



# **EHRMANN SE DECLARATION OF PRINCIPLES ON RESPECT FOR HUMAN AND ENVIRONMENTAL RIGHTS**

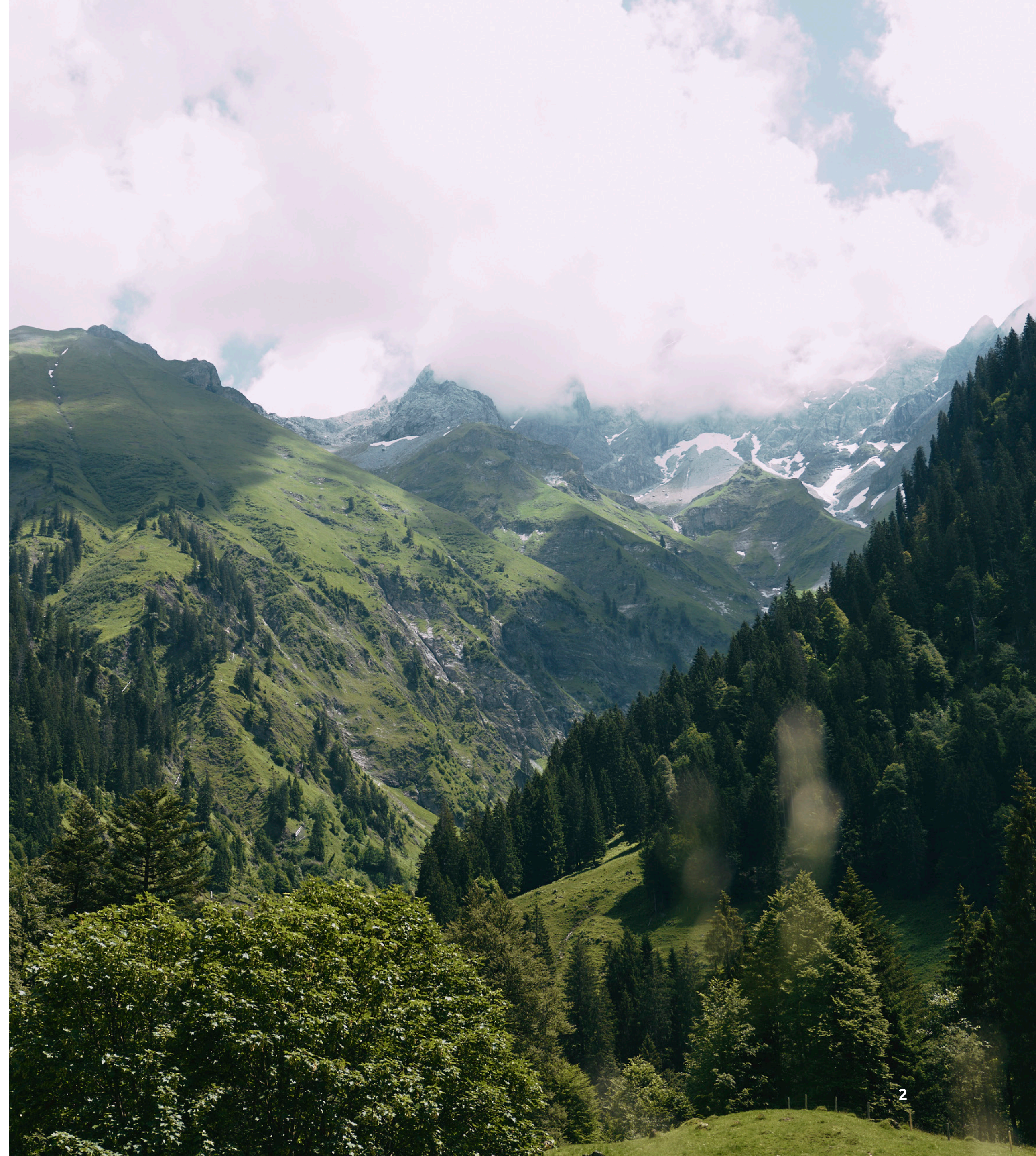




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# 1. WE TAKE OUR RESPONSIBILITY SERIOUSLY

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What started out as a one-man dairy is now an internationally successful company with locations worldwide. As such, we are aware of our responsibility within the global flow of goods and services. In line with our strategy „By the family, for the family“, it is important to us that we create long-term and sustainable value, both for ourselves as a company and for society.

It is therefore our goal at Ehrmann SE to strengthen human and environmental rights and prevent their violation. This commitment applies both to our business activities and to our global supply chains. We take responsibility for our actions and for the impact of our decisions.

Our cooperation is characterized by mutual respect, an understanding of cultural differences and sustainable thinking and action. With fairness and honesty, we create mutual trust within Ehrmann SE and in our dealings with our business partners.

Looking to the future, it is important for us to take a clear stance for a future society. We are aware that the implementation of human rights and environmental due diligence is an ongoing development process. We are on this path and are committed to continuous improvement.

We are firmly convinced that exemplary corporate governance can only be based on respect for people and respect for our environment.

A handwritten signature in black ink that reads "Christian Ehrmann". The signature is written in a cursive, flowing style.

Christian Ehrmann



## 2. OUR COMMITMENT TO RESPECT HUMAN RIGHTS AND THE ENVIRONMENT

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We and our associated subsidiaries are committed to social responsibility and are particularly aware of our corporate responsibility to respect human and environmental rights. We respect these rights not only in our own business area, but also in our global upstream and downstream supply chains. In order to live up to this claim, it is important to us that existing and new suppliers and other business partners also comply with our standards, including in relation to their suppliers and business partners.

We reject any kind of violation of human rights and damage to the environment. Long-term economic success can only be guaranteed if human rights are recognized and protected within Ehrmann SE and in our supply chains.

It is therefore important to us to respect them and to protect those potentially affected, the so-called vulnerable groups, from human rights and environmental violations with appropriate measures and to provide them with access to remedies. Vulnerable groups include, for example, children and adolescents, women, migrant workers, seasonal workers, indigenous groups, members of religious, ethnic, and other minorities, people with physical or mental disabilities, members of the LGBTQIA+ community and people with limited access to education.

As a company in the food industry, it is a fundamental concern for us to protect and preserve the environment and its resources for present and future generations. That is why we are constantly working - beyond the legal requirements - on reducing the environmental impact, resource-saving, of the development, production, and marketing of our products.

The Code of Conduct valid for the Ehrmann Group, thus also for Ehrmann SE, as of January 2020, represents the basis for respecting human rights and working conditions for us. This declaration of principles expands the values brochure by explaining the legally required implementation of due diligence obligations in accordance with the Supply Chain Due Diligence Act.

The Supply Chain Due Diligence Act has been in force since 2023. It requires companies to implement Corporate Due Diligence obligations in their supply chains that are appropriate to the nature and scope of their business activities and defines human rights and environmental risks.







### ***Human rights and environmental standards in accordance with the Supply Chain Due Diligence Act***

Our business activities are aligned with the internationally recognized United Nations Guiding Principles on Business and Human Rights (UNGP) and take into account the requirements of the law on Corporate Due Diligence in supply chains. The understanding and the human rights and environmental due diligence obligations refer to the following reference agreements to which we are committed:

- **United Nations Universal Declaration of Human Rights**
- **Principles of the United Nations Global Compact (UNGC)**
- **International Covenant on Civil and Political Rights of the United Nations**
- **International Covenant on Economic, Social and Cultural Rights of the United Nations**
- **Core labor standards of the International Labor Organizations on labor and social standards (ILO)**
- **European Convention for the protection of Human Rights and Fundamental Freedoms**
- **Minamata Convention on the production, Use and/or Disposal of Mercury**
- **Stockholm Convention on the production and/or use of persistent organic pollutants and the environmentally unsound management of waste containing POPs**
- **Basel Convention on the Transboundary Import and Export of Hazardous Waste**

We identify and assess the relevant human rights and environmental issues on a regular and ad hoc basis. Based on an initial risk assessment, we are particularly committed to the following human rights and environmental issues:

#### ***Ban on child labor***

We disapprove of any form of child labor as defined by the relevant ILO core labor standards. The company is opposed to all forms of child trafficking, child prostitution and other practices that violate the rights of children and endanger their freedom and development through harmful working conditions.

#### ***Prohibition of forced labor and all forms of slavery***

In accordance with the ILO core labor standards, we reject the use of forced labor, compulsory labor and (modern) slavery within the meaning of the Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains. This also includes the prohibition of forced labor for political re-education, debt bondage, serfdom or human trafficking as well as the sexual exploitation or humiliation of all participants in the supply and value chain.

#### ***Prohibition of discrimination***

We do not tolerate discrimination or unequal treatment based on nationality, ethnic origin, social background, health status, disability, sexual orientation, age, gender, political opinion, religion or belief in the workplace, on social media or on other public platforms.



### ***Appropriate remuneration for work performed***

We follow the principle of equal pay for work of equal value. In particular, this includes appropriate and timely remuneration that enables employees to secure their livelihood or maintain their livelihood. Remuneration must also correspond to at least the statutory minimum wage in the respective country and, where applicable, the legally guaranteed minimum wages or minimum standards in the respective economic sectors.

### ***Safeguarding labor rights and occupational safety***

Protecting and promoting the health of our employees is a top priority for us. We consistently comply with the applicable occupational health and safety laws and set our own additional standards to improve occupational safety. Universally applicable safety standards ensure uniform compliance with occupational safety in relation to location, workplace and the work equipment provided.

### ***Safeguarding the right to form a coalition, unionization and collective bargaining.***

We recognize the right to freedom of association. This includes, among other things, the right of employees to form a trade union, to join a trade union and the right to strike and collective bargaining.

### ***Lawful deployment of private and public security forces***

We ensure that both our own and external security forces respect human rights and do not act unlawfully. This includes the prohibition of torture and unlawful humiliating treatment as well as the right to the integrity of life and limb and the protection of employee rights (upholding freedom of association and freedom of association).

### ***Safeguarding land rights***

We reject any kind of unlawful and human rights violating land grabbing. Be it by forced eviction or the seizure of land, forests, and waters for personal gain, which could cause people or communities to lose their livelihoods.

### ***Protection of environmental rights***

We believe that human rights and environmental rights are closely intertwined. Therefore, environmental protection is of relevance. Any kind of negative impact on and destruction of the environment by individuals or companies is strongly condemned.

### ***Prohibition of damage to the environment***

We reject the creation of harmful soil change, water pollution, air pollution, harmful noise emissions or excessive water consumption.





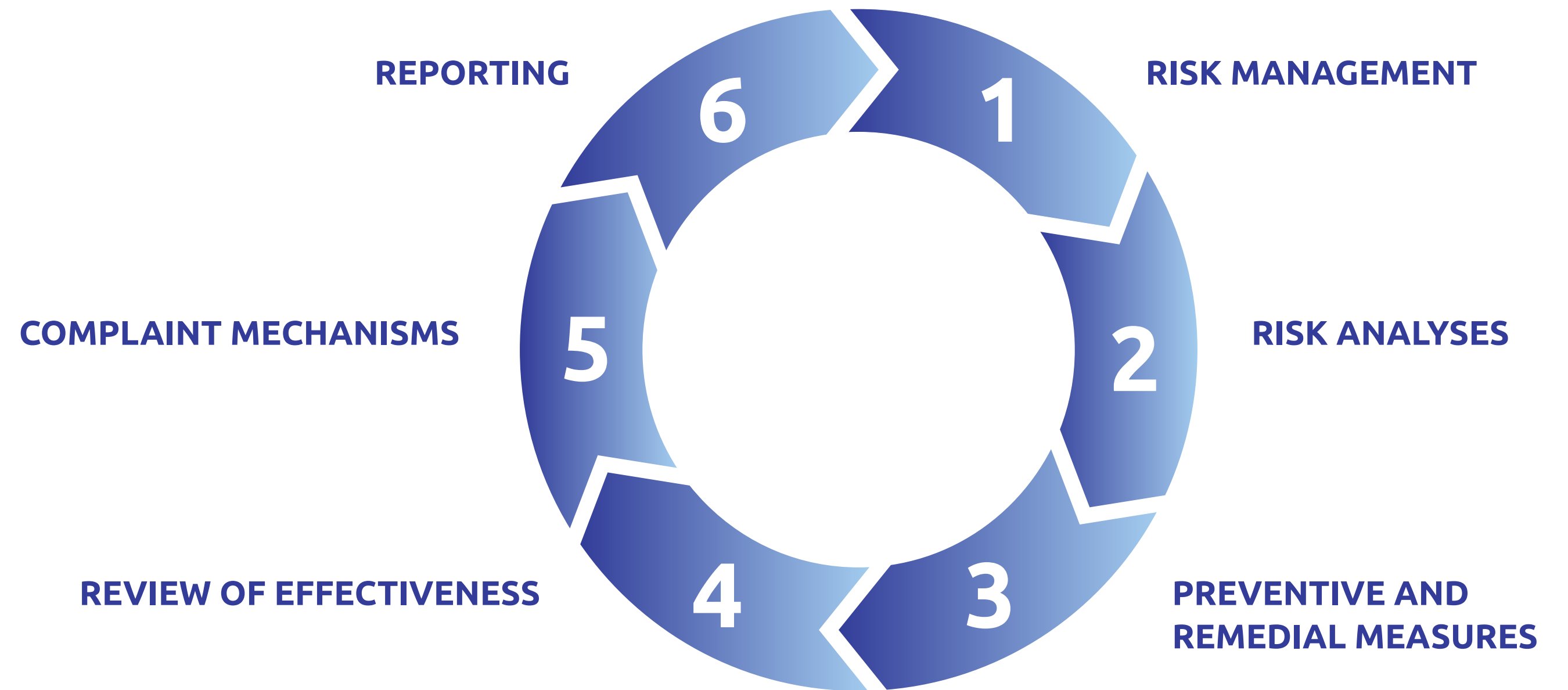
# 3. OUR APPROACH TO IMPLEMENTING HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE OBLIGATIONS

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Respect for human rights and the associated environmental rights is an ongoing process for us. We continuously review the implementation of our due diligence obligations with regard to changing framework conditions, the nature and scope of our business activities and the findings from the processing of reports.

It is very important to us to safeguard the human rights situation in our own company and to improve the human rights situation within our supplier network and along our global supply chains. Respecting human rights and the associated environmental rights in our business activities and in the supply chain is of paramount importance to us.

We have agreed to apply the following duties of care to comply with the requirements of the Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains:





### **1. Structures and responsibilities in risk management:**

We see the implementation of the Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains as a holistic task for the company, which is why the requirements are embedded in the corporate structure.

To ensure that due diligence obligations are permanently met in the standard process, we are setting up a constantly evolving risk management system that covers all relevant business processes and areas. As part of this, a Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains governance system is implemented that defines a range of responsibilities and roles across the organization.

The management assumes overall responsibility for the implementation of due diligence obligations. It has appointed a Human Rights Officer to monitor risk management and is being informed about their work at least once a year and on an ad hoc basis. We have also identified a team of risk experts for the risks listed in the Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains, who act in an advisory capacity and support the implementation of and compliance with the due diligence obligations.

### **2. Risk analyses:**

Annual and ad hoc assessments of human rights and environmental risks determine the extent of the need for action. As part of the risk analysis, we examine the human rights and environmental risks as well as any impacts arising from our business activities and our supplier relationships. We carry out the risk

analysis both in our own business area and with direct suppliers. We also carry out ad hoc risk analyses in the event of changes to our business activities or if we gain substantiated knowledge (e.g. through complaints received).

### **3. Preventive measures:**

In order to fulfill our responsibility to avoid human rights and environmental risks, we will implement appropriate preventive measures in our own business area and at direct suppliers in accordance with the results of the regular Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains risk analysis or ad hoc risk identification.

Within our own company, we implement internal training for all employees and regularly pass on human rights and environmental information via internal communication channels in order to raise employees' awareness of human rights and environmental obligations. We have also defined responsibilities for compliance with occupational health and safety standards on site at each production facility. They carry out risk assessments and determine the measures to be taken in their respective production facilities.

We also develop suitable procurement strategies and purchasing practices for the application of prevention measures with direct suppliers. This includes a supplier questionnaire, which suppliers are asked to answer based on their risk profile. We also take human rights and environmental risks into account when selecting suppliers.







The preventive measures are reviewed at least once a year by the Human Rights Officer and the team of risk experts with regard to their appropriateness and effectiveness.

### **Specific preventive measures**

Relevant prevention measures in our own business area are

- Publication and implementation of this policy statement
- Compliance with our Code of Conduct
- Further training and sensitization of employees
- Implementation of risk-based control measures
- Enforcement of sanctions in the event of violations
- Implementation of our standard for sustainable procurement

### **4. Complaints mechanism**

Appropriate and effective complaints management is an important part of our human rights strategy. The complaints procedure serves as an early warning system for receiving information about risks or threats to human rights in our own business area or within the direct and indirect supply chain in order to be able to respond

to them early and immediately and avert impending damage. It also enables access to appropriate remedies for affected persons if rights violations and harm have already occurred.<sup>1</sup>

We take every report seriously and process it in an objective, strictly confidential procedure that protects the identity and rights of the person making the report. This reporting system is open to all employees, suppliers, customers and other third parties. As far as it is possible within the scope of our influence, whistleblowers are protected from disadvantages of any kind. We provide information on the complaints procedure by means of the rules of procedure in accordance with Section 8 (2) Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains. We will publish the rules of procedure in several languages in the future.

### **5. Remedial measures**

If, despite all our efforts, potential or actual violations of human and environmental rights are identified in our own business or in our supply chains, we will take appropriate remedial action without delay. Where possible, we will involve those affected in the development of remedial measures. If violations are identified within the supply chain, we enter into a dialog with the relevant suppliers in order to work towards a rapid clarification of the facts. The aim of the remedial measures taken is to prevent, end or limit the extent of the violation.

<sup>1</sup> BAFA handout „Organising, implementing and evaluating complaints procedures“, p. 4.



## ***6. Review of effectiveness***

We review the effectiveness of the measures in a standardized manner and continuously develop our due diligence process.

The effectiveness of risk management, the complaints procedure and the preventive and remedial measures is reviewed regularly, at least once a year, as well as on an ad hoc basis by the Human Rights Officer as part of his or her monitoring activities. An annual monitoring plan is developed for this purpose. The findings from these reviews are communicated to the relevant departments, including the management.

## ***7. Reporting***

We report at least once a year on our measures to implement human rights and environmental due diligence and their effectiveness. In the annual report in accordance with Section 10 (2) Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains, Ehrmann SE informs the competent authority and the public about the progress of the implemented due diligence processes and their effectiveness. These include the human rights and environmental risks identified in the reporting period, the impact of business activities along the global supply and value chains and the preventive and remedial measures implemented in our own business area and at direct suppliers. The report is also published on our website.







## 4. CONTACT FOR QUESTIONS AND INFORMATION

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If you have any questions about this policy statement or any other human rights or environmental rights related issues, please email our Human Rights Officer at [humanrightsofficer@ehrmann.de](mailto:humanrightsofficer@ehrmann.de)



## 5. FINAL PROVISIONS

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This policy statement will be made available to all Ehrmann employees in a suitable form and published externally. If necessary, this policy statement will be regularly updated and further developed.

This policy statement was developed in dialogue with the responsible specialist employees of Ehrmann SE, the Ehrmann SE General Works Council and an external team of experts. As the challenges for companies to respect human rights and the associated environmental rights are constantly changing, we will continuously review our human rights strategy and its implementation to ensure that it is up to date and effective. Important changes in the immediate environment of Ehrmann SE can thus be recorded and internal processes adapted accordingly.

Published on January 1st, 2024.

