

Our Strengths - Guidelines for Sustainable Responsibility

November 2023



KRÖNER  **STÄRKE**

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INTRODUCTORY WORDS

In the focal point between society and environment is the economy and especially industrial companies like us, Kröner-Stärke GmbH. We are a family business; for generations, we produce high-quality products in a natural way for the industry, the craft and retail trades. Integrity and law-abidingness as well as the orientation towards our mission statement are supporting pillars of our self-image as an economic player. Underlying this are our striving for justice as well as our values and principles, which are set out in these *Guidelines for Sustainable Responsibility*.



Our company is a microcosm, a mirror of society. Only what we bring about and change on a small scale can succeed on a large scale. This knowledge of self-efficacy motivates us to take responsibility and stand up for a fairer, better world.

The management, every employee, as well as all stakeholders who are in the service of Kröner-Stärke are encouraged to integrate these guidelines into their daily work and to act and decide according to them. The entire staff thus contributes to the internalization of these

values in the company and our wider sphere of activity. Thereby, the management and executive employees act as role models and supervisory bodies. Questions and suggestions, observations and violations relating to this guideline must be heard and prioritized in the processing.

RESPONSIBLE CORPORATE GOVERNANCE

The principle of responsibility is the basis of any far-reaching decisions made at Kröner-Stärke. The focus is on people and nature. To ensure a holistic approach, the needs of all affected stakeholders are included in decision-making processes as a matter of principle.

Sustainable development and healthy stability of Kröner-Stärke require a clear self-image, quick adaptability, and strategic foresight. Only in this way, both a secure employment basis can be guaranteed for all employees and Kröner-Stärke can act as a long-term, reliable business partner for suppliers and customers. Profits generated remain largely within the company to ensure stable further development and the ability to act even in times of crisis. The handover of the company to the next generation plays a central role in our strategic orientation. We have no capital market-oriented interests.

National and international laws, relevant international standards and the principles laid down in this guideline represent for us the minimum requirements for responsible business. The obligation to act in accordance with the rules affects all stakeholders of Kröner-Stärke as well as all business partners along the entire value chain. On the part of the management, proactive behavior is expected to establish a compliance culture within the scope of the company-wide influence.

We see ourselves as part of the global community that can positively influence social and societal developments through its actions. We use our acquired opportunities responsibly and strive for inter- and intragenerational justice. Our actions are guided by the United Nations Sustainable Development Goals (SDGs).

We see the protection of our natural living conditions as a basic prerequisite for economic and social stability. We therefore have a direct responsibility to protect the environment, to uphold the dignity of every human being, and thereby to bring the impact of our actions into harmony with the needs of our environment.

GENERAL CONDUCT WITHIN THE COMPANY AND TOWARDS OUR BUSINESS PARTNERS

1 **Honesty and Integrity**

We see honesty and sincerity as a basic prerequisite for business and social interaction. We keep our word and abide by verbal and written agreements. In our daily actions, our production, and our external presentation, we strive for all-round integrity.

2 **Trust and Transparency - Fair Business Relations**

We are a medium-sized, family-run company whose working basis is trust, respect and transparency. We also live this value culture in our business relationships. Performance and competitiveness as well as trust built up over many years guide our selection of and cooperation with business partners. Negotiations are conducted at eye level, transparently and honestly.

Contractual agreements are formulated clearly and comprehensibly and do not contain any hidden formulations that could lead to disadvantages for one of the parties.

We conduct our business activities in compliance with all applicable competition laws and regulations.

3 **No Tolerance for Corruption**

Any unfair or dishonest practices are contrary to our core values and will not be tolerated. Corruption, bribery, money laundering and embezzlement of any kind will not be tolerated under any circumstances. Any violations may be reported confidentially to our internal reporting office at. 1 As a matter of principle, we reject gifts and other inducements that could raise doubts about our personal integrity. Moderate, unsolicited gifts are collected centrally and raffled off to prevent personal influence by third parties. Cash gifts are not permitted.

4 **Product Integrity**

Our quality awareness is directed towards preserving the natural performance of raw materials, conserving resources, and ensuring the reproducible properties of an untreated product. As a matter of principle, we work free of chemical additives, microbiocides and genetically modified organisms. Loyalty to our product specifications is of great concern to us; we inform our customers of significant changes in advance. Certificates are truthful and up-to-date.

We conscientiously separate organic and conventional materials and ensure the integrity and quality of our products through appropriate control mechanisms and high vigilance.



5 Customer Satisfaction

The success of our company is based on the trust of our customers in our service, our reliability, and the promised quality of our products. We respond personally to each customer, finding individual solutions and answering questions within our capabilities. We provide accurate, verifiable and clear information so that customers can make their decisions in full knowledge of the facts. We ensure prompt and effective handling of complaints or other dispute resolution or redress procedures. With our central point of contact for quality-related questions and problems, we have created a way not only to provide customers with the best possible information and assistance, but also to take a targeted look at internal improvement opportunities and set optimizations in motion.

6 Social Dialogue and Respectful Conflict Resolution

We maintain an open dialog with each other and with third parties. We treat our counterparts with respect and esteem. Problems are addressed immediately and we work together to find a solution. Differences of opinion and disputes are resolved objectively and non-violently, if necessary with the help of third parties.

7 Avoidance of Conflicts of Interest

We take care to carefully separate private interests from the interests of Kröner-Stärke. Company-relevant decisions are made based on objective criteria and are free from any external influences that could affect professional judgment. We avoid situations that could place us in conflicts of interest or give outsiders the impression of a conflict of interest.

8 Confidentiality and Handling of Intellectual Property

Knowledge and information are power. We therefore protect internal knowledge or other confidential information with the utmost care.

Any confidentiality obligations will be observed by us even beyond the duration of business relations. We expect the protection of the intellectual property of Kröner-Stärke and respect and appreciate the intellectual property rights of third parties.

9

Data Protection and Information Security

We collect, use and process data from employees, business partners, customers, or others in accordance with the legal provisions and legal requirements that exist in Germany regarding data protection and information security. In doing so, we consider personal rights and the interests of the persons/organizations concerned and place particular emphasis on protection against unauthorized access or disclosure.

Electronic means of communication used for business purposes are checked for security by our IT department. The use of social media for the external presentation of the company must be carried out with the necessary caution and exclusively by the responsible person.

10

Document Management and Transparent Reporting

We see the management and organization of written records as a permanent, central task. Business transactions and results as well as supplementary metadata are systematically recorded, filed, stored, and protected in accordance with requirements.

Reporting on all material matters to our internal and external stakeholders is open, complete, truthful, and punctual and system-compatible.

11

Orientation to International Standards and Laws

Our *Sustainable Responsibility Guidelines* are based on the *BSCI Code of Conduct* and fully comply with the *Universal Declaration of Human Rights*, the *Guiding Principles on Children's Rights and Entrepreneurship*, the *Core Labor Standards* and the other relevant standards of the *International Labour Organization (ILO)*, the principles of the *UN Global Compact* and the *OECD Guidelines for Multinational Enterprises*.

We apply these requirements to ourselves. The minimum conditions for our business partners are set out in the separate Code of Conduct and form part of our purchasing conditions.



SPECIFIC PRINCIPLES INTERACTING WITH OUR EMPLOYEES

12 Collaboration and Loyalty

Every one of us is significant for the success of Kröner-Stärke. We see ourselves as a team and work together to achieve the company's goals, which are defined in our mission statement. We live this loyalty both in our behavior towards our colleagues and towards third parties.

13 Decent Employment, Voluntary and Regulated Work without Coercion

Kröner-Stärke lives and develops through its employees. Good employment relationship and appreciative, respectful handling characterize this relationship oriented to the long term.

The basis for working in our company are written employment contracts concluded on a voluntary basis, which are archived and can be viewed at any time. They contain at least the job title, the scope of work, the working hours and the amount of payment.

After compliance with an appropriate or contractually agreed notice period, every employee can leave the company.

14 Health, Safety and Welfare

Occupational safety and the health of our employees are an integral part of all operating processes. We are committed to complying with national statutory occupational safety standards and take additional precautions to minimize the risk of work-related physical and mental stress and accidents of all kinds. These include regular inspection and testing of plant and equipment, provision of protective equipment, detailed operating instructions, and training for all employees. Regular meetings of the Health and Safety Committee, external support from occupational safety specialists and the regular appointment of a company physician ensure continuous improvement. For employees of subcontractors working on behalf of Kröner-Stärke as well as for our visitors, the same safety standards apply as for our employees.

Appropriate, individual needs of our employees are addressed, thus ensuring the holistic well-being of our workforce.



15 Wages, Salaries and other Benefits

The wages and salaries paid at Kröner-Stärke significantly exceed applicable minimum wages and are determined by collective agreements. The remuneration of our trainees is based on standard industry wages and salaries. Special annual bonuses (Christmas bonus, vacation allowance) are set out in collective agreements. Continued remuneration payments exceed the statutory requirements. Every employee also has access to additional benefits (e.g. company pension plan, job bike, Kröner Card, etc.). All employees receive their wages/salary and wage/salary statements on time. Hiring costs are covered by Kröner-Stärke.

16 Working Hours

Any working time specifications comply with national legal requirements and ILO conventions and are set out in collective agreements. The fixed weekly working time is 38 hours excluding overtime. Overtime due to operational reasons is done by mutual agreement, takes into account the legal working time requirements and is compensated monetarily or in terms of time. Within the framework of the shift system, compensatory days are used if the weekly working hours are exceeded. Night shifts are compensated by allowances and additionally compensated by days off.

A restful, safe environment is provided for breaks. Continuous shift work entitles the employee to paid breaks. The annual paid vacation exceeds the legal requirement at 30 days. Further entitlements to special leave are set out in collective agreements.

17 Work-Life Balance

After coordinating the possible framework conditions, we would like to enable all employees to find employment that suits their personal phase of life. We strive to design our department-specific work models according to coordination and possibilities in such a way that the requirements of the type of work can be combined with the private needs of the employees. The resulting dynamic is intended to contribute to the best possible work-life balance.





18 **No Child Labor, Special Protection of Minors and Aging with Dignity**

Our workforce reflects society and brings together people of a wide range of ages. We comply with the legal provisions on minimum age and the special protection of young employees. Employees under the age of 18 are not allowed to take on tasks or be assigned to sites that could affect their health, safety, development or integrity. Work on night shifts, Sundays and holidays is not permitted. Exploitative child labor will not be tolerated or used under any circumstances.

Employees of advanced age are entitled to separate time off, and an age-related arrangement is made for shift work. A company pension scheme supports financial security in retirement.

19 **Cooperation with Employee Representatives, Right to Freedom of Association and Collective Bargaining**

For Kröner-Stärke, trusting and close cooperation with elected employee representatives³ is an indispensable instrument for the continuous improvement of employment conditions. The employee representatives must not be hindered in the exercise of this representation of interests or suffer any disadvantages as a result.

All employees have the right and freedom to assemble and organize to protect their interests as well as to form or join trade unions or representative bodies.

20 **Diversity, Equal Treatment, and Equal Opportunities**

Our workforce is characterized by diversity and competence.

We promote equal opportunities and prevent any kind of discrimination in recruitment and employment. Decisions are made based on objective, professionally relevant criteria. Our employees are paid according to the principle of "equal pay for equal work", considering their qualifications. The contact persons at our complaints office are available for a trusting dialog.

21 Development of our Employees

Competent, reliable and well-trained employees are of particular value to our company. We are committed to apprenticeship and continuing education as the basis for our future viability. Regular development conversations, educational offers and the implementation of statutory and in-house mandatory training courses ensure the personal (further) development of our employees as well as the updating and expansion of specialist knowledge. We observe our employees with regard to their strengths and look for suitable employment for each of them in order to develop their full potential..

22 Dealing with Complaints

We welcome constructive criticism and maintain an open and respectful complaint culture. It is requested that possible legal violations or non-compliance with these *Guidelines for Sustainable Responsibility* be reported to the department management, the internal reporting office¹ or the management board. Concerns will be handled confidentially and anonymously if requested. We ensure that no discrimination or disadvantage occurs as a result of reports and that every concern is investigated.



23 Company Suggestion Scheme

Continued development of Kröner-Stärke can only be guaranteed by the active thinking and cooperation of all employees. Open communication within the departments as well as on the level of the entire company is desired. Suggestions for improvement are systematically recorded, evaluated, and rewarded and implemented depending on quality.

ETHICAL AND SOCIAL PRINCIPLES FOR THE ENVIRONMENT AND SOCIETY

24 Holistic Sense of Responsibility for the Environment and Society

Kröner-Stärke uses large quantities of limited resources to produce our high-quality and natural foods. In doing so, we inevitably have a direct influence on our environment and are therefore obliged to assume social responsibility and to continuously optimize our environmental performance. We want to shape our influence in such a way that it brings added value to society and a positive ecological impact.

25 Environmentally Friendly Production

Our production is close to nature, is continuously improved in terms of resource efficiency and environmental compatibility and adapted to new knowledge. The impact of our processes, goods and other services on the environment can be assessed and verified. Contingency plans are in place for any damage to the environment or health in the event of accidents or crisis situations and include mechanisms for immediate reporting to the appropriate authorities. In addition to compliance with all national environmental protection laws and corresponding regulations, we refer to our internal environmental policy.

26 Sustainable Procurement

Through our purchasing activities, we influence social, ecological and economic processes within the supply chain. This obliges us to select business partners and products responsibly. The basic prerequisite for concluding a contract with our suppliers is compliance with German law. In addition, our general terms and conditions of purchase apply. Meanwhile, our supplier management is based on risk assessment, supplier self-disclosure, trust built up over many years and random checks in the form of audits. For specific products, we also require additional standards, which must be documented by certificates. When purchasing operating supplies and products for daily use, we prioritize sustainable alternatives and weigh up the necessity of the purchase in advance.





27 International Business Activity

We are an internationally active company that maintains business relationships within and outside the European Union. Our main driver of international business is the contribution to cross-border food security at a high-quality level. Conscientious compliance with trade conformity for foreign business as well as WTO-compliant market access is a matter of course. The pursuit of international knowledge exchange as well as the promotion of sustainable development while respecting cultural differences complement economic interests. In the case of business with countries that are classified as countries with increased risk potential in terms of compliance with ethical and social standards, we require additional evidence of compliance with international standards and standards required by us.

28 Local Engagement

We are committed to our location in the “Bocketal”, where we have been based for over a century. Here we provide employment opportunities for many people and contribute to the economic development of the region. In our valley, we maintain a close dialog with our neighborhood and help to preserve the recreational area and Nature Park “Teutoburger Wald”. In addition, as part of society, we attach importance to regional networking, supporting local organizations and thus want to give Kröner-Stärke a relevance in our region.

29 Donations

Beyond the pure purpose of entrepreneurial activity, we also want to support the development of other organizations and donate annually to a wide variety of projects, some of which vary. In doing so, we are guided by current emergency situations, forward-looking innovations, and individual and regional circumstances.

30 Political Representation of Interests

We refrain from any undue interference in national politics as well as the politics of states from which we purchase goods or to which we deliver goods.

FINAL WORDS

The awareness of our high responsibility towards business partners, employees and the environment characterize our actions. We stand up for the values and principles set out in these guidelines, based on which we, together with our Kröner-Stärke team, work responsibly and creatively towards a secure future.



Version 01

Ibbenbüren, November 2023

Handwritten signature of Dr. Götz Kröner in blue ink.

Dr. Götz Kröner

Handwritten signature of Michael Termöllen in blue ink.

Michael Termöllen

Handwritten signature of Henrik de Vries in blue ink.

Henrik de Vries

APPENDIX

Internal contact persons

	<i>Name</i>	<i>Phone and e-mail</i>
1 Internal Reporting Office	René Schulte-Brochterbeck	05451 944773 schulte-brochterbeck@kroener-staerke.de
2 Complaints Office AGG	Birgit Mau	05451 9447751 mau@kroener-staerke.de
	Markus Grewe	05451 944753 grewe@kroener-staerke.de
3 Works Council	Chairwoman Jutta Feismann	feismann@kroener-staerke.de