

## **Gemüsering Group Statement on Human Rights (updated December 2023)**

The Gemüsering Group recognises its responsibility to respect human rights in its own organisation, across its marketing, production and food service locations, and in its supply chain. Respecting environmental and human rights in our global value and supply chains has therefore long been an integral part of our corporate policy and is incorporated into our supplier declaration. Our aim is to promote the effective implementation and compliance of environmental and human rights due diligence processes and to prevent their violation. Together with our internal and external stakeholders, we work continuously to ensure that these social standards are observed. We are particularly committed to fair business practices and good working and living conditions along our entire supply chain. Therefore, we respect all internationally recognised human rights, environment rights such as the protection of natural resources, and the cultural, social, political, and legal diversity of societies and nations. This policy statement was drafted on this basis and applies to all companies in the Gemüsering Group. It is intended to supplement existing corporate principles and legal guidelines and relates to the impact of our activities at all our locations.

The human rights due diligence processes in the Gemüsering Group are based on our commitment to respecting human rights, as laid down in internationally recognised frameworks:

- UN Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- UN Convention on the Rights of the Child
- UN Convention on the Elimination of All Forms of Discrimination against Women
- Core labour standards of the International Labour Organisation (ILO)
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- The ten principles of the UN Global Compact

In addition, legal requirements such as the German Supply Chain Act (LkSG) are taken into account when drafting the Code of Conduct.

### **1. Responsibility and Commitment of the Gemüsering Group**

#### **1.1 Respect for human rights and fair working conditions**

The Gemüsering Group respects the human rights of its own employees and we also expect our business partners to respect human rights. Compliance with the highest applicable standards of local laws and the requirements of the ILO core labour standards is essential in this regard.

The following principles in particular apply to the organisation of working conditions:

- Protection of internationally recognised human rights,
- Compliance with the prohibition of child labour and forced labour (including all forms of slavery and slavery-like practices, servitude, human trafficking and all other forms of unlawful exercise of power or oppression) and ensuring the same commitment from all upstream partners (ILO 20, ILO 105, ILO 182, ILO 138),

- Equal treatment of all employees and zero tolerance of discrimination, for example on the basis of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, unless this is justified by the requirements of the employment; equal treatment also includes equal pay for work of equal value. The promotion of women, especially in leadership positions, in accordance with the principles of UN Women Empowerment is desirable and should be implemented in all areas where this is possible by qualified personnel. This equality of opportunity and treatment without discrimination applies equally to migrant, temporary and seasonal workers (ILO 1, ILO 14, ILO 100, ILO 111),
- Ensuring health and safety in the workplace by committing to the following protective measures:
  - a) Hazardous or toxic substances must be labelled, stored safely and handled according to their hazard potential,
  - b) The workplace, workstation, work equipment, tools, machines and devices must be kept in a safe condition,
  - c) Mandatory personal protective equipment and protective devices on machines must be provided and ready for use,
  - d) Appropriate measures must be taken to protect buildings against collapse, fire, foreseeable environmental conditions and unauthorised access,
  - e) Escape and rescue routes and emergency equipment, including first aid and emergency treatment, must be provided and readily accessible,
  - f) A hygienic working environment must be ensured by a minimum level of order and cleanliness; access to a safe drinking water and access to sanitary facilities must be guaranteed for all employees,
  - g) Appropriate training and instruction of employees.

If sleeping quarters are provided for employees, the supplier/service provider undertakes to ensure that they are clean and safe and comply with the fire protection standards for the respective building.

- Compliance with the prohibition of unequal treatment, statutory minimum wage provisions, pay guarantee in accordance with local standards and prohibition of withholding wages, in particular as a disciplinary measure (ILO 95),
- Personal data protection and respect for the privacy of all employees and business partners, as well as protection of confidential information, data and intellectual property from misuse,
- Compliance with national regulations on working hours (overtime and maximum working hours, rest periods (including a rest period of at least 24 consecutive hours every 7 days), work schedules, maternity/parental leave, sick leave, family leave, paid overtime, prevention of accidents at work due to physical and mental fatigue and maintenance of employee health.
- Overtime may neither be enforced nor exceed the statutory limit. If there is no statutory minimum wage or overtime bonus, the wage must at least correspond to the average minimum wage in the industry and overtime must be paid at a rate that exceeds the regular hourly rate.
- The maximum weekly working time may not exceed 60 hours including overtime, and overtime may not be worked on a permanent basis. Exceptions may apply for emergencies or extraordinary circumstances.
- Contributions are made to statutory social insurance schemes and employees are entitled to social benefits in accordance with applicable law (e.g. sick leave).
- The supplier/service provider prohibits harassment, abuse and punishment with any form of violence.

The Gemüsering Group undertakes to respect freedom of association and the right to collective bargaining. With this in mind, we also require all suppliers and service providers to respect the fundamental right of all employees to form organisations of their choice, to join such organisations and trade unions and to engage in collective bargaining (ILO 87 and ILO 98). Suppliers and service providers must not disregard freedom of association and must not deploy security forces

in order to restrict the freedom of assembly. Where the legal right to freedom of association and collective bargaining is restricted, suppliers and service providers must provide alternative means for employees to independently and freely organise for collective bargaining. Employee representatives must not be discriminated against and must be given free access to workplaces in order to exercise their rights in a legal and peaceful manner. We give preference to business partners who analyse their business activities with regard to possible negative impacts on people's livelihoods, take measures to mitigate identified risks and comply with ILO Convention 169 on the Rights of Indigenous and Tribal Peoples. For us, respect for human rights is a fundamental prerequisite for any cooperation. In global supply chains, respecting human rights requires a long-term commitment and a step-by-step approach. We therefore want to continuously drive improvement in cooperation with our partners in the value chain. We are aware that we cannot always achieve all of our goals in full, but we are committed to continuously raising the awareness of everyone involved in our supply chains and thus continuously improving the situation in the various countries of origin and operations.

### **1.2 Environmental protection**

We are aware of the increasing scarcity of resources and our responsibility towards future generations and therefore take responsibility for protecting the environment. We therefore expect our suppliers and service providers to constantly minimise their environmental impact and hazards and to continuously improve environmental protection in their daily business operations. As our business partner, they comply with all applicable environmental laws, standards and other regulations.

Our business partners must observe the following:

- Reduction of greenhouse gas emissions within their own companies and supply chain,
- Implementation of measures to preserve biodiversity at their own company site and in the supply chain,
- Ensuring protection against harmful soil changes, water or air pollution, harmful noise emissions and excessive water consumption,
- Ensuring protection against unlawful eviction and the protection of business projects: When acquiring, developing, or otherwise using land, forests and waters, the prohibition of unlawful forced eviction and unlawful seizure of land, forests and waters must be observed. Security tasks for the protection of business projects must not be delegated to public or private security forces if there exists a threat of human rights violations, or if such breaches are committed during their deployment due to a lack of instruction or oversight.

The Supplier undertakes to obtain the free, prior and informed consent (FPIC) of all affected parties and to provide appropriate compensation for land use.

### **2. Requirements for compliance, ethical behaviour and good corporate governance in the supply chain**

We require all suppliers and service providers to comply with the following to ensure compliance, ethical conduct and good corporate governance:

- Compliance with all applicable national and international trade laws and regulations, including antitrust and trade control regulations,
- Proactively support the commitment to sustainability by complying with the applicable laws and international environmental, social and corporate governance standards within their company and their supply chain,
- Prohibit of any form of bribery, corruption, extortion or embezzlement,
- Promote and ensure fairness in competition,
- Ensure that no conflicts of interest arise within their company in business transactions with the Gemüsering Group. The

monetary value of gifts, meals or entertainment must be appropriate and in accordance with company policy,

- Implementation and continuous improvement of a suitable management system, including robust and transparent data management, in order to ensure the industry's latest standard of quality management.

### **3. Implementation of human rights due diligence and integration of environmental considerations as part of our risk management**

We see the identification of risks and potential impacts as well as the derivation of effective measures as an ongoing challenge in our implementation of human rights and environmental due diligence.

This includes safeguarding key social, environmental and safety aspects:

- Protecting the health of our employees and the local population as well as the health of the general public,
- Compliance with applicable health and safety laws,
- Compliance with all applicable environmental regulations and minimisation of emissions and waste, including their proper disposal,
- Efficient utilisation of resources and use of energy-efficient, environmentally friendly technologies,
- Ensuring the safe, environmentally sound development, procurement, manufacture, transport, distribution, use and disposal of products with the aim of protecting and preserving the environment,
- Protecting biodiversity and ensuring that renewable raw materials do not compete with food,
- Recognising the land rights of individuals and local communities. In view of the great importance of protecting forests, the requirements for deforestation-free supply chains for the products concerned (cattle, cocoa, coffee, oil palms, soya, wood, rubber, charcoal, printed paper products and a range of palm oil derivatives) must be fully met and taken into account when using land for the cultivation of fruit and vegetables. No products may be supplied to the Gemüsering Group that were grown or processed on land that was deforested after 31 December 2020.

We have appointed a Human Rights and Sustainability Officer to specifically assess human rights aspects within the company and in the supply chain.

### **4. Risk analysis and risk prioritisation of the Gemüsering Group**

We review our business partners for specific human rights or environmental risks based on supplier self-assessments, an IT-supported media analysis tool, verified certifications, our own findings from audits or business transactions and findings from our complaints procedure. The risk for all business partners is classified according to the products and services as well as the origins of the goods. The risk assessment methodology applied, which draws on different country and product group-specific risk databases, is used to prioritise our suppliers and service providers according to risk.

The Gemüsering Group carries out risk analyses in the context of our business activities both centrally on an annual basis and on an ad hoc basis. These also apply to the companies belonging to the Group, but must still be assessed by them with regard to their own activities. The risk classification of business partners and products is carried out on an individual company basis, for example based on the analysis of recognised indices and studies relating to the risk assessment of countries of origin, raw materials and products and - in some cases - in consultation with civil society organisations and experts. The complexity and scope of our international supply chain require the use of technical solutions that support us in identifying, verifying, weighting and prioritising risks by taking into account different country and product group-specific risk databases.

The risk analyses have identified the following particular challenges in our supply chain, which we will address in a special manner as part of our due diligence obligations:

a) Working conditions of employees on farms due to illegal employment, withholding of wages, child labour and the accommodation of seasonal workers, particularly in Southern Europe and North Africa

b) Resource-intensive cultivation

In regions where resources such as water are limited, the cultivation of fruit and vegetables must not have a negative impact on the local population and their supply of drinking water or the habitats and their preservation. The interests of local people and nature must be taken into account and protected.

The relevance of these key areas may change over time. Additional aspects may therefore be added at a later date. This depends on the results of the annual risk analysis.

## **5. Prevention measures in our own operations**

The findings of the risk analyses are incorporated into the development of specific measures to avoid or minimise the adverse effects of our business activities. We rely on a combination of different measures and integrate the findings from these activities into our business processes. To adequately protect the human rights of our employees, the Gemüsering Group has established the necessary processes in its corporate principles, guidelines and procedural instructions. The Gemüsering Group offers a wide range of training and educational opportunities that employees can take advantage of. Employees responsible for implementing human rights and environmental due diligence obligations regularly participate in further training programmes to ensure up-to-date compliance with international requirements for human rights and environmental protection throughout the entire supply chain.

In our direct sphere of influence with our business partners, we systematically focus on identifying actual violations and subsequently on working together in partnership to improve. The results of the risk analysis are made available to the relevant divisions and thus incorporated into their procurement strategies. Effectiveness is monitored on an ongoing basis as part of the annual risk analysis and internal audits.

The risk analysis also showed that the situation of employees and seasonal workers in countries rated below 80 according to the World Bank's Worldwide Governance Indicators (WGI). When procuring goods from these countries, particular attention must be paid to compliance with our human rights requirements. Goods from these countries should therefore - where possible - not be purchased or the suppliers must submit additional self-declarations.

## **6. Preventive measures vis-à-vis direct suppliers**

We offer our business partners training and further education opportunities so that they too are empowered to promote human rights and environmental protection in their business activities. Employees can raise grievances and complaints directly with those responsible or anonymously through access to fair and transparent complaints procedures.

Compliance with and consideration of our policy statement is therefore an essential part of our assessment of suppliers and service providers.

With regard to compliance with social standards in agricultural production, we have been working for many years in committees of standard setters such as GlobalG.A.P. and QS to ensure and further improve compliance and implementation in the operations of our producers. This also enables us to exert greater influence on direct suppliers with

whom we have no direct business relationships, but who can demonstrate compliance with the requirements through appropriate documentation.

We are convinced that addressing human rights challenges in our global value chains is an ongoing task that will require systemic changes in addition to our individual corporate activities. Accordingly, we consider cooperation with experts and other companies to be an important means of achieving improvements and solving complex social problems in a cooperative manner.

In the case of indirect suppliers, if we become aware of violations of our human rights policy, we reserve the right to conduct our own investigations or to demand our direct supplier to take effective remedial action. We also reserve the right to prohibit our suppliers from supplying products linked to such companies.

### **7. Effectiveness checks of the preventive measures**

We continuously review the effectiveness of our measures. Regular dialogue with our stakeholders and external audits are key tools for us to assess the effectiveness of our measures.

We require business partners to pass on our human rights and environmental expectations in the supply chain and to continuously monitor compliance. To this end, our policy statement forms the basis for entering into a new business relationship. To ensure that our supply chain actually meets these important requirements, we reserve the right to conduct audits in various ways, such as questionnaires and/or on-site inspections, which are carried out either by employees of the Gemüsering Group or by independent assessment/audit service providers on our behalf or on behalf of our customers. By supplying services, equipment or other materials to a Gemüsering Group company, all suppliers hereby agree to participate in and support all relevant assessment measures, including providing all documents and certificates requested by Gemüsering Group companies to demonstrate compliance with the above points.

### **8. Remedial measures**

By introducing and establishing preventive measures based on the results of the risk analysis, we hope that all parties involved in our supply chains will rise to the challenges and make their contribution to avoiding them. Should further measures beyond the preventive measures be necessary, a remedial measure will be defined for each case together with the suppliers and, if necessary, with the involvement of external experts. This measure will outline clear improvement targets, deadlines, and responsibilities. Each remedial measure includes a concrete timeline and can be provided with interim targets. The system-supported action processes connect all relevant parties. Should the jointly developed remedial measures not yield a satisfactory solution, this may result in further sanctions or even the termination of business relationship.

We take our responsibility for the entire supply chain very seriously. Accordingly, we also extend our risk analysis to suppliers who do not have a direct business relationship with us but are part of our supply chain. For the event-driven involvement of indirect suppliers, we rely on close cooperation with our direct business partners in order to increase transparency in the supply chain in a cooperative manner and for the benefit of all.

### **9. Grievance mechanism and access to redress**

Access to complaints mechanisms plays an important role for those affected by or observing possible human rights

violations. The Gemüsering Group has established an online reporting system for this purpose ([https://sicher-melden.de/Gemuesering\\_Stuttgart](https://sicher-melden.de/Gemuesering_Stuttgart)) for the confidential reporting of information on compliance violations and information relating to human rights and environmental violations. Complaints can be submitted in various languages and can also be submitted anonymously by anyone potentially affected. Confidential handling of complaints and a fair procedure for dealing with them are guaranteed. Employees involved in processing complaints are not subject to any instructions within the framework of complaints management; their neutrality is guaranteed. The companies in the Gemüsering Group are also involved in various project groups to promote the effectiveness of reporting systems as a whole and across all sectors. Key findings from complaints are used to further develop the mechanisms and identify risks. Once the facts of the case have been clarified, a targeted solution is worked out, if necessary, in consultation with the person or group providing the information. Once remedial measures have been implemented, the success of the measure is reviewed.

## **10. Documentation and reporting**

The implementation of all due diligence obligations is documented on an ongoing basis. We use our central risk management system to network all the information available to us on recognised risks and the preventive and corrective measures taken. Transparent communication on human rights challenges is a core element of our due diligence in this area. We report regularly on material human rights risks, our measures and progress made, as well as on any challenges that remain.

## **11. Responsibilities**

Overall responsibility for human rights due diligence lies with the management of Gemüsering Stuttgart GmbH. Responsibility for the implementation of human rights due diligence lies with the respective management of the functional areas and the management of the Gemüsering Group companies and is implemented on a task-specific basis. The Gemüsering Group critically reviews its position and its implementation on a regular basis and strives to continuously improve.

We expect all of our business partners to fully comply with and observe our requirements for respecting human rights and the associated laws and human rights conventions, contribute to active climate, resource and environmental protection and to make their contribution along their supply chains and business relationships.

This policy statement applies to all suppliers and service providers who maintain business relationships with a company, a business unit or an affiliated company of the Gemüsering Group. Compliance with this policy statement is a valid requirement and prerequisite for the business relationship with the Gemüsering Group. As such, it is part of our Terms and Conditions of Purchase and Service, which are legally binding for all orders and contracts.

Contact us

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Stuttgart, 15.12.2023

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