



Guidelines

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I.

COMPLAINTS POLICY

It is important to us to be a reliable business partner at all times. In addition, not only the good business relationships are an essential part of our corporate philosophy, but also the care and responsibility of the partners. Because we bear full responsibility for the results of our entrepreneurial actions at all times.

In our vision and our values, we state that we conduct our business without exception with loyalty, community spirit, consistency, sustainability, safety and reliability. In our code of conduct, we expect our employees, managers and our business partners to comply with the obligations and principles set out therein and to meet the high standards.

Our employees, customers and stakeholders are important to us. So we know that any legal or unethical action would harm not only us but them as well. The protection of human rights, business ethics, occupational health and safety and environmental protection have top priority.

Any disregard for these points and illegal or unethical behavior must be reported and discussed with the relevant manager. The reporting employee is protected at all times against: termination of employment, threats of any kind, harassment and other undesirable actions. Any disregard will be punished by us and taken into account with due care.

We have a complaints mechanism. This is available to both our internal and external stakeholders. Both groups have the option of contacting **compliance@kracht.eu** directly in the event of a complaint.



II.

ANTI-CORRUPTION POLICY



We are firmly against corruption and bribery. Our employees must not offer or receive any favors from business partners that could interfere or even appear to interfere with an objective and fair business decision.

As set out in the code of conduct, we are committed to act conscientiously and ethically at all times and without exception. All laws and regulations are complied with.

Only reputable business partners who act within the framework of the legal regulations and do not use any illegal funds are tolerated in the cooperation. Conduct that involves dealing with unfair means will not be tolerated.

It is mandatory for all employees to comply with the KRACHT anti-corruption guidelines at all times without exception. No employee is authorised to permit another employee to deviate from this policy. Managers are responsible for communicating the guidelines within the company. In addition to communication, your task in this regard is also to create awareness of this guideline.

If the defined guideline is disregarded by an employee, this can lead to immediate termination of employment or other sanctions.

III.

QUALITY MANAGEMENT



I 3.1 MAIN OBJECTIVES

As one of the world’s leading manufacturers of high-quality pump, valve, drive, system and measuring technologies, it is our goal to maintain and constantly expand our high quality standards in all areas.

This claim is a key factor in our success. Our goal is to guarantee our customers the highest quality and optimal service.

We want to make it clear that we comply with applicable laws and that business is not pursued at any cost. With this in mind, we do everything for our existing and future customers to be and remain competitive in terms of our high quality standards and manufacturing costs.

I 3.2 TARGET ACHIEVEMENT

The high quality standards are firmly anchored in total quality management. For us, this is part of every job. It is our constant intention to act optimally right from the start and to more than meet the wishes of our customers.

In order to fulfill all of the requirements, we are after the DIN EN ISO 9001 and DIN EN ISO 14001 certified and practice this throughout the company.

The demands on our employees are increasing. The reasons for this are, among other things, the growing demands of customers. All certifications, necessary skills, training and qualifications are regularly assessed and adjusted and expanded as necessary.

It is our explicit goal that our employees are aware of our vision and our values, taking into account the company guidelines and the code of conduct, and that we promote and further develop them. We constantly check the achievement of our corporate goals.

The following points are regularly measured to evaluate our quality management system:

- > Customer satisfaction
- > Quality and delivery performance
- > Employee satisfaction
- > Occupational health and safety
- > Functionality of the machine park



IV.

WORKING CONDITIONS AND HUMAN RIGHTS



Compliance with internationally recognised human rights standards is our top priority.

We condemn unlawful discrimination or harassment of any kind. In particular, discrimination based on ethnic origin, gender, religion, ideology, disability, age or sexual orientation is strictly prohibited. This also expressly applies to dealings with colleagues, employees and business partners as well as when hiring, promoting or dismissing employees. We do not accept any form of forced or child labor. We expect our suppliers to comply with applicable national regulations and international standards for the protection of minors.

As a socially responsible employer, we regard our employees as a resource of great value. We create an environment that offers our employees the opportunity for professional and personal development, and we invest in the qualifications and skills of our employees. In return, we expect our employees to set high standards for themselves, their performance and their health. Safety regulations and practices must be strictly observed.

I 4.1 WAGES AND BENEFITS

Our employees who are covered by collective bargaining agreements are remunerated in accordance with the General Remuneration Agreement (ERA) for the metal and electrical industry in North Rhine-Westphalia in the sense of uniformity and comparability. The collectively agreed monthly salary is uniform and binding for all collectively agreed employees. It consists of the ERA basic salary and an individual ERA performance bonus. In addition, collective bargaining components such as surcharges for overtime, late work, night work and public holiday work are paid. The parties to the collective agreement negotiate wages, working hours, social benefits and other important conditions of the employment relationship in collective bargaining rounds.

I 4.2 WORKING HOURS

The agreed regular weekly working time without breaks for full-time employees is 35 hours.

I 4.3 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Our suppliers' workers must be free to choose to join, or choose not to join, a union or workers' association of their choice, without threat or intimidation. Suppliers must recognise and respect employees' rights to freedom of association, freedom of organisation and collective bargaining.

If this is not possible due to applicable laws and regulations, we expect our suppliers to allow alternatives to be approved by employee associations.

V.

OCCUPATIONAL HEALTH AND SAFETY DIRECTIVE

We are committed to create safe and healthy working conditions in all areas of the company. As a socially responsible employer, we regard our employees as a resource of great value.

It is of the utmost importance to us that safety regulations and practices are strictly adhered to. All employees are responsible for compliance with legal regulations and company standards in all business activities. It is regularly ensured that occupational health and safety is present in all business-related activities and is continuously checked for completeness, effectiveness and integration. For this purpose, goals are set in an internal system in order to document, measure and continuously improve all activities. These are defined, documented and communicated. Injury prevention is the top priority.

In order to fulfill all of the requirements, we are certified after the DIN EN ISO 9001 and DIN EN ISO 14001 and practice this throughout the company.

We are committed to provide all resources necessary to implement and maintain our work, health and safety systems. With our internal training programs, all employees are regularly trained and educated. This is how we ensure that they can carry out their activities in the safest possible way.

Further details on our occupational safety guideline and the contents of the occupational safety training are available on request:

compliance@kracht.eu

In our company there are designated safety officers who are responsible for training in the following points:

I 5.1 PERSONAL PROTECTIVE EQUIPMENT

The tasks of the safety officers include checking the prescribed protective devices and personal protective equipment (PPE).

Of course, we provide our employees with suitable resources such as machines, devices, personal protective equipment and written instructions.

All important information in the operating instructions is freely accessible to every employee. In addition, our employees are regularly trained in the field of „occupational safety“.





I 5.2 MACHINE SAFETY

The duties of an employer also include ensuring that all employees are adequately trained in the proper use of machines, devices, tools, working materials, means of transport, other work equipment and protective devices. New employees receive initial training on the machines from their supervisors. The entire machine park is kept up to date with the latest technology, which is why existing employees are also trained on new machines. Before new machines are put into operation, there is a risk assessment and corresponding operating instructions follow. Our employees are regularly trained in the machinery directive.

In order to ensure the safety of our machines, they are regularly subjected to a machine capability test by the professional association for wood and metal (BGHM). In addition, regular inspections are carried out by the various departments in the building.

In addition, there are event-related inspections for new buildings, conversions, malfunctions or accidents.

I 5.3 EMERGENCY PREPAREDNESS

It goes without saying that it is in our greatest interest to avoid hazards. As a result, we have proper labeling for our emergency facilities. Our extinguishing devices are serviced weekly and the light material separator is monitored. We also have a digital evacuation system in operation.

In addition to first aid training, we also offer fire protection assistant/evacuation assistant training so that we can act quickly and independently in an emergency.

I 5.4 INCIDENT AND ACCIDENT MANAGEMENT

We have incident and accident management. This covers the areas of building and works services, EDP / IT, sales, purchasing / procurement, project management, production, construction site assembly and commissioning, occupational safety and the environment, development and construction, quality management, finance and accounting / controlling and human resources.

All content is written down in a risk management manual. The purpose of this is to enable a clearly regulated reaction to identified risks in the corporate area. The identified risks are communicated as part of an associated reporting system. In addition, the manual uniformly regulates how identified risks are to be further monitored.

I 5.5 WORKPLACE ERGONOMICSE

The promotion of health and employee satisfaction are firmly anchored in the corporate values. Extensive preventive measures are offered to employees in order to promote and maintain the health of each individual. We have an in-house health center, which is competently managed by appropriate specialists from the health and sports sectors.

The health area is equipped with state-of-the-art sports and fitness equipment for general prevention and regeneration after illness. Expanded rooms for courses and massages are also available.

In addition, all workplaces are checked for ideal ergonomics. This happens on the one hand when a new employee is hired and on the other hand through regular reviews by our specialist staff. Any defects found will be rectified immediately afterwards.

I 5.6 HANDLING OF HAZARDOUS SUBSTANCES

In a manufacturing company, the daily handling of hazardous substances is omnipresent. We want to protect our employees. We protect our employees as best as possible through technical and organisational measures.

Any hazardous substances must be instructed personally by their supervisor before they are used for the first time. In addition to personal instruction, there is an overview of hazardous substances in our management system. There you will find all the important information you need to read about the correct handling of hazardous substances. Our employees are required to use materials as intended and to observe the instructions at all times.

Regular instructions - once a year - support the ongoing safe handling of all hazardous substances. All important information that is freely accessible to every employee is specified in the operating instructions. In addition, our employees are regularly trained in the field of „occupational safety“.

I 5.7 FIRE PROTECTION

Fire protection has top priority with regard to the safety of our employees and the protection of our company buildings. Because of this, there is a fire protection concept that is considered a high-quality, fundamental standard. This concept is adapted for conversion measures and extensions.

In addition, a fire protection officer is defined. The entire building is equipped with a fire alarm system that is connected to the fire brigade control centre. Evacuation drills are conducted regularly. In addition, preventive training courses on the subject of fire protection are held regularly. Every employee is obliged to take part in the annual fire protection instructions. In the event of a fire, proper signage will show the quickest route to the appropriate assembly point.

In order to prevent a fire from spreading for as long as possible, trained employees also set up the firewall. Various potential fire compartments are separated from each other by bulkheads.



VI.

ENVIRONMENTAL POLICY



I 6.1 GOALS AND CERTIFICATIONS

Our goal is to continuously improve the environmental compatibility of our business activities and to use raw materials and the environment in a responsible manner. For us it goes without saying that national and international legal regulations and standards for environmental protection are complied with or exceeded.

In order to fulfill all of the requirements, we are certified after the DIN EN ISO 9001 and DIN EN ISO 14001 and practice this throughout the company.

I 6.2. ENVIRONMENTAL POLICY

The obligations to protect the environment, customers and employees enjoy high priority in our environmental policy.

In addition to the goal of improving our competitive performance, the equal responsibility for our employees and careful handling with our environment is also as important. The main environmental aspects of our company are described in the environmental report.

We want to achieve holistically integrated environmental protection. That means, that every single employee is committed to environmental protection.

The following principles apply to environmental and employee protection:

- > Through our production, our factory and our products, the environment be burdened as little as possible
- > Compliance with and compliance with all applicable environmental laws and agreement
- > We want our environmental management system to take appropriate measures constantly develop and improve environmental performance
- > Raw materials and energy should be used as sparingly as possible
- > The waste – especially the hazardous waste – should be reduced as much as possible through the election of suitable means (production processes, input materials, forklifts, fleet)
- > We try to motivate our employees to work in the field of make suggestions for environmental improvements

Targets are derived from the environmental policy and are regularly evaluated as part of the management review.

VII.
IT SECURITY

It is, of course, in our highest interest to prevent hazards in for example avoiding cyber attacks. As a result, we have emergency facilities to prevent IT failures, in order to remain able to act in an emergency case. This includes telephone accessibility, further processing of orders and ongoing production. Our IT standards are regularly maintained and monitored. In addition, we regularly train our employees, to sensitise them in the field of IT security.

All content is set out in the internal IT usage policy. The purpose of this is to provide a clearly regulated response to identified risks in the corporate sector. In addition the IT usage policy uniformly regulates how identified risks are monitored. This policy is communicated throughout the company, to avoid security gaps and recognise and eliminate risks at an early stage.



VIII.
SOCIAL RESPONSIBILITY

We are a family business with deep roots in the Sauerland. The company location in Werdohl has existed since it was founded in 1911.

The majority of the employees are natives of this region. Identification with the company shapes the employees and thus also the corporate culture. As a result, regional commitment is a matter of course, as social responsibility towards employees, neighbors and all other stakeholders is very pronounced.

We are committed to sticking to our headquarters in Werdohl and expanding it continuously. As a large employer in the region, it is not only our duty, but also our conviction to invest in and further promote the workforce from the region. In addition, we are committed to making a sustainable commitment to the South Westphalia region - both in the area of environmental protection and in social affairs.



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