

## Human Rights Declaration of CECONOMY AG

### The Commitment to Respect Human Rights and Environment

CECONOMY and its subsidiaries and country organizations are committed to respecting fundamental and universally applicable human rights and to supporting their protection and observance. It wants to make a positive contribution to respect for human rights and the well-being of people. To this end, it aims to create a working environment that guarantees humane treatment and is characterized by respectful interaction. The following globally recognized standards and agreements are important foundations and frameworks for our corporate culture and activities:

- the United Nations Universal Declaration of Human Rights,
- the United Nations Guiding Principles on Business and Human Rights,
- the OECD Guidelines for Multinational Enterprises, and
- the conventions and recommendations of the International Labor Organization (ILO)
- the ten principles of the United Nations Global Compact

In addition, CECONOMY aims to promote the achievement of the United Nations Sustainable Development Goals through its actions. Since 2018, CECONOMY has been a signatory of the 'Charta der Vielfalt' and is committed to diversity and equality as an employer.

Furthermore, the CECONOMY Group is committed to the fundamental protection of the environment, in particular based on the following conventions:

- Minamata Convention on Mercury
- Stockholm Convention on Persistent Organic Pollutants
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

This policy statement is to be understood as a supplement to national and international regulations.

## **Objectives and Expectations of this Policy Statement**

This policy statement defines the strategy and aspirations regarding human rights and the environment both in CECONOMY's own business area and in its supply chain and provides an overview of how human rights and environmental due diligence obligations are met. CECONOMY's managers are expected to exemplify and promote compliance with human rights and environmental protection.

Through its actions, CECONOMY aims to contribute to the sustainability of the environment, society and the company. In doing so, CECONOMY acknowledges the special responsibility it has as a trading company towards its customers, employees, suppliers, business partners and the people involved in the manufacture of the products. These values, expectations and obligations are set out in the company-wide Code of Conduct and the Supplier Code of Conduct.

## **Our Internal Processes to Protect Human Rights and the Environment**

The protection of human rights and the environment is firmly embedded in CECONOMY's processes. A risk management system for the implementation of due diligence obligations has been established and is constantly being further developed. The focus here is on CECONOMY's own employees as well as suppliers.

Through sustainability and risk management, CECONOMY strives to proactively identify, analyze and remedy actual and potential negative impacts on human rights and the environment along the supply chain. It takes a risk-based approach and assesses its suppliers according to their inherent risk with regard to human rights and environmental aspects. In doing so, it aims to draw on industry-wide standards, request sustainability information from suppliers in a more efficiently and consistently and thus monitor compliance with human rights and environmental protection in the supply chain. Beyond its business operations, CECONOMY leverages its influence and supports its business partners in creating the necessary structures and processes to comply with human rights in the supply chain.

### *Governance*

The Sustainability department has overall responsibility for risk management with regard to human rights and the environment. The Human Rights Officer monitors the effectiveness and appropriateness of risk management, advises the Sustainability department and reports to the CECONOMY Management Board. Each department is responsible for the protection of human rights and the environment within the scope of its area of responsibility and the procedures specified by the Sustainability department.

### *Analysis of human rights and environmental risks*

In order to ensure effective risk management, CECONOMY conducts systematic risk analyses on an annual and ad hoc basis. This involves identifying persons whose rights are potentially affected by CECONOMY's business activities. This includes employees of CECONOMY Group companies, suppliers, the local population along the supply chain, as well as customers. As part of this analysis, CECONOMY identifies, evaluates and prioritizes human rights risks. During the annual risk analysis, no human rights risks were identified within its own business area.

With regard to employees in the supply chain, the priority risks lie in the areas of child labor, forced and slave labor, occupational health and safety, appropriate wages and the hiring of security forces. Security forces also pose a risk to customers and the local population along the supply chain. Environmental risks as defined by the Minamata and Stockholm Conventions exist for manufacturers of electronic products. With regard to the local population that could be affected by the supply chain, in particular by suppliers of direct suppliers, land rights, harmful environmental changes and environmental risks as defined by the Minamata and Stockholm Conventions are identified. The risk analysis identified that the above-mentioned risks are particularly relevant for our suppliers of goods and suppliers in the transportation and logistics, retail and automotive sectors. To mitigate potential and existing risks, we work closely with our partners to manage these risks proactively and appropriately. This also includes clear and binding contractual safeguards on the part of our suppliers.

## *Preventive and remedial measures*

CECONOMY takes the following measures in particular to prevent, end or minimize negative impacts on human rights and the environment worldwide:

As a member of the Responsible Business Alliance (RBA), CECONOMY is committed to the responsible industry standards, joining leading companies in the electronics industry. Respect for and compliance with human rights form the basis for sustainable cooperation. The expectations of suppliers are set out in CECONOMY's Supplier Code of Conduct, which is based on the RBA Code of Conduct. This code ensures that CECONOMY's suppliers comply with high standards in relation to people and the environment as well as ethical principles and also pass them on in their supply chain. This or a comparable code is contractually anchored in explicit sustainability clauses with the suppliers.

CECONOMY is continuously working on the further development of appropriate procurement strategies and purchasing practices. Compliance with human rights is a minimum requirement in the selection of suppliers and is bindingly anchored in the contracts with business partners and suppliers, indicating that in the event of a violation, a concept with appropriate measures to end or minimize the violation(s), including a timetable regarding remedial measures, must be drawn up. The goal is to achieve the improvements together. If the action plan and remedial measures are not successful, this may lead to the termination of the business relationship.

When introducing new products and services, expanding business activities and in M&A transactions, an assessment is made as to whether and to what extent risks exist with regard to human rights and the environment.

The employees of CECONOMY and its Group companies receive mandatory training on sustainability with a focus on human rights and are regularly sensitized.

Group companies that are themselves manufacturers of their own brands protect human rights and the environment through membership of amfori BSCI (organization for compliance with social standards in the supply chain). CECONOMY has committed itself to the amfori BSCI Code of Conduct, which is a mandatory component of contracts with suppliers of private label products. All existing and new suppliers of private label products are contractually bound to the sustainability criteria by this Code of Conduct.

In addition to the contractual obligations, the operational implementation of the amfori BSCI social standards system is an essential sub-process of the purchasing process. As part of amfori BSCI membership, regular audits are carried out at the production sites to check compliance with the applicable standards and report any violations immediately. If violations are reported, appropriate improvement measures are agreed with the suppliers and their implementation is monitored. This ensures compliance with human rights.

In serious cases, the management of the affected Group company must be informed. In such cases, the Human Rights Officer can oppose the continuation of the business relationship (veto right) and can only be overruled by a decision of the CECONOMY Management Board.

In general, CECONOMY subjects its internal processes for the protection of human rights and the environment to regular effectiveness checks and continuously develops them further.

## **Complaints Procedure**

Any suspicion of violations of generally applicable human rights and/or the environment can be reported anonymously via the [whistleblower system](#). This applies to both our employees and external persons. Our whistleblower system is part of the Group-wide CECONOMY compliance system and enables the submission of anonymous reports on topics such as discrimination, unfair working conditions, human rights violations and occupational health and safety violations. Each incident is immediately reviewed, assessed and, if necessary, appropriate action is taken. In accordance with internal guidelines, each incident is assigned to the relevant departments, so that specific and appropriate actions and proposed solutions are created and monitored.

Details of CECONOMY's complaints procedure are specified in the [Rules of Procedure](#).

## **Documentation, Reporting and Further Development**

CECONOMY reports regularly and transparently on human rights as part of its annual sustainability reporting. CECONOMY views the topic of human rights and the performance of annual or ad hoc risk analyses as an ongoing process. This process is regularly reviewed for its effectiveness. This policy statement is kept up to date accordingly. This also includes the disclosure of the results of our risk assessment and a detailed description of the measures taken.

## **Commitment and compliance**

The Management Board of CECONOMY AG is responsible for the implementation of and compliance with this policy statement.

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