



**INNOVATION INSIDE**



## **SUSTAINABILITY GUIDELINE**



**IGK Group**



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## Preamble

This Sustainability Policy applies to all companies of the IGK Group (hereinafter referred to as "IGK"), namely IGK Isolierglasklebstoffe GmbH, IGK Europe GmbH, MIG Systems GmbH and IGK North America Inc. The subject of this Sustainability Policy is our regulations for sustainable management within the framework of the so-called ESG criteria, whereby ESG stands for **E**nvironmental, **S**ocial and **G**overnance.

As a company in the chemical industry, we develop, produce and distribute adhesives and sealants for the insulating glass industry worldwide. We are actively committed to sustainability and responsible action and are aware of our responsibility towards customers, suppliers, employees and other stakeholders as well as towards the climate and society. In particular, we are guided by the values of integrity and fairness, regardless of whether our activities take place in Germany or abroad.

We support initiatives, principles and international standards such as "Responsible Care" as a contribution to the German chemical industry's "Chemie3" sustainability initiative, the "Climate-friendly SMEs" initiative of the German Association of Energy Consumers (VEA), the International Labor Organization's (ILO) Declaration of Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Responsible Business Conduct and are committed to anchoring these in our company. In doing so, we expressly strive to continuously improve our performance in the areas of occupational health and safety, environmental and climate protection and product safety.

We work closely with our customers, suppliers, employees and other stakeholders to further develop our sustainability performance. The success of this collaboration is based on mutual trust, transparency and reliability. This sustainability guideline defines our values and requirements, e.g. for responsible business practices, human rights and labor standards as well as environmental protection and product safety. We therefore take responsibility for the implementation of ethical, social and ecological standards in our company and expect our customers, suppliers and employees to comply with the defined principles and to take appropriate account of them in their activities.

**E1 Active environmental and climate protection**

Protecting the environment and the climate, and therefore ultimately people, is an integral part of our corporate policy. We therefore take appropriate measures to reduce the climate-relevant effects of our business activities, to actively protect the environment and climate in accordance with internationally applicable standards and legal provisions and to continuously improve the effectiveness of our efforts in this regard. This includes continuously increasing resource efficiency and avoiding waste and emissions wherever possible. To this end, we take appropriate and verifiable measures and have established an effective management system in accordance with ISO 14001 to ensure environmental and climate protection. We promote the safe and environmentally friendly development and manufacture of our products as well as their packaging and transportation.

Every year, we record the greenhouse gases released directly (Scope 1 emissions, e.g. through the consumption of natural gas and fuels) and indirectly (Scope 2 emissions, e.g. through purchased electricity) within the company. We are committed to gradually reducing these GHG emissions to zero by 2035 with the help of a transformation concept for decarbonization. We are also aiming to achieve complete climate neutrality by 2045 at the latest, in line with the Paris climate protection agreement (1.5 degree target). At the same time, we are taking measures to adapt our company to climate change.

**E2 Collection of environmental indicators**

We record our environmentally relevant input (energy, water, raw materials, etc.) and output (waste water, waste, emissions, etc.) as well as the respective costs at least once a year as a basis for the targeted optimization of our use of resources.

**E3 Safe products**

We comply with all relevant national and state-specific laws and regulations on product safety. In addition, we provide all customers with all relevant product information, in particular on the composition, use (in particular processing instructions, occupational safety measures) and, if applicable, the disposal of their products, in good time prior to product delivery or service provision and label our products properly. We also provide our customers with complete documentation on the legal conformity of the products and services we provide, including (but not limited to) safety data sheets and product labeling regulations.

**E4 Safe processes**

We operate a formal integrated management system in accordance with ISO 9001 and ISO 14001 to control our business processes in compliance with recognized safety standards. Where necessary, we carry out site- or plant-specific risk analyses. We take appropriate measures to prevent incidents at our facilities, e.g. (but not limited to) chemical emissions or explosions.

**E5 Increasing energy efficiency**

We operate an energy management system in accordance with the Peak Equalization Efficiency System Ordinance (SpaEfV). In particular, this includes recording the energy requirements of our main energy consumers. We aim to increase the proportion of renewable energy used compared to fossil energy. We take targeted measures to continuously improve our energy efficiency.

**E6 Safe handling of hazardous substances**

In Germany, we keep a register of hazardous substances in accordance with the Hazardous Substances Ordinance (GefStoffV), in which all hazardous substances used in our company are listed. We instruct our employees in the correct handling of hazardous substances (use and storage) through briefings and training courses. We fulfill our legal obligation to post operating instructions and provide personal protective equipment.

In accordance with the Hazardous Substances Ordinance (GefStoffV), we regularly check the substitution of the substances and processes we use with substances and processes that pose less of a risk (substitution check). We use the technical rules for hazardous substances (TRGS), recommendations of the BG and information from our associations and manufacturers as sources of information.

**E7 Prevention of waste and emissions**

We ensure the maintenance of procedures and systems that ensure the safe handling, transportation, storage, reuse and management of raw materials, other materials and waste. We are committed to minimizing the generation and disposal of waste and any form of release or emission of materials into the air, water or soil that could have a negative impact on human health, ecosystems or the climate. In addition, we ensure that all materials and waste are handled and treated in an appropriate manner before they are released into the environment, should this be unavoidable.

Furthermore, we are committed to preventing the unintentional release, emission or leakage of hazardous substances into the environment or, if this is unavoidable, to minimizing it by implementing and actively maintaining appropriate procedures and systems. In addition, we use processes and systems that continuously and sustainably optimize our consumption of all relevant resources such as energy, water and raw materials. Where possible and economically viable, we try to use a circular economy or recycle resources, e.g. by taking back goods or recycling blocked goods.

We carry out regular and ad-hoc operational noise measurements in order to monitor the prescribed limit values and, if necessary, initiate suitable protective measures.

**E8 Responsible use of water**

We are committed to the responsible use of water as a natural and limited resource. We strive to reduce water consumption in our business activities and avoid water pollution.

**E9 Compliance with specific environmental conventions**

We ensure compliance with the prohibitions on the use and production of mercury and the treatment of mercury waste under the Minamata Convention, the prohibition on the production and use of chemicals, the handling, collection, storage and disposal of waste in an environmentally unsound manner under the Stockholm Convention, and the prohibition on the export and import of hazardous waste under the Basel Convention.

**E10 No use of conflict minerals**

We do not supply our customers with products containing metallic elements whose ores or derivatives originate from a conflict region where they can contribute to the direct or indirect financing or support of armed groups or contribute to human rights violations.

**E11 Protection of animals**

We do not carry out or commission clinical studies or product tests on animals.

**E12 Promotion of biodiversity**

We maintain green areas belonging to the company premises in an ecological and sustainable manner, e.g. by prohibiting the use of pesticides or by designing them in a natural and biodiversity-oriented manner.

**E13 Raising employee awareness**

We establish environmentally friendly and resource-conserving behavior in the company, e.g. through training courses, notices, etc. We take care to organize or replace business trips in an environmentally friendly manner wherever possible (e.g. with video conferencing). We always consider the environmental impact of purchases or investments.



### **S1 Prohibition of child labor**

The exploitation of children and young people cannot be tolerated in any form. We therefore prohibit all forms of child labor in our operational processes. We also comply with the minimum age for admission to employment. Where national law prescribes stricter criteria for the regulation of child labor or the minimum age for admission to employment, this law takes precedence. In Germany, the requirements result in particular from the provisions of the Youth Employment Protection Act (JArbSchG) and the Child Employment Protection Ordinance (KindArb-SchV).

### **S2 Prohibition of forced labor and (modern) slavery**

We do not tolerate any form of forced or compulsory labor. This means that we do not tolerate any form of involuntary employment or employment under threat of punishment or other sanctions, including compulsory overtime, indentured labor, forced prison labor, slavery or debt bondage. In addition, we are committed to taking action to eliminate forced labor or any form of modern slavery.

### **S3 Good working conditions**

We ensure that our employees perform their work only on the basis of a recognized employment relationship established by national laws and practices. Obligations arising from the regular employment relationship may not be circumvented through the use of other types of contractual agreements.

We ensure a clear and documented definition of the scope of action and decision-making for all employees, e.g. by means of organizational charts and job descriptions. We present possible career stages to our employees in a comprehensible manner in order to promote transparency and motivation.

We also offer flexible working time models, such as flexitime accounts, part-time work or working from home. Thanks to good public transport connections, our employees can also reach the company without their own car. We ensure that our employees have access to adequate food, clothing, water and sanitary facilities at the workplace.

### **S4 Appropriate remuneration**

We ensure that the remuneration we pay our employees is appropriate and transparent. Appropriate remuneration is at least the applicable statutory minimum wage. In addition, we provide our employees with social benefits in line with the applicable national or local standards. In addition to individual target agreements, we provide additional financial incentives in the form of allowances, bonuses and premiums. We grant bonuses for atypical working hours (e.g. Saturdays, public holidays) and night shifts.

In any case, the remuneration should always be sufficient to meet basic needs and provide a certain amount of disposable income. We pay the remuneration on time and provide clear information about the remuneration.



### **S5 Limitation of working hours**

The working time structures we introduce comply with the applicable national laws, industry standards and the relevant ILO conventions. In Germany, we comply in particular with the provisions of the Working Hours Act (ArbZG). Overtime worked is recorded and taken into account in a reliable, objective and accessible system within the framework of legal and operational requirements. Time off in lieu takes precedence over financial compensation.

### **S6 Employee participation**

We promote an open and cooperative corporate culture through regular surveys, discussions and a company suggestion scheme, thereby strengthening employee satisfaction and loyalty and at the same time helping to identify potential for improvement. We conduct staff appraisals on a regular basis, but at least once a year. Topics include the requirements, goals and development prospects of employees. We set up procedures and contact points to which our employees can turn in confidence, e.g. in the event of concerns about possible misconduct or general questions.

### **S7 Healthy and safe workplaces**

One of our key business objectives is to prevent accidents in the workplace and work-related illnesses. In addition, our constant aim is to ensure the well-being and satisfaction of our employees, which also contributes to the success of our company. We therefore ensure a safe, healthy and hygienic working environment and take all necessary measures to prevent work-related accidents or health impairments. As part of these efforts, we are committed to complying with internationally recognized occupational safety standards. In Germany, this applies in particular to the regulations of the Occupational Health and Safety Act (ArbSchG). In addition, we promote the continuous improvement of the working environment and ensure that our employees receive safety-related training. Based on the German Occupational Safety Act (ASiG), our Occupational Safety Committee (ASA) advises the management on occupational safety and accident prevention issues. We are also supported by an external safety expert (SiFa) and a company doctor in all matters relating to occupational safety and health protection.

### **S8 Equal opportunities**

We are committed to equal treatment of all employees as a central principle of our corporate policy, including with regard to recruitment, remuneration, promotion opportunities, advancement and termination of employment. We therefore eliminate or prevent any form of discrimination based on (but not limited to) ethnic, national or social origin, skin color, gender, age, religion, ideology, political orientation and/or activity, membership in a trade union or employee representative body, disability, sexual identity or orientation or other personal characteristics or preferences. We therefore promote equal opportunities in employment and ensure that the applicable statutory provisions, e.g. the General Equal Treatment Act (AGG) in Germany, are complied with. In particular, equal treatment also includes equal pay for work of equal value.

As part of sustainable corporate management, we promote the participation of people with disabilities in working life (inclusion) and the employment of older workers.

### **S9 Work-life balance**

We support the compatibility of family and career and pay attention to the work-life balance of our employees. This includes flexible working time models and the granting of parental or care leave as well as time off for childcare. We offer employees who are absent for long periods of time (e.g. due to illness, parental leave, etc.) a gradual reintegration process as part of our company integration management (BEM), e.g. through part-time work.

### **S10 Company co-determination**

We ensure that our employees' fundamental right to freedom of association and the right to collective bargaining are upheld within the framework of national laws. We maintain an open attitude towards the activities of trade unions and their organizational activities. Employee representatives are not discriminated against and have access to exercise their representative functions in the workplace. In cases where national laws restrict the right to freedom of association or the right to collective bargaining, we make every effort to ensure that the free and independent association of employees for the purpose of collective bargaining is possible and actively granted.

As the elected representative of employees' interests in accordance with the German Works Constitution Act (BetrVG), our Works Council plays a key role in the company and is an important partner for the management. We work together with the works council in a spirit of trust for the benefit of the employees and the company. We therefore maintain regular and trusting communication with the works council and comply with the applicable co-determination requirements. We regulate important matters requiring co-determination via works agreements.

### **S11 Prohibition of harassment or inhumane treatment**

We ensure that measures are implemented to prevent physical abuse or discipline, threats of physical abuse, sexual or other harassment, verbal abuse or other forms of intimidation.

### **S12 Respectful treatment and appropriate disciplinary measures**

We treat all employees and other stakeholders with dignity and respect. Sanctions, fines, other penalties or disciplinary measures may only be imposed in strict compliance with applicable national and international laws and standards as well as internationally recognized human rights. We ensure that no employee is subjected to verbal, psychological, sexual and/or physical violence, coercion or harassment. Deductions from basic salary as a disciplinary measure are not permitted.

### **S13 No negative environmental impacts on human rights**

We are committed to avoiding harmful soil changes, air, noise and water pollution, harmful noise emissions or excessive water consumption that could affect the resources needed for the preservation and production of food, as well as actions that impede access to drinking water and sanitation or damage the health of individuals.

### **S14 No abuse of force by security forces**

When hiring public or private security forces to protect the company, we ensure through appropriate instructions or checks that the security forces do not interfere with the right to freedom of assembly, do not physically harm employees and refrain from any form of inhuman or degrading treatment.

### **S15 Company training programs**

We enable our employees to undertake further training as part of their job in order to maintain or expand their knowledge and skills in their current professional field. This takes place through internal training measures or external offers. In the interests of sustainability, we not only promote professional skills, but also personal skills. The latter also includes leadership skills for employees in managerial positions.

### **S16 Transparent communication with customers**

We maintain fair competition and sales practices when dealing with our customers and potential customers, e.g. in order not to create misconceptions about the product or mislead them. To this end, we provide our customers with complete product information which, in addition to the properties of the product, also contains information on its use and on hazardous risks, storage and disposal. We also provide our customers with information on the environmental impact of our products, e.g. by means of an Environmental Product Declaration (EPD). We take up complaints as well as requests from our customers regarding further development and improvements. We contribute to the satisfaction of our customers after the purchase through a functioning complaints management system.

### **S17 Social responsibility**

We act responsibly in the local community, respect the concerns of local residents and ensure healthy and safe living conditions. We consider the impact of our business activities on the affected communities, especially at the company's location. We offer the public contact points to resolve any complaints or comments as quickly and efficiently as possible and communicate these, e.g. via our website.

We are committed to society, particularly in the region. To this end, we have set up a social budget, which we use to support the local community, employees or customers in line with their needs, e.g. through donations.

## **G1 Sustainable corporate governance**

Our company management is convinced of the importance of sustainability management. It is informed about all important aspects and ensures that the necessary resources and skills are available for implementation. It is aware of its social responsibility and therefore promotes and exemplifies a sustainable corporate culture within the company.

Our corporate policy forms the basis for the development of our sustainability management. We actively inform our managers about the values and requirements arising from our sustainability policy by means of a management guideline. Where possible, target agreements as part of performance-based, variable remuneration models should also include sustainability targets (e.g. resource optimization, employee satisfaction, etc.). The assumption or exercise of management positions is generally also possible on a part-time basis.

We actively inform our employees about the values and requirements arising from our sustainability policy by means of a code of conduct. We require our employees to comply with the Code of Conduct and all requirements contained therein. We implement appropriate measures to promote and ensure compliance with the expectations set out in the Code of Conduct. We establish an effective grievance mechanism for our employees to report possible violations of the Code of Conduct.

We define clear responsibilities for dealing with the issues of sustainability and operational environmental protection, e.g. by appointing officers for sustainability, the environment and waste.

We rely on good cooperation and trust with our stakeholders. We therefore identify and prioritize all key stakeholder groups that have a legitimate interest in the activities and business performance of our company in order to promote the development of our company through regular exchange.

We collect suitable key figures and indicators on sustainability within the company in order to measure and visualize our progress. We make a selection of these key figures publicly available to our stakeholders.

## **G2 Compliance with laws, standards and guidelines**

We undertake to comply with the applicable national laws and the relevant internationally recognized standards, guidelines and principles in all business activities and decisions, in particular the principles of the United Nations Global Compact, the Universal Declaration of Human Rights, the conventions of the United Nations Organization, the core labour standards of the International Labour Organization (ILO), the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Compliance with this Sustainability Guideline and the applicable norms and standards is not undermined by ancillary agreements such as deviating contractual agreements or other comparable measures. If national and international regulations do not coincide, we adhere to the standard that provides greater protection for those affected.

### **G3 Prevention of corruption and conflicts of interest**

We are committed to complying with international and local anti-corruption laws and standards. When dealing with business partners (customers, suppliers) and state institutions, the interests of the company and the private interests of employees on both sides are strictly separated. Actions and decisions are made free of extraneous considerations and personal interests. Should an incident or abuse of power nevertheless occur, we ensure a transparent and complete clarification.

### **G4 Respect for land rights**

We ensure that when acquiring, developing or using land, the prohibition of unlawful eviction and deprivation of land, forests and waters is observed, especially if their use secures a person's livelihood.

### **G5 Protection of privacy and data**

We undertake to comply with the provisions of the applicable data protection laws. Personal data may therefore only be collected, processed or used insofar as this is necessary for specified and legally permissible purposes. The use of such data must be transparent to the data subject (the person to whom the data relates). We are committed to complying with all laws governing the communication and reporting of personal data and the withdrawal of consent to the use, blocking and deletion of personal data. In addition, we respect individuals in a manner consistent with the right to privacy and ensure that we do not unlawfully or arbitrarily invade an individual's privacy.

We ensure data protection in our company by means of our privacy policy in accordance with the General Data Protection Regulation (GDPR) and the Federal Data Protection Act (BDSG-new). In this way, we protect personal data from improper processing and safeguard the right to informational self-determination.

### **G6 Sustainable competition**

We ensure compliance with the relevant national and international antitrust laws and laws against unfair competition, including price or condition agreements with competitors or other forms of agreements restricting competition, in particular agreements with competitors that have the hidden objective of market sharing or customer sharing.

We undertake to comply with the applicable import and export laws, in particular to comply with official sanctions, embargoes and other relevant laws, regulations, state and national guidelines and principles that regulate the transfer, provision or delivery of goods and technology.

### **G7 Sustainable supplier selection**

We use our Supplier Code of Conduct to actively inform our direct suppliers about the values and requirements arising from our Sustainability Policy. We require our suppliers to provide evidence that they have their own code of conduct or company policy that contains all the requirements listed in our Code of Conduct. If a supplier does not have its own code of conduct or company guidelines, it must agree to comply with our Supplier Code of Conduct and all the requirements contained therein. We implement appropriate measures to drive and ensure compliance with the expectations set out in the Supplier Code of Conduct in our supply chains.

### **G8 Sustainable foreign investments**

Our social responsibility also relates to location and investment decisions abroad. We therefore examine the social, ecological and economic impact of our foreign investments on the respective country. This applies in particular (but not exclusively) to labor rights as well as human rights and environmental standards.

### **G9 Sustainable risk management**

As part of our risk management system, we regularly and as required determine which internal and external risks and opportunities may arise for us from sustainability issues. Relevant topics include corporate governance, customers, suppliers, employees and climate. Reputational risks are also part of this risk analysis. The risk analysis is carried out not only for opportunities and risks arising from these sustainability issues for our company (outside-in perspective), but also for the impact that our business activities have on sustainability issues (inside-out perspective).