

Living Wage Policy at the Lohmann Group





1. Objective

As a globally operating organization and participant in the United Nations Global Compact¹ (“UNGC”), Lohmann GmbH & Co. KG (“Lohmann”) is dedicated to upholding human rights and fostering ethical practices. Lohmann strives to support fair compensation that offers a dignified standard of living. The objective of this policy is to formalize Lohmann’s living wage target to advance a sustainable living wage for all employees across the organization by the year 2030.² Further, it establishes a comprehensive roadmap to guide the development of strategic measures to achieve this target.

2. Scope

The Lohmann Living Wage Target applies globally to all entities within Lohmann. Participation in the living wage analysis will be determined by the relevant executive body or managing director of each Lohmann entity. This approach ensures a comprehensive and context-specific implementation across all entities while aligning with the policy’s overarching goals.

3. Definitions

“Employees” are workers employed directly in a company’s own operations. These include permanent and temporary employees, full-time, part-time and non-guaranteed hourly employees. These do not include apprentices undergoing vocational training within the framework of a recognized apprenticeship program, volunteers performing unpaid work on a voluntary basis, youth under the age of 18 who have not yet completed vocational training, nor does it include working students who are enrolled in a postsecondary educational program who are employed on a temporary basis to gain practical experience related to their field of study.

“Living wage” is defined by the Global Living Wage Coalition as, “Remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family.”³ A living wage goes beyond the minimum wage, providing sufficient income to meet essential needs, such as food, water, housing, healthcare, education and transportation, with the capacity to save for unforeseen expenses. Living wages consider the full cost of a basic but dignified standard of living, offering economic security to employees and their families.

“Minimum wage” is defined by the International Labour Organization (“ILO”) as “The mandatory minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or individual contract.”⁴ Minimum wage refers to the legally set baseline wage, often established by governments, that may only cover basic survival needs but not necessarily support a dignified standard of living.

¹ <https://unglobalcompact.org>

² <https://forwardfaster.unglobalcompact.org/living-wage>

³ <https://www.globallivingwage.org/about/what-is-a-living-wage/>

⁴ <https://www.ilo.org/topics/wages/minimum-wages/how-define-minimum-wage>



4. Lohmann Living Wage Target

Lohmann Group establishes a target to achieve a living wage for all employees across the Lohmann Group by 2030.

5. Initial Assessment and Benchmarking

To better comprehend the current state of wages across our operations, Lohmann will conduct an initial assessment of employee wages, employing recognized tools and benchmarks to establish an accurate baseline. This is necessary to identify the existence and extent of any possible gaps between actual wages and identified living wage targets.

Lohmann will utilize the following approaches for the initial wage assessment:

- UNGC Living Wage Analysis Tool (“LWAT”)⁵
- Anker Methodology: WageIndicator⁶

These initial assessment tools will provide a foundational understanding, enabling Lohmann to design targeted strategies to address any gaps and improve wage fairness.

5.1 UNGC Living Wage Analysis Tool (“LWAT”)

As a UNGC Participant, Lohmann has access to the UNGC LWAT. The LWAT is a free, user-friendly and strictly confidential online platform that assists companies to assess current policies and programs, highlight areas for improvement and identify opportunities for corporate goals and targets.

The LWAT is a voluntary learning platform based on self-reported data that will allow Lohmann to:

- Assess its strategic approach to paying a living wage.
- Identify opportunities for continuous improvement.
- Learn about best practices for paying a living wage.
- Set concrete goals and targets, and measure progress over time.

Active completion of the UNGC LWAT will allow Lohmann to effectively identify any areas for improvement and account for how Lohmann addresses potential and actual impact on human rights.

5.2 Anker Methodology: WageIndicator

The WageIndicator’s benchmarking tool is an IDH recognized benchmarking methodology, meeting all nine criteria used by IDH to assess robustness and credibility of the methodologies and benchmarks. By utilizing an IDH recognized benchmarking methodology, Lohmann will be able to, with credibility, identify the estimated living wage levels, specific to time and place.

Upon identification of the living wage levels across all Lohmann locations worldwide, Lohmann will be able to compare actual wages with living wage benchmarks, ensuring an accurate, data-driven understanding of wage adequacy across different locations.

⁵ <https://livingwagetool.unglobalcompact.org/>

⁶ <https://wageindicator.org/>



5.3 Targeted Action

The completion of the UNGC LWAT and the Living Wage Benchmarking Analysis will provide Lohmann with the foundational understanding necessary to design targeted strategies to address any gaps identified and improve wage fairness.

6. Guiding Principles of the Lohmann Living Wage Target

The development of specific strategies and measures to work towards Lohmann's Living Wage Target will be guided by the following principles:

6.1 Striving for Living Wage for all employees

Lohmann is dedicated to providing a living wage that ensures a basic but dignified standard of living for every employee.

6.2 Regional Assessment

Recognizing that living costs vary by location, Lohmann aspires to collaborate with regional stakeholders to conduct annual, region-specific wage assessments.

6.3 Data Protection

All living wage assessments will be conducted locally within each entity to prevent unnecessary digital or international data transfers, ensuring compliance with relevant data protection laws. Access to wage data is strictly limited to authorized personnel to maintain confidentiality and security. Data from regional living wage assessments will be transferred to Lohmann Headquarters as anonymized and aggregated wage data.

6.4 Continuous Improvement and Adaptation

Lohmann recognizes that economic conditions and cost-of-living benchmarks change over time. We undertake to review wages annually, using updated data to monitor wage gaps and adapt measures as necessary to achieve our living wage targets.

6.5 Transparency

Lohmann values transparency in all our wage practices and commits to report annually on our progress toward living wage targets.



6.6 Employee Engagement

Lohmann is dedicated to fostering a work environment where employees feel respected, heard, and supported in their economic security. Maintaining open channels for employee feedback is vital for continuously improving our living wage approach.

7. Policy Review

This policy is to be reviewed annually by the Global Sustainability Team. All changes will be communicated to the relevant parties. It is important that you take the time to understand the latest version of this policy and contact the Global Sustainability Team if you have any questions or feedback.

8. Entry into force

This policy enters into force on 03.03.2025.

Approved by the Executive Board of the Lohmann Group

Dr. Jörg Pohlman
CEO

Dr. Carsten Herzhoff
COO



Lohmann GmbH & Co. KG
Irlicher Straße 55
56567 Neuwied / Germany
Phone: +49 2631 34-0
info@lohmann-tapes.com
www.lohmann-tapes.com