

KÄRCHER



KÄRCHER POLICY STATEMENT

Alfred Kärcher SE & Co. KG

1. Introduction

As a family-owned company, Kärcher has been committed to long-term, sustainable business practices since its founding. As a global company operating worldwide, Kärcher is aware of its responsibility to protect human rights and the environment and takes it very seriously. This responsibility is already anchored in various Kärcher documents. This includes the Kärcher Code of Conduct available at

https://s1.kaercher-media.com/media/file/235781/2024-03_karcher_code_of_conduct_en_online.pdf

With this policy statement, the Kärcher Board of Management extends the measures and processes set out in existing regulations for the implementation of human rights and environmental protection. These responsibilities of the board are distributed across several board areas. This policy statement is based on the risk analysis carried out in our own area of business and with regard to our supply chains.

2. Risk management and monitoring of the risk management

Kärcher maintains a general risk management system for all relevant corporate risks. In recent years, the topics of human rights and the environment, including the environmental risks of the Supply Chain Due Diligence Act, have been increasingly integrated into this risk management. Kärcher sees the oversight of all risks as an ongoing process that is closely embedded in operational processes.

Among other things, the following due diligence obligations are reflected in Kärcher's risk management:

- Recurring and event-related risk analyses
- Derivation and implementation of preventive and remedial measures
- Establishment of a complaints procedure
- Ongoing documentation of fulfillment of due diligence obligations
- Orderly reporting
- Effectiveness monitoring of the implemented measures

Above all, Kärcher has appointed a human rights officer who monitors risk management related to the Supply Chain Due Diligence Act - particularly in compliance with and implementation of legal due diligence obligations.

Risk analysis and responsibilities

Risk analysis in the own area of business and along the global supply chains are the core elements of Kärcher's risk management. Using comprehensive risk analysis, Kärcher identifies possible negative impacts with regard to human rights and environmental risks mentioned in the Supply Chain Due Diligence Act, as well as the people potentially affected by them. Based on the risks identified during this analysis, Kärcher weights them using appropriateness criteria and derives priority risks as well as preventive and remedial measures. When carrying out the risk analysis and deriving said measures, relevant

stakeholders are involved where possible and information from the complaints procedure is used. The effectiveness of the measures implemented and the entire risk management are checked regularly - at least once annually - and continuously developed. All processes, measures and results are documented. The procurement department is responsible for the risks associated with suppliers; the term "supplier" corresponds to the language used in the Supply Chain Due Diligence Act. Risk analysis in our own area of business is the responsibility of the sustainability department.

Abstract risk analysis

The annual risk analysis with regard to human rights and environmental risks regulated by the German Supply Chain Due Diligence Act covers direct suppliers and Kärcher's own area of business. In the so-called abstract risk analysis, especially country and industry risks are initially examined.

The regular risk analysis for direct suppliers as well as in our own area of business is conducted and carried out in several steps. The abstract risk analysis is the first step. All direct suppliers with an active business relationship across all Kärcher subsidiaries are recorded and assigned to a product or service category as well as a country. Furthermore, in order to create transparency in the supply chain, the respective order volume related to the direct suppliers within the last financial year is recorded. In the next step, using this database, abstract risk identification is carried out according to country and industry-specific risks. For this purpose, tool-based indices such as the Modern Slavery Index or the EPI Environmental Health Index are used.

The analysis of risks in your own area of business also takes place in a multi-stage process. Abstract risks are initially identified using global indices and taking into account publicly available sources. The analysis includes all risks mentioned in the German Supply Chain Due Diligence Act. The focus is on the interests of our own employees alongside those of other groups of people. It is also important to Kärcher that the risk of harm to people or the environment through its own business activities is assessed.

Concrete risk analysis as well as weighting and prioritization of identified risks

In a second step, the abstractly identified risks are made more concrete. For direct suppliers, during this concrete risk analysis, actual violations of human rights and environmental standards are identified for each supplier, supported by a software. In addition, answers to questionnaires sent to suppliers are taken into account as part of the concrete risk analysis. The same applies to existing certificates and audit reports.

As part of the concrete risk analysis in our own area of business, the corresponding units and subsidiaries that Kärcher exercises decisive influence over and for which increased abstract risks have been identified as part of the abstract risk analysis are examined for further plausibility and verification of these risks. Among other things, these units and subsidiaries are questioned regarding these concrete risks, and their handling and the risks were specified based on the answers.

In a final step, the identified risks are prioritized based on the legally regulated appropriateness criteria, both within our own area of business and in relation to our direct suppliers.

Event-related risk analysis

Further risk analysis are carried out as appropriate if Kärcher has actual evidence that a risk within the meaning of the Supply Chain Due Diligence Act appears possible, or if Kärcher has to expect a significantly changed or significantly expanded risk situation in the supply chain. Event-related risk analysis can refer to all units and subsidiaries in our own area of business, to direct suppliers and indirect suppliers known to Kärcher.

3. Priority risks as well as derivation of preventive and remedial measures

Using the risk analysis, Kärcher has identified the following priority risks in its own area of business in the regions of Asia, Africa and South America:

- Maintaining occupational health and safety due to country risks in individual local subsidiaries
- Compliance with environmental protection regulations due to country risks in individual local subsidiaries

As a result of the risk analysis and weighting related to the direct suppliers, we have identified the following priority risks in Asia, Europe and South America:

- Adherence to working hours and rest breaks
- Consideration of freedom of association
- Compliance with environmental protection regulations due to country risks at individual suppliers
- Avoiding deficient instructions and controls by external security forces

If risks or imminent violations are identified as a result of the risk analysis we conducted, Kärcher will take appropriate and risk-based preventive measures and - in the event of actual or imminent violations - immediately take appropriate and risk-based remedial measures.

4. Expectations to our own employees

Kärcher expects its employees to strictly observe all human rights as well as environmental due diligence and prohibitions. All employees in our own area of business are bound to the Kärcher Code of Conduct. In order to make its employees aware of respect for human rights, Kärcher also conducts regular training courses for employees who act responsibly. Moreover, employees who are involved in procurement activities receive additional training and are therefore also responsible for ensuring that human rights and environmental standards are respected in the supply chain.

If - in exceptional cases - these efforts are not sufficient and a potential violation occurs in its own area of business, we will take immediate action. In addition to responsible contact persons for employees and external stakeholders, the most important remedial measures defined include transparent regulations on what should be done in the event of violations. These regulations are defined in internal regulations and external contractual clauses and include further options such as audits by our own employees as well as external service providers. If we have concrete knowledge of potential human rights or environmental violations within its own area of business, we will take immediate action to end the violation or the associated risk.

5. Expectations to suppliers

We have defined our human rights and environmental principles and expectations towards direct suppliers in a Kärcher Code of Conduct for business partners, which is available at <https://www.kaercher.com/int/inside-kaercher/company/supplier-area/compliance-csr.html>. Accordingly, these principles are considered when selecting suppliers. In addition, we take appropriate and risk-based measures towards our direct suppliers. This includes face-to-face and online training, leaflets, guidelines, contractual clauses in framework and individual contracts as well as consultations. Relevant documents for the cooperation include:

- Kärcher Code of Conduct for business partners
- Quality assurance agreements
- Onboarding process for production material suppliers
- Training

If - in exceptional cases - these preventive efforts are insufficient and a potential violation occurs at a direct supplier or indirect supplier, we will immediately take further measures, such as developing a joint remedial plan. Termination of a supply relationship can also be considered as a last resort.

6. Complaints procedure

Kärcher values a trusting corporate culture. This also includes dealing openly with any violations or errors. Employees are encouraged to contact their managers, the person responsible internally or those responsible for compliance at any time if they have any questions or information about possible irregularities. Furthermore, employees and external third parties, including indirect suppliers, have the opportunity to submit a complaint or report via the whistleblower system. This is also possible for all whistleblowers completely anonymously. More information can be found at

<https://www.kaercher.com/int/inside-kaercher/company/compliance-and-integrity.html>

The complaints procedure itself is described in the rules of complaints procedure published on our homepage, which can also be found on the page mentioned above.

7. Documentation and reporting obligations

Kärcher documents in particular the execution of the risk analysis and the preventive and remedial measures derived from them. We have a system-supported documentation of whether the derived prevention and remedial measures have been implemented. All complaints as well as information and the implementation of the respective procedure are documented.

Kärcher fulfills all reporting obligations in accordance with applicable legal requirements.

8. Effectiveness monitoring

At least once annually - but also on an ad-hoc basis - Kärcher checks how effective the implemented prevention and remedial measures, risk management and the complaints procedure are. Effectiveness is demonstrated by audits carried out, surveys of employees and suppliers, the results of specific complaints and the results of our continuous risk analysis.

This policy statement was made available online to all Kärcher employees. In addition, the policy statement was presented and discussed in committees and panels. Our direct suppliers of production materials have received the policy statement via our supplier portal. In addition, all other interest groups, including indirect suppliers, can view the policy statement on our website at

<https://www.kaercher.com/int/inside-kaercher/company/compliance-and-integrity.html>

Further information from Kärcher on the topics of brands, human rights and the environment can be found freely accessible on our website at

<https://www.kaercher.com/int/inside-kaercher.html>

Detailed reports on individual activities are available in our customer magazine “difference”, also freely accessible published on the webpage at

<https://www.kaercher.com/int/inside-kaercher/difference-kaercher-magazine/kaercher-stories/difference-download.html>

This policy statement is regularly reviewed and adjusted if necessary.

The Management Board of Alfred Kärcher SE & Co. KG

Headquarters
Alfred Kärcher SE & Co. KG
Alfred-Kärcher-Straße 28 - 40
71364 Winnenden
www.karcher.com