcome this development on behalf of our customers, shareholders, financial partners, employees, and other stakeholders. In their interest and in anticipation of future obligations, we are taking the necessary technical and organizational measures to disclose and responsibly manage human rights and environmental risks in our core business processes. To manage these measures, we conduct thorough risk analyses as part of our Group-wide risk management framework. An analysis of country-specific net risks shows that our risks are very low to low both within our own business operations and among our direct suppliers; however, we will continue to strive for improvement, particularly with regard to the due diligence obligations of our suppliers in China and Sri Lanka

strive for further improvement, particularly with regard to the human rights due diligence obligations of our suppliers from China and Sri Lanka. While we can and do effectively influence human rights-related practices at our own facilities, we can only indirectly influence our supply chains by supporting and monitoring our direct suppliers as they fulfill their human rights due diligence obligations. That is why, even when selecting potential suppliers, we ensure that they share our values and principles, and we also require all business partners, where possible, to comply with the respective Supplier Code of Conduct of the jlu business units and to hold their own suppliers accountable in this regard as well.

3. Scope and Target Groups

This Policy Statement is addressed to our employees, business partners, all jlu business units, their management and supervisory bodies, as well as the relevant regulatory authorities. It describes the key steps and measures we take to identify and prevent potential human rights and environmental risks within our business operations, thereby implementing the requirements of the Supply Chain Due Diligence Act (LkSG). This policy statement applies to jlu's business operations within the portion of its value chain over which it has direct influence.

The commitment set forth herein therefore applies not only to our own business processes but also to all other jlu companies and our direct business partners in the upstream and downstream supply chains. These parties are required to implement our human rights strategy within the scope of their business activities as well.

The following international standards are decisive for the commitment we are thereby undertaking:

- United Nations Guiding Principles on Business and Human Rights
- ILO Core Labor Standards
- International Charter of Human Rights
- UN Convention on the Rights of the Child
- UN Convention on the Elimination of All Forms of Discrimination Against Women

- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social, and Cultural Rights
- 10 Principles of the UN Global Compact

The standards and values enshrined in these frameworks are also reflected in our own guidelines and policies. These include the Code of Conduct, the Supplier Code of Conduct, the Supplier Self-Disclosure Form, and the Whistleblower Policy, which have been adopted at the level of the respective business units. They form the binding framework for action for our employees, business partners, and suppliers.

Through these standards, we require all employees to behave appropriately and lawfully toward colleagues, customers, and business partners. We also expect our partners to pass on our commitment to respecting human rights to their own business partners and to always act with ethical integrity.

4. Structure and Responsibilities

The management of jlu is ultimately responsible for the implementation of and compliance with this Statement of Principles on Respect for Human Rights in accordance with the LkSG. The managing directors of the domestic group companies oversee the operational implementation of the stated corporate principles for their respective business areas within jlu. Regular and ad hoc internal reporting to them on human rights-related findings from the ongoing risk analysis, feedback from the complaint mechanisms, and information on the effectiveness of remedial and preventive measures taken ensures that decisions can always be made based on sound information. A central human rights officer at jlu is responsible for monitoring the risk management system and other tasks; otherwise, this responsibility falls to jlu's executive management.

This responsibility includes developing and conducting training sessions and audits, ensuring that external reporting on human rights due diligence obligations takes place, and continuously reviewing and improving the management of human rights and environmental due diligence. A report on the results of the review is issued at least once a year. The managing directors of the domestic group companies are entrusted with the operational implementation of the human rights due diligence processes. They are supported by the relevant departments, in particular Purchasing, Human Resources, Quality Assurance, and Compliance, as well as other specialized departments.

5. Risk Analysis

Pursuant to Section 5 of the LkSG, we are required to conduct an appropriate risk analysis to minimize human rights and environmental risks within our own business operations and among our direct suppliers.

5.1 Methodology

We first analyzed the country-specific risks for our facilities and procurement markets using established global human rights and environmental indices. We then validated the results through text-based research. This helped us improve our understanding of the risks and identify particularly vulnerable regions and industry-specific risks. Building on this, we conducted a net risk assessment by weighting and prioritizing the identified potential risks according to recognized standards and the criteria listed in the LkSG. In doing so, we took into account the specific characteristics of each business activity as well as the likelihood and severity of potential violations. We also considered our company's potential contribution to violations and our ability to prevent them.

5.2 Results and Conclusions

Our results primarily indicated very low to moderate risks.

All other risks are currently being successfully mitigated and controlled through preventive and corrective measures. Nevertheless, we are committed to mitigating even these low-to-medium risks.

We focus our risk management on the following six areas of human rights risks, which we have identified as low to medium in our corporate group and our supply chain:

1. Violations of occupational safety and work-related health hazards, § 2(2)(5) LkSG;
2. Violation of freedom of association, freedom of assembly, and the right to collective bargaining, § 2 (2) No. 6 LkSG;
3. Unequal treatment in employment, § 2(2)(7) LkSG;
4. Destruction of the natural environment through environmental pollution, § 2(2)(9) LkSG;
5. Unlawful violation of land rights, § 2(2)(10) LkSG;
6. Torture, harm to life, and other violations affecting life and limb, Section 2(2)(11) LkSG.

Furthermore, we have identified the following three environmental risks in our supply chain, which we are also incorporating into our risk management:

1. Mercury production, use, and treatment, Section 2(3)(1) through (3) of the LkSG;
2. Production, use, and waste treatment of chemicals, § 2(3)(4) LkSG;
3. Prohibition on the import and export of hazardous waste, Section 2(3)(6) through (8) of the LkSG.

5.3 Outlook

In the future, we will repeat the risk analysis at least once a year or whenever there are significant changes to our value chain. At the same time, we are continuously refining our risk management based on the results of the analysis. The starting point for this is our existing Enterprise Risk Management (ERM) framework. Issues related to the environment, social responsibility, and corporate governance (Environment, Social, and Governance—ESG) will become an integral part of our ERM policy, thereby incorporating human rights and environmental aspects into our assessment of corporate risks.

Our customers' audits, in which our performance in the areas of human rights and the environment is regularly scrutinized, are also of great importance to our risk management. We already have positive external ratings in most of the Group's business divisions. We use these results to measure and manage the effectiveness of our preventive and remedial measures.

6. Preventive and Remedial Measures

To mitigate the identified risks, we have implemented preventive measures: We will screen new suppliers for potential human rights and environmental violations in their value chains as part of a thorough review of sources and documentation. Furthermore, we require them to provide self-declarations and supporting documentation regarding their management of occupational safety, health, and environmental aspects in accordance with recognized international standards.

As part of the onboarding process, potential suppliers must also commit in writing to the Supplier Code of Conduct of the respective business unit. If a supplier refuses to acknowledge and comply with our Supplier Code of Conduct or does not have a comparable code of conduct of its own, we will generally not enter into a supplier relationship.

Should it become apparent during the due diligence process and/or based on the potential supplier's self-disclosures that entering into the supplier relationship would entail new or heightened human rights or environmental risks, jlu will generally refrain from entering into the supplier relationship unless the potential supplier provides demonstrably appropriate preventive and remedial measures. The same applies if existing risks would be disproportionately intensified by entering into the supplier relationship. Should suppliers implement our expectations regarding their preventive and remedial measures more slowly than expected or encounter difficulties in implementing them, we pledge our support to our suppliers.

With particular regard to the identified risks, we have compiled a catalog of preventive and corrective measures for our own business unit as well as for our suppliers, which we will utilize as the situation warrants.

7. Complaint Procedures

To effectively manage human rights and environmental risks, we rely on affected individuals or observers to report their concerns to us. For this reason, we have established dedicated channels through which our employees, as well as external individuals, can submit complaints and reports regarding human rights violations or environmental violations.

As an external whistleblower, you can reach our group-wide headquarters and multilingual whistleblower platform via the following link:

https://www.jlu.de/compliance/

Further details on the complaint procedure and the channels available to our employees can be found there.

All persons involved in the investigation bear a special responsibility to effectively protect whistleblowers from potential disadvantages or retaliation. They are obligated to treat information regarding the identity of the

whistleblower and to inform them that they may also submit their complaint or report anonymously. Even if the person has disclosed their identity, the respective contact person may neither disclose this information nor use it to contact the person again without their consent. The contact person will ask the whistleblower whether they would like to receive an update on the investigation at a later date. This option is available on the whistleblower portal, where the whistleblower can choose to be contacted again while maintaining their anonymity. Ensuring that participation is voluntary is crucial to the effectiveness of the process and the measures taken to protect the whistleblower.

However, if information regarding the whistleblower's identity becomes necessary for further investigations—including those by government authorities—the contact person should ask the whistleblower for their cooperation, but not without simultaneously informing them of the potential legal consequences of false allegations.

8. Internal and External Communication

These principles have been communicated to our employees via the company's intranet. The content is regularly covered during training sessions. For suppliers, the relevant document is published on the website and made available for download. We are currently evaluating the implementation of a software solution that tracks suppliers' receipt and acknowledgment of these policies.

Haiger, September 2026

On behalf of **JOACHIM LOH UNTERNEHMENSGRUPPE GmbH**

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