

Environmental and Social Governance

Business should always take place under safe and appropriate circumstances, with unified respect for human rights and environmental protection as well as fair and forthright relationships with our ecosystems.

We are committed to corporate sustainability and ethical business practices. The safety and wellbeing of our employees, partners and ecosystems across the global supply chain, the protection of the environment, and responsible production are of paramount importance to Canyon and are the keys for holistic company success.

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Key frameworks and legal requirements

The Canyon Environmental and Social Governance (ESG) approach is based on international laws, standards, and documents, which provide a clear and transparent framework on how business can be done in a responsible way. These include, but are not limited to:

- The Universal Declaration of Human Rights and the two main international instruments through which it has been codified: The International Covenant on Civil and Political Rights (ICCPR) and its two Protocols, and the International Covenant on Economic Social and Cultural Rights (ICESCR)
- The Act on Corporate Due Diligence Obligations in Supply Chains (Germany 2021)
- The UN Guiding Principles on Business and Human Rights
- The OECD Due Diligence Guidance for Responsible Business Conduct
- The Dhaka Principles for Migration with Dignity
- The ILO Declaration on Fundamental Principles and Rights at Work and its core Conventions and Recommendations.

Scope of ESG policies

All Canyon ESG policies (Supply Chain Code of Conduct, Child and Forced Labor Policy) apply to the Canyon Group and all companies involved in the production of goods and services that are produced in the name of Canyon or distributed through Canyon's sales channels.

Assigned responsibilities related to Canyon ESG policies

Approval and review of policies

The responsibility for the strategic direction, approval, and review of the ESG policies has been assigned to the Advisory Board.

Policies shall be revised every 3rd year or ad hoc if required due to legal requirements or other circumstances which would require such a review. Those other circumstances shall be brought to the attention of the Advisory Board by the CEO who has the responsibility for overall compliance, monitoring of progress, and implementation of the policies.

Implementation and enforcement

The responsibility for the implementation and enforcement of the policies is headed by the Director ESG. However, Canyon is aware that the implementation and enforcement of responsible business practices is a company effort and has therefore embedded the implementation and enforcement of the ESG roadmap across the organisation. The Supply Chain, Purchasing, Research & Development, Quality, Finance and IT teams, and the Human Resources Department play a crucial role in this endeavor and support the implementation with their respective business processes and dedicated staff.

Monitoring of the implementation

The CEO is responsible for monitoring the status of implementation and enforcement of the policies together with the Director ESG every half year. Additionally, he shall adopt appropriate measures to guarantee the implementation and enforcement of the policies.

Escalation process and whistleblowing

We encourage our employees, partners, and potentially affected persons to report non-compliances with our policies. All non-compliances related to Canyon ESG policies can be reported anonymously through the Canyon whistleblowing system (the system will be launched for external partners in 2023).

All reported non-compliances will be received by an external, independent entity (ombudsman).

The ombudsman will direct complaints to the relevant Whistleblowing Officer, in-line with pre-defined categories and related responsibilities. The Whistleblowing Officers report directly to the CEO and align the case management with compliance needs.

In case of a complaint involving the Whistleblowing Officers, Managing Directors, or a situation that is directly threatening the health and safety of an individual or a community, the complaint will be directed to the Advisory Board Chair only, who will be responsible for the case management.

We take all reports of compliance violations very seriously and act accordingly with:

- Immediate review of received complaints
- Objective review of the reported incident, including document review, interviews, and other appropriate measures
- Initiation of a remediation process where indicated.

In line with legal requirements, we are committed to make sure that:

- Any form of reprisals against whistleblowers, including threats of reprisals and attempts of reprisals, are prohibited
- The confidentiality of the individual is protected.