



Kloth & Köhnken
Teehandel GmbH

Declaration of Principle



Our Responsibility toward Humans and the Environment

Kloth & Köhnken Teehandel GmbH

Status: 02.04.2024

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Prologue

As one of the leading tea importers of Germany and Europe, we at Kloth & Köhnken Teehandel GmbH play a special role as intermediary between the origin of the tea and its global distribution. Our business practices have effects on humans and the environment and we are aware of this responsibility.

We commit in this Declaration of Principle to our social and ecological responsibility and summarise the central values and principles of our company, which guide all of our actions. We place our focus on the prohibition of child labour, protection against discrimination, regulated working times and remuneration, health and safety at the workplace, especially in the deeper supply chain. Moreover, the protection of our employees' and business partners' personal data is an important concern to us.

Since the operation of our business depends on raw materials extracted from nature, we make a commitment to environmental protection and passionately promote ecological cultivation, including with our own projects in the countries of origin.

The principles contained in this document are oriented on the central international standards for environmental protection, human rights and working conditions. We acknowledge our responsibility to identify risks within our value chain, prioritise them, and derive opportunities from them for taking a positive influence on human rights and responsibilities.

This document has been adopted by the company management and addresses our business partners and employees.

Bremen, on 02/12/2022

The management of Kloth & Köhnken Teehandel GmbH

Axel Köhnken

Jens Schneider

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1. Our vision

Since the company founding, **responsibility**, **stability** and **reliability** have not just been words to us. They are rather values by which we act each and every day. Our highest priority is the satisfaction of our customers and employees.

Our vision is characterised by the following points:

- Building fair relationships for the long term with our business partners and employees
- High quality standard
- Comprehensive competence for tea
- Dedication in the countries of origin
- Transparency along our value chain

2. Responsibility for our entire value chain

We not only bear the responsibility for our own business area but, within the scope of our possibilities, also for the risks to human rights and risks of environmental effects that impact our complete value chain.

Together with our business partners, we are working on preventing grievances and human rights infringements, and making the tea trade more socially just and environmentally friendly. We define concrete requirements for ourselves and our business partners that form the basis of our daily actions. The Code of Conduct of the German Tea Association serves as the basis our business practice. In addition, we have drafted a Code of Conduct as a value basis by which not only we ourselves are guided but to which all of our suppliers also commit. The details can be found in the following documents:

- Code of Conduct of Kloth & Köhnken Teehandel GmbH for Suppliers
- Code of Conduct of the German Tea Association

We commit to the Guiding Principles on Business and Human Rights of the United Nations (UN) and we want to contribute to achieving the sustainable development goals of the United Nations. This Declaration of Principle for our business practice is moreover guided by the following internationally recognised conventions:

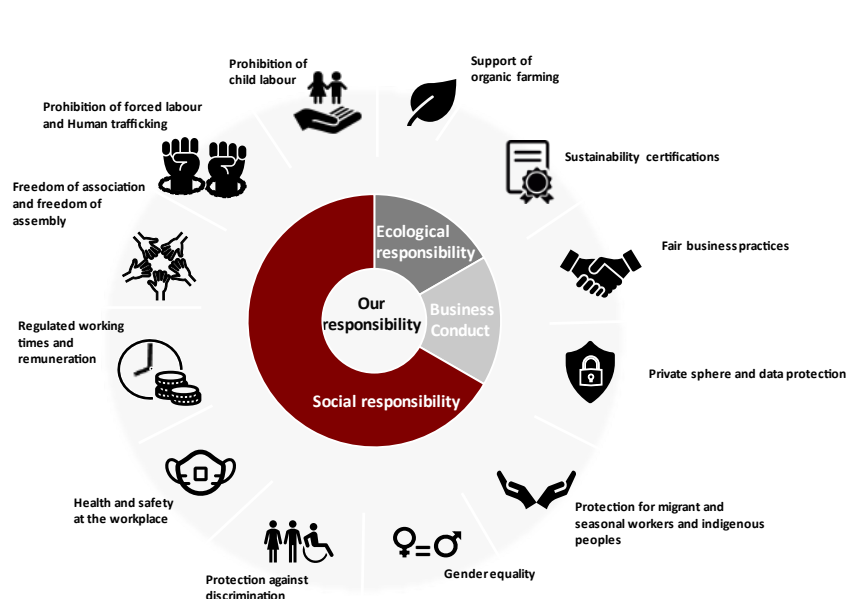
- Universal Declaration of Human Rights of the United Nations
- Core Labour Standards of the International Labour Organisation
- UN Children's Rights Convention
- UN Women's Rights Convention
- UN Convention on the Protection of the Rights of All Migrant Workers

To identify potential risks and actual violations in our value chain, we subject our own business activity and our business relationships to an annual risk analysis. Based on country-specific risk assessments, expert interviews, and site visits, we assess where the biggest risks to human rights and the environment are in our value chain and prioritise them by urgency and relevance for the company. We derive suitable measures for the identified risks and

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initiate processes with the aim of improving the status quo and preventing situations that are cause of concern in terms of human rights and the environment. We do this in a continuous dialogue with our business partners. It is important to us to evaluate the established measures in subsequence with regard to their effectiveness and propriety to continuously improve ourselves in this direction. Daily oversight and monitoring of the human rights policy is a task of the "Corporate Social Responsibility" Department. It coordinates the activities, sets priorities, and guides our business efforts for respecting human rights.

We structure our responsibilities as follows:



2.1 Social responsibility

Respecting human rights is one of our central business values. The welfare of each individual, who works for or with us, has the highest importance to us. There is no room for human rights violations in our business practice. Within the communities in which we work, we aim to contribute to raising awareness of human rights and make a commitment to globally high labour standards.

We also expect from our business partners that they respect human rights in all areas. This includes:

- Prohibition of child and forced labour
- Freedom of association and freedom of assembly
- Health and safety at the workplace
- Protection against discrimination in any form
- Regulated working times and remuneration
- Protection for migrant workers and indigenous peoples

2.2 Ecological responsibility

The protection of the natural bases of life and biodiversity is important to us. We therefore make an effort within our supply chains to achieve cultivation and production conditions, which are

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environmentally compatible and conserve resources. Our business partners are required to treat resources such as energy, chemicals and water responsibly and efficiently in order to minimise emissions and protect the environment. The creation of refuse of any kind and the waste of water and energy must be reduced and prevented, respectively.

Since the company founding, we have imported tea from ecological cultivation and are particularly proud of our long-term cooperation partnerships in the countries of origin. In our own projects in the cultivating countries, we promote biological cultivation methods and regulated working conditions. Within the scope of the [FairBioTea](#) development partnership, we actively support tea growers in sustainable cultivation and quality management. Since 2007, we collaborate with selected tea gardens to make ecological tea cultivation more transparent and sustainable.

As a company oriented on sustainability, we cooperate with all worldwide leading certifying institutions:

- Rainforest Alliance
- Fairtrade
- Fair Trade USA
- BIO-SUISSE
- Bio-EU
- NOP

We also have the objective of making our internal business processes more efficient and sustainable and taking responsibility for our actions. Under the motto "K&K Goes Green", we have founded an internal working group, which is tasked with integrating more responsibility in our everyday work and optimising our processes. Since each employee can contribute to the protection of the environment and the climate by his or her personal conduct, we involve all of our colleagues actively in the ideas process. Our objective is to raise the awareness for responsible treatment of natural resources and involve employees in making the decision that are relevant for the business.

3. Fair business practices

As a matter of principle, we do not tolerate any bribery or corruption. If gifts are regarded as polite and customary in certain countries, it is important that no conflicts of interest or the appearance of conflicts of interest with business tasks or duties arise. Gifts, invitations to meals or donations without business background – clearly falling within the private sphere – are permitted for maintaining friendships. In all business activities and business relations, we expect a maximum of integrity. This applies in particular to benefits, which impermissibly influence a business relationship or which harbour the risk of potentially compromising the business partner's professional impartiality and integrity.

4. Private sphere and data protection

The protection of our employees' and partners' private sphere and data is an important concern to us. Data is used and processed only to the extent permitted by the law, regulations, internal policies and by consent of the data subjects. Our data protection policy also defines rules for the processing of the personal data of employees, customers and partners within the area of applicability of the General Data Protection Regulation. It ensures a consistent data protection and data security standard ([Data Privacy Policy – Kloth & Köhnken Teehandel GmbH \(kktee.de\)](#)).

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5. Complaints mechanism

A complaints mechanism is essential to us. We can identify potential and actual risks through it to then remedy or prevent them. Complaints mechanisms moreover help us identify human rights problems before they even become a business risk for us and cause further preventable damage. In case of concrete violations, we contribute as quickly as possible to achieve redress with the long-term aim of establishing effective processes to prevent violations in the future. Our complaints mechanism enables all of the people associated with Kloth & Köhnken Teehandel GmbH – whether they are employees, business partners, suppliers or customers – to report violations. Complaints can be directed to our complaints committee at any time, e.g. to grievance@kktee.de

Also see: Process description of the complaints mechanism

Since the establishment of the joint complaints mechanism of the tea industry, we have been participating in it and actively working on it.

This grievance mechanism is intended to address the supply chain in particular.

Also see: Process description of the complaints mechanism

The Ombudsman can be contacted as follows:

Dr. Carsten Thiel von Herff, LL.M.

Loebellstraße 4, 33602 Bielefeld, Germany

Tel: +49 521 557 333 0 / Mobil: +49 151 58230321

E-Mail: ombudsmann@thielvonherff.de / Homepage: www.thielvonherff.de

Reporting platform: www.report-tvh.com

6. Outlook

We are aware that the implementation of our objectives with regard to compliance with the duties of care relating to human rights and our responsibility towards the environment requires continuous attention and that it is a permanent development process. For this reason, we support close and long-term partnerships with our suppliers, customers and employees. We want to develop and reach goals together.

We are convinced that we can advance the obligation for human rights and environmental protection only by concerted efforts and close communication with our business partners. We regularly address topics of human rights and environmental protection directly with the producers and suppliers, especially in the cultivating countries that are essential to us, and we emphatically explain our expectations for all parties involved in our value chain.

We regularly report about our efforts and progress relating to the protection of human rights and the environment. We do so publicly via our corporate website and in the form of an annual short presentation on the current status, which we make available to our customers on request. This Declaration of Principle is subject to continuous review and corresponding further development.

If you have any questions or suggestions, you are most welcome to let us know.

Kloth & Köhnken Teehandel GmbH

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