

DR. AUGUST OETKER KG



**Policy Statement
on the Human Rights Strategy
of the Oetker Group**

Social and environmental responsibility of the Oetker Group

The Oetker Group is active nationally and internationally with over 40,000 employees in over 50 countries with production, sales and service companies. As a family-owned company with more than 130 years of tradition, it has always been aware of its responsibility not only towards its own employees, but also towards society as a whole and the environment. This concerns in particular also the respect of human rights.

We are aware that our business activities could have negative impact on the environment or human rights. That is why we always strive to procure our materials and services in a sustainable manner and monitor the social standards in our supply chains.

In order to meet a growing responsibility in times of a globalized economy also in the future, we as the Oetker Group are committed to the Human Rights Strategy set out in this Policy Statement. The management of Dr. August Oetker KG and the management of all group companies are equally responsible for its implementation.

Scope

This Policy Statement applies to all companies and business units of the Oetker Group and their employees and is implemented in all companies and business units of the Oetker Group. All group companies are obliged to observe these principles and integrate them into their daily business processes.

Our basic principles

Our aim is to establish and implement human rights and environmental due diligence obligations in our own business units and in our supply chains. In doing so, we are guided in particular by the German Supply Chain Due Diligence Act and the internationally recognized human rights and environmental standards listed therein.

The Oetker Group always respects applicable national law. In the event of a conflict between international human rights principles and applicable national regulation, the Oetker Group always strives to comply with international human rights principles as far as possible.

Our expectations

The internationally recognized human rights and environmental standards are in line with our values and are reflected in our own guidelines.

With our *Oetker Code of Business Conduct*, we oblige all employees worldwide to behave in an honest and lawful manner towards colleagues, business partners and suppliers and to uphold human rights and environmental standards.

In our *Oetker Supplier Code of Conduct*, we define our expectations towards our business partners and suppliers that they are also committed to respect human rights and implementing appropriate human rights and environmental due diligence obligations. In our understanding, this also means that our business partners have to ensure that their own suppliers also comply with these requirements.

Our management process

We consider actual and potential violations of the aforementioned standards to be a risk to our companies. In the course of risk mitigation, we therefore want to prevent such violations

from the outset; otherwise, our efforts will be aimed at ending the violation or at least minimizing its negative effects.

For the performance of and compliance with all human rights and environmental due diligence obligations, the Oetker Group has therefore defined a groupwide applicable risk management system, which is described in the internal *Guideline on implementing Human Rights and Environmental Due Diligence Obligations under the Supply Chain Due Diligence Act (SCDDA)*, and implemented in all group companies.

The guideline defines responsibilities and procedures for the implementation of the legally defined due diligence obligations as follows:

- **Responsibilities**

Responsibility for the methodology used in the risk management process bears the Human Rights Committee which has been set up specifically for human rights and environmental violations at the level of Dr. August Oetker KG and which is made up of representatives of the management teams from the relevant group companies as well as the Human Rights Officers appointed in the group companies concerned.

The activities resulting from the operational implementation of human rights and environmental due diligence processes can be delegated to a human rights management set up in each group company, which provides the personnel resources for risk management and reports regularly and on an ad hoc basis on incidents and results.

The Human Rights Coordinators appointed in the group companies are responsible for monitoring compliance with due diligence obligations. They report to the Human Rights Officer responsible for them, thus ensuring a smooth flow of information to the Human Rights Committee.

These responsibilities in risk management ensure that our Human Rights Strategy outlined in this Policy Statement is anchored in all relevant business processes in the group companies.

The process of our risk management includes the following elements:

- **Risk analysis**

The core element of our risk management process is the analysis to identify potential or actual adverse human rights or environmental risks and impacts of our business activities on people along our supply chain. The tools we have put in place for this purpose enable us to identify and prioritize relevant human rights and environmental risk areas, including the people who may be affected, in our own business units, at our direct suppliers and, in the case of substantiated knowledge, also at indirect suppliers, and to take action where necessary.

In our own business units, the (potential) risks are identified and then evaluated with regard to their extent, scope and remedy as well as the probability of occurrence. The action priority is then derived from this.

Direct suppliers are subjected to an initial assessment using a digital risk analysis tool based on country, industry, publicly available information, reported complaints and the so-called impact, which is derived from the ratio of purchasing volume to the supplier's total turnover (if known). This is followed, if necessary, by an in-depth detailed analysis to specify the risks. In case of substantiated knowledge of a violation on the part of indirect suppliers, they are included in the risk management process as far as possible in the same way as direct suppliers.

- **Preventive measures**

Preventive measures are defined and implemented both for the company's own business units and for direct suppliers and, in the case of substantiated knowledge, for indirect suppliers.

Regardless of the level of risk, standard preventive measures are taken; in our own business unit, these include the communication of this Policy Statement, the announcement of the *Oetker Code of Business Conduct* and annual training on our human rights and environmental due diligence obligations. For suppliers, it includes the agreement of the *Oetker Supplier Code of Conduct*.

If, as part of the risk analysis, a company of the Oetker Group identifies a need for action in its own business unit or at its suppliers, it immediately takes appropriate preventive measures, selected according to the respective classification:

- In the case of a medium risk, for example, an additional supplier self-assessment is obtained from a direct supplier and further measures will be taken if necessary.
- If a high risk is identified, comprehensive measures are taken, such as audits to verify compliance with human rights and environmental regulations. Other appropriate measures will be initiated as required.

To prevent the Oetker Group from contributing risks or violations at its direct suppliers through its own procurement behaviour, central guidelines for the consideration of human rights and environmental risks have also been defined for the procurement strategies of all group companies:

- Efforts are made to ensure that all direct suppliers accept the *Oetker Supplier Code of Conduct* as part of the contract.
- In addition to the factors price and quality, human rights and environmental risks are taken into account in the selection of suppliers.
- When concluding and during the term of the contract, it must be ensured that pricing and delivery times enable the supplier to warrant human rights and environmental requirements. Adequate wages as well as minimum and collectively agreed wages must be included. This may also require upward price adjustments in the event of wage increases.
- In all cases, the engagement of a high-risk supplier requires the approval of the Human Rights Coordinator.

- **Remedial measures**

If a group company discovers that a human rights or environmental violation has occurred or is imminent in its own business unit or at a supplier, remedial action is taken immediately. The choice of measures to be carried out is made on a case-by-case basis, depending on the nature of violation.

A violation in the own business unit must be rectified immediately. To this end, remedial measures are agreed together with the originator and monitored for their effectiveness. If a remedy cannot be achieved directly and effectively, further measures shall be agreed until the violation has been remedied.

Every company of the Oetker Group does its best efforts to remedy violations of a human rights or environmental obligation by its direct suppliers and also by its indirect suppliers, where it has substantiated knowledge of such a violation. If this is not directly possible, a

concept to end or minimize the violation will be developed without delay, including a concrete plan for the implementation of the agreed measures. If, however, it is still not possible to remedy the situation effectively, further measures will be agreed until the violation has been remedied or at least been minimized. If it is, despite everything, not possible to bring the violation to an effective end, the Oetker Group will endeavor to find a remedy together with other companies (e.g. through industry initiatives).

- **Complaints procedure**

The Oetker Group has set up an appropriate and effective complaints procedure, which makes publicly accessible and confidential reporting channels available to all groups of persons and organizations. It allows at any time to report, by name or anonymously, on human rights and environmental risks as well as violations of human rights-related or environmental obligations caused by the economic activities of the Oetker Group or a supplier of the Oetker Group. Details of the complaints procedure, which can also be used to provide information on other types of misconduct and/or violations of applicable legal regulations (e.g. money laundering, bribery, data protection) and internal guidelines, can be viewed at [Oetker-Group_Compliance](#). Here, the language access channels, information on confidentiality and impartiality during the processing of information as well as on the protection of the whistleblower, can also be found.

- **Effectiveness checks**

The Oetker Group monitors the risk management system through annual and ad-hoc based effectiveness checks in three stages:

- Stage One comprises the four-eyes principle anchored in the respective Human Rights Managements. It serves to review the risk classification, the definition and implementation of preventive measures derived from the risk classification, the processing of potential complaints and the derivation and implementation of any necessary remedial measures.
- In Stage Two, the Human Rights Coordinator ensures the effectiveness of the risk assessment, prevention and remediation processes by randomly checking the work of the Human Rights Managers.
- In Stage Three, the company's internal department Corporate Audit / Compliance / Consulting monitors Stages One and Two at least once every three years in accordance with a defined audit plan.

- **Documentation and reporting**

Compliance with all due diligence obligations is continuously documented by the Oetker Group and kept in an audit-proof manner for at least seven years. The annual report on the fulfillment of due diligence obligations by Dr. August Oetker KG to be submitted to the Federal Office of Economic Affairs and Export Control (BAFA), responsible for enforcing the SCDDA, can be found on the Oetker Group's homepage under [Oetker Group SCDDA](#) from May 2024.

Our main areas of risk

As a basis for assessing and prioritizing the risks for its own business units as well as for its direct suppliers, Dr. August Oetker KG carried out an initial risk analysis, which led to the following findings:

- The potential for human rights and environment-related risks for the company's own business units can generally be classified as low. In units that are mainly involved in the transport and logistics sector, a higher risk regarding "Labor Rights" and "Health & Safety" can be identified due to the nature of the sector.
- In the case of direct suppliers – in view of their global structure – the highest risk potentials are to be found in the food sector and here already due to the basic country risks, especially with direct suppliers in non-European countries.

Increased risks can also be found, irrespective of the division, among suppliers in the food & beverage, agricultural commodities, construction, and transport & logistics industries.

With regard to the risk categories, no clear focal points can be identified among the suppliers; "Human Rights" risks, which include, for example, child and forced labor, sexual exploitation or the deprivation of existential livelihoods through salary withdrawal, tend to be less significant.

When implementing our due diligence obligations, we therefore do not focus on specific risks or risk categories, but rather on the action priority resulting from the different risk areas. Here we proceed step by step according to the criticality of the risk.

Outlook

The policy statement will be revised, if necessary, annually and on an ad hoc basis and published in its current version on the Oetker Group's homepage under [Oetker Group SCDDA](#).

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