

1 Introduction

MENNEKES Elektrotechnik GmbH & Co. KG is a family-owned company from the Sauerland region, headquartered in Kirchhundem. In addition to other locations in Sauerland and the Erzgebirge, MENNEKES has subsidiaries in England, the USA, Singapore, Italy, France, India, China, Romania, and the Netherlands. MENNEKES is one of the world's leading brand manufacturers of standardized industrial plugs and e-mobility solutions, with sales activities in over 90 countries and employing more than 1,600 people globally.

In its Code of Conduct, MENNEKES, as a globally operating organization, has anchored the central concern of upholding and promoting human rights and environmental standards in all business activities. In its own business area, MENNEKES always adheres to internationally recognized standards and internal company guidelines. The MENNEKES Code of Conduct defines binding behavioral guidelines for all employees, including management. To ensure compliance with human rights and environmental standards along the supply chain, business partners and suppliers are also required to adhere to behavioral guidelines. The obligations arising from the Supplier Code of Conduct must also be passed on to sub-suppliers.

MENNEKES is committed to systematically identifying, assessing, and taking appropriate measures to minimize risks in the areas of human rights and the environment. Furthermore, employees and suppliers are expected to strictly comply with the human rights and environmental due diligence obligations under the Lieferkettensorgfaltspflichtengesetz (LkSG). This statement of principles describes the internal company procedure for complying with due diligence obligations.

2 Risk Management

In addition to MENNEKES' existing risk management for individual topics, the risk management according to the LkSG serves to implement the human rights and environmental due diligence obligations mentioned in the law. This includes, in particular, the identification of risks in the company's own business area and with direct suppliers, as well as the derivation of measures.

In a cross-organizational team consisting of members of the management and the departments of Controlling, Legal, Procurement and Logistics, Human Resources, Sustainability, and Technical Compliance, processes have been developed to identify, minimize, and avoid risks at an early stage. Additionally, the establishment of risk management ensures that the implementation of human rights and environmental due diligence obligations is carried out in all relevant business areas. The risk management is supported by an ESG risk management software, which enables risk analysis for all risks according to the LkSG. In the event of violations, necessary measures are also initiated directly via the software.

The management of MENNEKES has appointed a Social Compliance Expert as the responsible person to monitor the risk management. This person informs the management at regular intervals, at least annually and on an ad hoc basis, about the risk management.

2.1 Risk Analysis

The risk analysis is carried out using ESG risk management software and initially examines all country and industry risks of the company's own business area as well as those of direct suppliers. If an increased risk is identified based on these results, standardized assessments are subsequently conducted. Afterwards, the risk areas and suppliers are examined according to the principle of appropriateness. The identified risks are evaluated using a predefined severity assessment, as well as the indication of probability of occurrence, influence, and contribution to causation. From these results, the prioritized risk areas and suppliers are ultimately determined.

The results of the risk analysis are reported to the management. The internal software-supported process is carried out at least annually and on an ad hoc basis when there is substantiated knowledge of a (possible) breach of duty.

No priority risks were identified in MENNEKES' own business area. Priority risks were identified among direct suppliers in the risk areas of environmental pollution, problematic substances, forced labor & mistreatment, and working conditions. As part of the risk assessment, all relevant suppliers were reviewed. Appropriate measures were initiated to minimize the risks.

2.2 Preventive Measures

MENNEKES is obligated to promptly take appropriate preventive measures when risks are identified. These measures aim to prevent or minimize environmental and human rights risks. Through the development and implementation of suitable procurement strategies, incentives are created for direct suppliers to comply with human rights and environmental expectations. The MENNEKES Supplier Code of Conduct includes these expectations and obligates direct suppliers to adhere to uniform standards and to pass them along the supply chain. As internal behavioral guidelines within the company's own business area, the Code of Conduct and other internal company policies serve. By conducting training in relevant business areas, in addition to providing basic knowledge and raising awareness of human rights and environmental standards, potential risks should also be sensitized.

MENNEKES reviews the effectiveness of preventive measures on an ad hoc basis and at least annually. To verify effectiveness, risk-based control measures are carried out. Thereby the MENNEKES standards are queried in audits to ensure that direct suppliers meet the requirements. As far as possible, suppliers are monitored for human rights and environmental risks using ESG risk management software.

2.3 Remedial Measures

If a violation of duty under the LkSG has occurred or is imminent, MENNEKES promptly takes remedial measures. To be able to act immediately, MENNEKES has already predefined general remedial measures. In the company's own business area, where the measures must lead to the cessation of the violation, mediation, clarification of grievances, or labor law measures can provide remedy, for example. For direct suppliers, possible remedial measures include own projects or workshops, training, and adjustments to procurement structures.

Since each violation is different, determining remedial measures is always a case-by-case decision. In addition to ad hoc reviews, MENNEKES reviews the effectiveness of remedial measures at least annually. Furthermore, remedial measures are continuously developed and supplemented.

2.4 Complaint Procedure

MENNEKES has established a comprehensive complaint procedure that is accessible to all employees, suppliers, and affected third parties, and enables the reporting of human rights and environmental violations. To promote open communication and also the reporting of violations, reports can be submitted through various channels, including anonymously. Whistleblowers are protected from any form of retaliation.

The MENNEKES whistleblower system and the associated procedural rules according to the LkSG can be accessed at the following link: <https://www.mennekes.org/company/about-us/compliance/whistleblower-system/> and are reviewed on an ad hoc basis and at least annually.

2.5 Reporting Obligation

MENNEKES reports annually to the Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA) on the implementation and effectiveness of measures to comply with human rights and environmental due diligence obligations in accordance with the LkSG. These reports are publicly accessible and serve the continuous improvement of processes.