



Stockstadt, 13.10.2022

## Information on the Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG)

Dear Sir or Madam,

our company is aware of the tasks assigned to us with regard to product compliance. The marketability of our products is central to our considerations. Our external consulting partner, asseso AG, supports us in this matter.

With the enactment of the Act on Due Diligence Obligations in Supply Chains (LkSG), so-called due diligence obligations according to section 3 will be imposed on companies that are subject to the scope of this Act as of the January 1st, 2023. These are further specified in sections 4 to 10. The objective is a risk-oriented analysis and elimination of human rights violations and environmental impairments along the entire supply chain by means of a top-down principle.

GUNOLD GmbH neither exceeds the threshold of 3000 (January of 2023), nor 1000 employees (January of 2024) and is therefore not directly bound to comply with the requirements of the Act on Corporate Due Diligence Obligations in Supply Chains. However, as part of our social responsibility obligations, we do maintain a continuous dialogue with our suppliers. We have notified them about the requirements of the LkSG, communicated our expectations in this regard clearly, and received written confirmation of their fulfillment. In this way, they too can work proactively to identify and eliminate human rights violations and environmental risks along the entire supply chain or help to mitigate them.

With regard to communication in accordance with section 17 LkSG, we hereby confirm our compliance with all of the following human rights-related and environment-related prohibitions and regulations in the meaning of the Act on Due Diligence Obligations in Supply Chains.

### Human rights violations as per Section 2 Paragraph 2 Numbers 1 to 12 of the LkSG

A human rights risk within the meaning of the LkSG is defined as, on the basis of factual circumstances, the reasonable probability of a violation of one of the following prohibitions:

- Child labour, forced recruitment of children for use in armed conflicts
- Forced labour, forms of slavery (human trafficking, prostitution)
- Disregard of labour protection standards
- Withholding of an adequate wage (no less than a living wage / legal minimum wage)
- Disregard for freedom of association, discrimination against employees
- Human rights violations to environmental degradation (harmful soil modification, water pollution, air pollution, harmful noise emission, excessive water consumption)
- Unlawful evictions, violence by security personnel
- Any other conduct that is not encompassed by the preceding human rights violations, is capable of causing a particularly severe human rights violation and is obviously unlawful.



## Environmental impairment as per Section 2 Paragraph 3 Numbers 1 to 8 of the LkSG

An environmental risk within the meaning of the LkSG is defined as, on the basis of factual circumstances, the reasonable probability of a violation of one of the following prohibitions:

- If it violates the regulations of the Minamata Convention:
  - Production of mercury-added products,
  - Treatment of mercury waste, and
  - Use of mercury in manufacturing processes
- Production and use of chemicals under the Stockholm Convention on Persistent Organic Pollutants.
- Transboundary movements of hazardous wastes and other wastes under the Basel Convention.

At the present time, we have no substantiated knowledge that we or our suppliers are exposed to human rights violations or environmental risks within the meaning of the LkSG. Should we receive contradictory information, we will certainly contact you without undue delay.

Kind regards

**GUNOLD GMBH**



Christoph Gunold