

Policy Statement of the Bahlsen Group in accordance with § 6 of the Act on Corporate Due Diligence in Supply Chains (LkSG)

As of: 01.01.2024

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1. Preface

As an internationally active manufacturer of sweet baked goods, we are proud of what our founder Hermann Bahlsen and the generations of employees before us have built. We perceive ourselves as people who create good things for other people. Our corporate values of courage, curiosity, ambition and support guide us.

Good entrepreneurship means acting responsibly. This also includes our clear commitment to human rights as well as environmental and social standards. This commitment applies both to our own business activities and to our global supply chains, to our employees and to our business partners, to the procurement of our raw materials and to the distribution and marketing of our products.

We are convinced that together we can make a positive contribution to respecting human rights and the environment.

2. Our Expectations towards Employees and Business Partners

We are aware of our corporate responsibility: not only in terms of compliance with applicable laws and standards, but also in particular with regard to the protection of human rights and the environment. This is not only how we understand our role, but

we also take into account and comply with the principles laid down by international organisations, in particular

- the core working standards embraced by ILO (= International Labour Organisation),
- the United Nations conventions on children's rights and the abolition of all forms of discrimination,
- the United Nations' general declaration on human rights,
- the United Nations' global compact and
- OECD directives for multinational companies.

This is why we have established our Code of Conduct, which applies to all locations worldwide and to all companies belonging to the Bahlsen Group (separate division). It is also our expectation that all of our business partners commit to complying with our Code of Conduct or at least have their own code of conduct with comparable regulations.

We do not tolerate any violations of the Code of Conduct and follow up on them - both internally and externally. Within our supply chain, we demand immediate correction and compliance from suppliers in the event of violations and consistently terminate the supply relationship in the event of continued non-compliance.

3. Responsibilities

In order to do justice to the great importance of human rights and environmental due diligence, a large number of functions in the Bahlsen Group are involved in the process or are responsible for parts of the process. In particular, but not exclusively, the Human Resources, Procurement and Impact (sustainability) departments are to be mentioned here.

The role of the Human Rights Officer has been integrated into the Compliance & Internal Audit function for monitoring and determining effectiveness as well as annual reporting to the Management Board. This has the advantage that the LkSG due diligence requirements are not viewed separately from the other governance, risk and compliance activities, but are embedded in the key processes. On the other hand, the function enjoys the independence and expertise required by the role in order to carry out monitoring activities.

4. Risk Management and Risk Analysis

Risk management and risk analysis are carried out separately for the company's own business area and the supply chain, both annually and on an ad hoc basis. In the interests of comparability and prioritisation, however, these are carried out on the basis of a uniform approach that relates in terms of content to the human rights and environmental risks specified in the LkSG and is methodologically based on the corresponding guidelines of the Federal Office of Economic Affairs and Export Control (BAFA).

The risk analysis for the Bahlsen Group's own business area is carried out centrally for all locations and companies of the Bahlsen Group with the involvement and consultation of local contact persons. On the one hand, this ensures standardisation and comparability, while on the other hand it takes account of local circumstances and particularities. In addition to the documentation of identified risks, preventive measures and remedial actions are derived and documented, and their implementation and effectiveness are monitored.

A two-stage process is used for the supply chain, in which an abstract risk analysis is carried out in a first step to prioritise high-risk suppliers. To this end, country- and industry-specific risks are identified using various data sources and suppliers are categorised into different risk clusters based on their scoring. A specific risk analysis is then carried out downstream for these higher-prioritised, i.e. abstractly riskier suppliers. Here, suppliers are assessed with regard to the specific risk, e.g. in discussions and interviews or through questionnaires, and the information provided is checked for plausibility or, if possible, verified. This also includes checking audit reports and certifications. Depending on the remaining risk, further measures are then defined and agreed with suppliers.

Based on the initial findings of the risk analysis, we predominantly see risks in our deeper supply chain (indirect suppliers) and primarily for certain risk-prone raw materials such as cocoa or hazelnuts. These high abstract risks relate in particular to issues such as child labour, occupational health and safety, remuneration and discrimination. The results will be sharpened and expanded in the further course and supplemented here.

5. Preventive Measures and Remedial Actions

Compliance with applicable laws and standards as well as the protection of human rights and the environment are not only a basic principle for us, but also the basis of our cooperation with our business partners. This is why they are also enshrined in our Code of Conduct, as described above. Violations are consistently penalised - both internally and externally.

In our own business area, we also rely on various other measures to mitigate or prevent human rights and environmental risks and violations: These range from training and awareness-raising measures and project initiatives to certifications and audits (e.g. Sedex Members Ethical Trade Audits (SMETA)).

In our supply chain, we carefully check our (potential) business partners and use contractual agreements, certification systems and audits to address risks. Out of a sense of responsibility towards the people in our supply chain, we focus primarily on working and living conditions in the cocoa-growing regions. To this end, we rely on sustainable procurement for risk-prone raw materials that are certified accordingly, e.g. palm oil (Roundtable on Sustainable Palm Oil (RSPO)) or cocoa (e.g. Rainforest Alliance). We have also been supporting CABOZ, an association of cocoa farmers in Côte d'Ivoire, since 2014. CABOZ's mission is to support the improvement of living conditions in the village communities of Ivorian cocoa producers by financing and realising projects with a focus on health, access to drinking water, education,

strengthening the role of women and local communities as well as income-generating activities.

6. Complaints Procedure

Our complaints procedure offers whistleblowers various reporting channels and contact persons to draw our attention to possible human rights and environmental risks or violations at Bahlsen Group companies (our own business unit) and in our supply chain (direct and indirect suppliers). And no matter which route is chosen: Confidentiality and protection against reprisals are a must for us.

Every tip-off is followed up consistently and as quickly as possible in order to avoid risks or remedy violations and protect those affected. The knowledge gained from the information received is incorporated into the risk analysis and the derivation of preventive and remedial measures.

Further details can be found in the published rules of procedure.

7. Documentation and Reporting

As a company subject to the LkSG from 1st of January 2024, the first report on the fulfilment of due diligence obligations will be submitted to BAFA and published in 2025. The internal documentation is updated on an ongoing basis.

Hanover, 01.01.2024

The Management Board



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