

Rietberg, 1 June 2024

DERMARIS GmbH's policy statement on human rights due diligence and environmental responsibility

Commitment to the respect of human rights

DERMARIS GmbH is committed to respecting internationally recognized human rights, to taking responsibility of human rights due diligence towards its employees as well as towards its employees in its upstream supply chain, as well as to accepting its environmental responsibility. With this policy statement on the respect for human rights, we aim to communicate our values, guidelines and our code of conduct Dermaris-Code of Conduct Version 03 as a medium-sized enterprise and we would like to point out our continuous improvement process regarding our environmental responsibility and our corporate responsibility with regard to human rights at our production site and in our upstream supply chain.

Scope of this policy statement and expectations placed in employees, suppliers and service providing business partners

DERMARIS GmbH fully supports and promotes human rights and expects its employees, suppliers and service providing business partners to likewise respect human rights, including labour rights, in all their business activities. The same applies to environmental responsibility, which must be stuck to by all employees, suppliers and service providing business partners. For this reason, we maintain a continuous exchange and a dialogue with all our suppliers and other business partners to communicate our requirements for the upstream supply chain and to initiate a common exchange on potential solutions in case of any deviation.

Our reference instruments

DERMARIS GmbH is aware of its corporate responsibility regarding the respect of human rights. Therefore, we undertake to respect human rights in our own business activities as well as in our global supply and value chains, and to provide access to remedial measures for those affected by human rights violations.

Doing so, we gear our corporate action to the

- ✦ **internationally recognized United Nations Guiding Principles for Business and Human Rights** http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf and we hereby implement the requirements of the
- ✦ **German Government's National Action Plan for Business and Human Rights** [nap-wirtschaft-menschenrechte-engl-data.pdf](http://www.auswaertiges-amt.de/nap-wirtschaft-menschenrechte-engl-data.pdf) ([auswaertiges-amt.de](http://www.auswaertiges-amt.de)) .

Furthermore, our understanding and our human rights due diligence processes are based on the following international human rights reference instruments, to which we are committed:

- ✦ the **International Human Rights Charter**, i.e. the Universal Declaration of Human Rights of the United Nations [Universal Declaration of Human Rights | United Nations](#) as well as the **Civil Pact** [International Covenant on Civil and Political Rights | OHCHR](#) and the **Social Pact** [International Covenant on Economic, Social and Cultural Rights | OHCHR](#), with which civil, political and social rights are defined, which are entitled to all people by virtue of their dignity
- ✦ the **Core Labour Standards of the International Labour Organization (ILO)** [International Labour Standards | International Labour Organization \(ilo.org\)](#) with its four fundamental principles on freedom of association and the right to collective bargaining, the elimination of forced and child labour and the abolition of discrimination in employment and occupation
- ✦ the **Occupational Health and Safety Standard DIN ISO 45001** as a management system for continuous improvement of occupational health and safety performance, for compliance with legal and other requirements, and for achieving occupational health and safety objectives as well as
- ✦ the **International Standard for Social Responsibility „DIN ISO 26000 „Guidance on Social Responsibility““** [ISO-26000 2010 E OBPpages.pdf \(iso26000.info\)](#) as guideline on social responsibility.

DERMARIS GmbH bases its understanding of integrity and even consistent moral integrity on the following international human rights reference instruments to which we are committed:

- ✦ das **OECD-Handbuch Integrität im öffentlichen Leben** mit Hilfestellungen zur Umsetzung der gleichnamigen OECD-Empfehlung [Zusammenfassung | OECD-Handbuch Integrität im öffentlichen Leben | OECD iLibrary \(oecd-ilibrary.org\)](#)
- ✦ die Agenda 2030 mit ihren **17 Zielen für nachhaltige Entwicklung** (Sustainable Development Goals, SDGs) [17 Ziele- Vereinte Nationen- Regionales Informationszentrum für Westeuropa \(unric.org\)](#) .

From our employers, suppliers and service providing business partners we expect a commitment to respect human rights, a dedication to the establishment of appropriate due diligence processes and their aim to pass on this attitude to their own suppliers.

We summarized our understanding of human rights and their implementation in the business context in a „Code of Conduct - for our suppliers and service providers“ [Dermaris-Code of Conduct Version 03](#) and we provided it to all our suppliers and business partners in German and English language, along with a supplier questionnaire. We published it on the DERMARIS GmbH website as well.

Relevant human right issues and issues specific to our industry, potential risks as well as groups of persons with increased risk and vulnerable individuals

DERMARIS GmbH acknowledges that its business activities and global supply and value chains might potentially have a negative impact on human rights.

We are committed to respecting all internationally recognized human rights and focus our human rights due diligence processes particularly on the following human rights issues, which we identified as crucial for our company by a risk analysis.

We identified these **topics** as the ones with the highest risks of negative impacts on people who are directly or indirectly linked with our business activities at our location and in our global supply and value chains:

- ✦ compliance with current laws
- ✦ handling of workers
- ✦ avoidance of conflicts of interest
- ✦ management of resources, environment and data
- ✦ climate and environmental protection measures
- ✦ information and data.

In these topics we identified and assessed the following **potential risks** for DERMARIS GmbH:

- ✦ compliance with current laws:
 - compliance with all applicable laws
 - compliance with human rights, especially protection against exploitation, forced and child labour
 - compliance with current working time regulations
- ✦ handling of workers:
 - compliance with all regulations on occupational safety and health protection
 - protection against any form of discrimination (e.g. on gender, age, ethnic and social origin, nationality, religion, belief as well as on physical or mental disability and sexual orientation)
 - employment, remuneration and promotion solely on the basis of skills and performance of each employee
 - education and training of employees
- ✦ avoidance of conflicts of interest:
 - prohibition of donations to political parties, representatives as well as organizations with which conflicts of interest might arise
 - compliance with and adherence to all rules of fair competition
 - compliance with internal and external integrity standards, particularly regarding the prohibition of all forms of bribery, corruption, extortion and embezzlement

✧ management of resources, environment and data:

- sustainability in environmental and climate protection as well as careful management of resources and energy
- minimization of negative impacts on the environment and compliance with all environmental protection laws, especially in alignment with suppliers and business partners

✧ climate and environmental protection measures:

- presence of a sustainability report
- presence of climate neutrality
- presence of an emissions analysis according to Greenhouse Gas Protocol for scope 1, 2 and 3
- presence of a corporate carbon footprint
- completion of a product or service carbon footprint
- installation of facilities for the use of self-generated energy (such as photovoltaic, wind power, etc.)
- presence of a waste balance which displays various different fractions
- implementation of a recycling system for the disposal of residues and waste
- implementation of employee trainings on the above-mentioned topics

✧ information and data:

- presence of specific values of greenhouse gas emissions
- presence of specific values of CO2 savings
- presence of specific values of water consumption
- presence of specific values of energy consumption
- presence of specific values of waste generation
- presence of specific values of the age structure of employees
- presence of a specific sickness rate
- presence of a specific accident rate
- presence of a specific fluctuation rate
- presence of a specific gender equality rate
- presence of a specific percentage of women in leadership positions
- presence of various training programs
- social engagement
- careful handling and valuation of financial and intangible assets, especially intellectual property, copyrights, financial records and brand image
- confidential and secret handling and use of all kinds of information and only for the intended business purpose
- treatment and protection of all data in accordance with the “General Data Protection Regulation” (GDPR).

We focus our efforts on the respect of human rights of the following **groups with an increased risk**, as their human rights might potentially be endangered by business activities along our global supply and value chain:

- our own employees on-site, including apprentices
- employees of business partners
- groups of people in our direct and indirect supply chain: employees in raw material production and processing, as well as in the production of intermediate products, small-scale farmers, employees of service providers, and direct suppliers
- groups of people in our downstream value chain: employees of customers, final consumers, people in the context of products and services
- groups of people regardless of their position in the value chain: employees with informal or precarious employment situations
- groups of people with indirect connection for the value chain: members of local communities as well as residents near sites, family members, employees in authorities.

Within this group of persons, we identified vulnerable individuals who, as it is our belief, are exposed to a higher risk of a negative impact on their human rights.

These are groups of persons who have special needs, which are socially excluded or who difficulty

We consider the following **persons** to be **vulnerable**:

- women
- children and young people
- local communities (especially indigenous people)
- elderly people
- poor people
- sick people
- people with disabilities
- groups from poorly/unregulated surroundings
- ethnical and religious minorities
- lesbian, gay, bisexual, transgender, intersexual and queer people
- representatives of specific groups, especially human rights defenders and trade union representatives
- whistleblowers
- precariously or informally employed people
- migrant workers.

Procedures and responsibilities for the implementation of human rights due diligence

Our approach to implementing human rights due diligence

For us at DERMARIS GmbH respecting human rights is a continuous process. The implementation of human rights due diligence is constantly monitored and developed in relation to changing contextual conditions, in relation to the kind of business activities and size and structure of the company.

We based our organization and business relationships to our partners on human rights due diligence processes as integral components to ensure the respect of human.

Our approach to risk analysis

DERMARIS GmbH considers it an integral component of its due diligence to be aware of potential and actual negative risks and impacts of its business activities on human beings throughout its entire value chain. Therefore, we identify and assess relevant human rights issues and potentially affected individuals related to our business activities, as well as our direct and indirect business relationships using a well-established management process. This includes the analysis of both human rights risks as well as of the impact caused from the use of our products and services.

For this purpose, we have systematically integrated human rights issues in our company-wide risk and supplier management. We also consider criticism on human rights issues from third parties and reported incidents in our management process.

The analysis of human rights risks and impacts is updated on an annual and event-driven basis upon the change of the company profile or its business activities. Therefore, we involve internal and external human rights expertise, business partners, as well as a selection of stakeholders, among which we count representatives of actually or potentially affected groups.

We are increasingly striving to identify and analyse in detail the groups mentioned above which are particularly vulnerable as well as the human rights risks they are exposed to.

In case of direct or indirect business activities with conflict and high-risk areas (e.g. caused by the procurement of raw materials), we conduct thorough investigations to assess the risk of any contribution to or association with human rights violations.

The results of the analysis of human rights risks and impacts are incorporated into our corporate decision-making processes in terms of supplier selection, business partner management, product responsibility and product development, as well as mergers and acquisitions. The risk analysis forms the basis for the proper identification of appropriate measures. The managing directors discuss conflicting goals in terms of human rights and relevant knowledge acquired in our human rights due diligence processes on a regular basis. Moreover, we use the results as a basis for creation and, where necessary, adjustment of internal regulations, processes and trainings to take account of the evolving and changing requirements of our due diligence processes.

Our approach to the measures taken

To meet its responsibility for the respect of human rights, DERMARIS GmbH relies on a combination of various measures. It is our objective to protect (potentially) affected individuals and to prevent, or at least minimize, the negative impact on their human rights. For this purpose, we established standardized processes.

We actively and systematically involve right holders (such as employees and workers of suppliers or local communities) as well as human rights experts, exchange experiences with other companies, among other things, in the context of industry initiatives, and cooperate with stakeholders, always aiming at promoting the implementation of human rights. We hereby do take into account all concerns expressed by right holders or their legitimate representatives, local stakeholders, experts and civil society.

Within our company, we regularly conduct training sequences for all our staff on the human rights policy statement and on the integration of human rights requirements into corporate activities.

Beyond our company, we oblige at least all our direct business partners by contract to comply with the laws applicable in the respective country as well as the Core Labour Standards of the ILO, to respect human rights and to address human rights-related risks with their own business partners in an appropriate way.

To provide remedies in our upstream value chain, we commit to collaborating with suppliers and initiatives, ensuring not to hinder or exclude other forms of remedy by our remediation processes.

In view of the special importance of human rights due diligence in supply chains, we educate our direct suppliers and service partners about the importance of respecting human rights. As part of a circular, we inform them about our requirements for human rights due diligence processes with our business partners.

Our approach to effectiveness assessment

DERMARIS GmbH reviews at least annually and on an event-driven basis the effectiveness of its measures to prevent and mitigate the negative impact on human rights. Additionally, we monitor whether our regulations are being complied with.

Within our company, we also conduct visits to suppliers, investigate all indications of potential human rights violations and carry out education and training measures as well as training sequences.

In our value chain, we assess the effectiveness of measures taken by observing the results of our continuous analysis of human rights risks and impacts. Additionally, we conduct visits to our direct suppliers. Wherever possible, we ensure that potentially affected individuals or at least their representatives are involved as well as consultations of right owners are carried out in terms of the above audits.

Our approach to the complaint mechanism

DERMARIS GmbH rejects any form of human rights violations. Therefore, an appropriate and effective complaint management is a crucial part of our due diligence processes to effectively prevent and remedy potential the negative impact on human rights caused by our company and our business activities.

We implemented a corporate complaint management system that is easily accessible within and outside the company and we participate in procedures which are common practice within our industry.

We operate a whistleblower system which provides a confidential communication channel for internal and external stakeholders as well for all potentially affected individuals to report possible violations of human rights and international agreements. To overcome differences in various target groups, access to the whistleblower system is proactively communicated to these groups in an appropriate language. Reports can also be made anonymously. We actively inform the intended target groups about the complaint mechanisms available with the help of measures adjusted to the target group as well as to the local context.

All reported indications and justified suspicions of possible human rights violations are processed in a transparent, balanced and predictable process for all parties involved. The confidentiality and anonymity of the whistleblowers are strictly complied with. We ensure, as far as possible and within our sphere of influence, that whistleblowers are protected from disadvantage and punishment in terms of the complaints they submitted. Our systematic handling of complaints and all insights gained enables us to continuously improve our human rights due diligence processes.

Therefore, we also review the effectiveness of the existing complaint mechanisms along the effectiveness criteria laid down by the “United Nations Guiding Principles for Business and Human Rights” on an annual and event-driven basis linked with a fundamental change of the prevailing risk situation or upon justified indication of restrictions of the complaint management.

Internally, the corporate DERMARIS GmbH website will grant access to the complaint function as well as to the suggestion for improvement function linked with an internal e-mail address and internal notices on various corporate notice boards. In strict conformity with the whistleblowers needs, the company ethics advisor will deal with the open or anonymous complaint or with the open suggestion for improvement with utmost confidentiality.

Externally, the corporate DERMARIS GmbH website will grant access to the complaint function linked with an external e-mail address which will be confidentially organized by a law firm. In this case as well, the anonymous or open complaint will be dealt with – especially depending on the severity of the incident. We formalized and standardized our remedial and reparational measures.

Our approach to remedial measures

In the event, that DERMARIS GmbH, as a company, has directly caused human rights violations, we will take immediate action to cease the business activities which caused the violations or to make them compliant with human rights standards and we will work towards remediation. Should our

employees not behave in conformity with human rights standards, appropriate sanctions will be taken.

If our business activities contribute to potential or actual human rights violations or can indirectly be associated with them, we will endeavour to contribute to an appropriate resolution and short-term reparational measures by the responsible parties. If we are supplied a justified suspicion or concrete indication of a potential human rights violations within our company or along our upstream or downstream value chain, we will investigate the violation meticulously and thoroughly.

We engage our business partner to support us in solving the issue and in fully cooperating within an appropriate period of time. Depending on the severity of the violation, we reserve the right to take appropriate action with our business partners; appropriate actions might be the demand to immediately cease the violation, legal action or even the termination of the business relationship. Regardless of the situation, we will work towards remedial measures for the violation.

Our approach to reporting

DERMARIS GmbH informs the public about its human rights commitments as well as about its due diligence processes and their effectiveness in its sustainability report.

For this purpose, we report on significant human rights risks and impacts identified by us along our global supply and value chains and describe the preventive and remedial measures we implemented. To demonstrate the effectiveness of our human rights due diligence procedures, we also publish the key performance indicators (KPI) used to measure their effectiveness.

By reporting, we aim to create transparency on the implementation of our human right due diligence processes and to share the challenges, learning experience and best practices in human rights risk and impact management. If no violations of human rights due diligence can be detected, we will also present this in our sustainability report in a comprehensible way.

To communicate our human rights due diligence processes, we also use a publishing function on our company's website.

Our approach to the responsibilities for human rights due diligence in our company

DERMARIS GmbH defined clear responsibilities for the implementation and compliance with human rights due diligence processes. At the highest management level, the managing directors are responsible for the respect of human rights in our business activities and throughout our upstream and downstream value chain. Internal reporting - on a regular or event-driven basis - to this management level on findings related to human rights, indications from our complaint mechanisms and information on the effectiveness of our remedial and preventive measures as well as on our complaint procedures ensure that well-informed decisions can be made at any time.

The persons responsible for the respective departments are in charge of the operational implementation of our human rights due diligence processes.

Implementation of training

DERMARIS GmbH considers it a crucial part of its due diligence obligations, to raise its employees' awareness of the respect of human rights and to make all employees gain the required knowledge for the effective implementation of human rights due diligence processes within the company with the help of regular, obligatory education and training measures in the form of training sequences.

Therefore, we commit to conducting regular training for this purpose. As part of an annual training program on „Respect of Human Rights and Corporate Ethics“, all employees are trained on the basics of corporate responsibility for the respect of human rights and corporate due diligence processes. This training includes general information and explanations on the topic „Respect of Human Rights and Corporate Ethics“ for all employees, covering a selection of aspects such as modern slavery, corruption and bribery in the supply chain.

DERMARIS GmbH also considers it an important part of its due diligence obligations, to raise awareness of the compliance with human rights among its direct suppliers as well as among its other direct service-providing business partners and to make them gain relevant knowledge for the effective implementation on human rights due diligence processes by providing this policy statement via circular and whenever further business might be initiated.

Declaration and communication of this policy statement

Internally, this policy statement, issued by DERMARIS GmbH, is declared by the managing directors and will subsequently be communicated to all employees as part of training measures and as a future integral part of employment contracts.

Externally, this policy statement, issued by DERMARIS GmbH, will be published on the company's website and it will be communicated to current and future business partners such as suppliers, service-providing business partners and other partners in the context of an electronic circular signed by the managing directors.

Accessibility of this policy statement

DERMARIS GmbH issued this policy statement in both German and English language to make it accessible to all internal and external stakeholders and to bring down access barriers for (potentially) vulnerable groups of persons.

Engelbert Harrenkamp

Engelbert Harrenkamp, Managing Director

Markus Winter

Markus Winter, Managing Director