

Bahlsen GmbH & Co. KG

Supplier Code of Conduct

As of: 01.07.2024

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Introduction

As an internationally active producer of sweet baked goods, we are proud of what our founder Hermann Bahlsen and the generations of employees before us have built. We view ourselves as people who create good things for other people. We are guided by our corporate values of courage, curiosity, ambition and support. Being a good company means acting responsibly. This includes our clear commitment to human rights as well as environmental and social standards. This commitment applies to both our own business activities and our global supply chains, to our employees as well as our business partners, to the sourcing 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 the respect for human rights and the environment.

This commitment applies to both our own business activities and our global supply chains and is outlined in our policy statement (available at <https://www.thebahlsenfamily.com/int/responsibility/act-on-corporate-due-diligence-in-supply-chains-german-supply-chain-act-lksg/>).

This Supplier Code of Conduct defines Bahlsen's expectations regarding the protection against risks relating to human rights and the environment in the supply chain, which you as a Supplier must observe and comply with in business transactions with Bahlsen. This Supplier Code of Conduct takes into account the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), which is available at: <https://www.gesetze-im-internet.de/lksg/index.html#BJNR295910021BJNE000700000>.

As a company obligated under this Act, Bahlsen has established a comprehensive risk management system that covers the associated due diligence requirements. This Supplier Code of Conduct is a key component of this risk management system. By incorporating the Supplier Code of Conduct into its business relationships with its Suppliers, Bahlsen fulfils its legal obligation to integrate its human rights strategy into its procurement processes. This Supplier Code of Conduct forms the necessary basis for cooperative and appropriate collaboration in the supply chain to protect human rights and the environment. The Supplier commits to adhering to the following regulations in the course of its work with Bahlsen. This Supplier Code of Conduct applies for the entire duration of the business relationship.

The human rights and environmental risks included in this Supplier Code of Conduct (Section II) are based on the relevant risks identified by Bahlsen. It is expressly stated that compliance with the requirements of this Supplier Code of Conduct does not exempt the Supplier from also fulfilling any further requirements arising from the relevant applicable legal regulations.

Terminology

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- Human rights-related risks
 - A human rights risk within the meaning of this Supplier Code of Conduct is a situation where, due to actual circumstances, there is a sufficient likelihood of a violation of one of the following prohibitions under Section 2(2) Numbers 1 to 12 LkSG:
 - **Child labour**
 - There must be no violation of the prohibition on employing a child under the age at which compulsory education ends according to the law of the place of employment, with the minimum employment age being no less than 15 years. This does not apply if the law of the place of employment deviates in accordance with Article 2(4) and Articles 4 to 8 of Convention No. 138 of the International Labour Organization of 26 June 1973 concerning the Minimum Age for Admission to Employment (Federal Law Gazette 1976 II, pp. 201-202).
 - Furthermore, it is prohibited to violate the ban on the worst forms of child labour for children under the age of 18. According to Article 3 of the International Labour Organization Convention No. 182 of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II, pp. 1290-1291), this includes:

- all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and servitude, as well as forced or compulsory labour, including the forced or compulsory recruitment of children for use in armed conflicts;
 - the use, procurement or offering of a child for prostitution, for the production of pornography, or for pornographic performances;
 - the use, procurement or offering of a child for illicit activities, particularly for the production and trafficking of drugs;
 - work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.
- **Forced labour and slavery**
 - It is prohibited to violate the ban on employing individuals via forced labour. This includes any work or service that a person is compelled to perform under the threat of punishment and which they have not voluntarily offered to do, such as in cases of debt bondage or human trafficking. Forced labour excludes work or services that are in accordance with Article 2(2) of the International Labour Organization Convention No. 29 of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 1956 II, pp. 640-641) or with Article 8(b) and (c) of the International Covenant on Civil and Political Rights of 19 December 1966 (Federal Law Gazette 1973 II, pp. 1533-1534). In accordance with Section 2(2) No. 4 of the LkSG, there must be no violation of the prohibition of all forms of slavery, practices similar to slavery, servitude or other forms of domination or oppression in the workplace environment, such as extreme economic or sexual exploitation and humiliation

- **Occupational health and safety**
 - There must also be no violation of the prohibition against disregarding occupational health and safety obligations applicable under the law of the place of employment if this results in the risk of workplace accidents or work-related health hazards, particularly through:
 - (i) obviously inadequate safety standards in the provision and maintenance of the workplace, workstations and work equipment;
 - (ii) the lack of appropriate protective measures to avoid exposure to chemical, physical or biological substances;
 - (iii) the lack of measures to prevent excessive physical and mental fatigue, particularly due to unsuitable working patterns regarding working hours and rest breaks; or
 - (ix) inadequate training and instruction of employees.

- **Freedom of association**
 - Furthermore, there must be no violation of the prohibition against disregarding the right to freedom of association, according to which:
 - employees are free to form or join trade unions;
 - the establishment, joining and membership of a trade union must not be used as grounds for unjust discrimination or retaliation;
 - trade unions are free to operate in accordance with the laws of the place of employment, including the right to strike and the right to collective bargaining.

- **Unequal treatment**
 - Likewise, the prohibition of unequal treatment in employment must not be violated, for example on the basis of national and ethnic origin, social background, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, unless these are justified by the requirements of the job. Unequal treatment includes, in particular, the payment of unequal wages for work of equal value.

- **Appropriate remuneration**
 - Furthermore, the prohibition against withholding a fair wage must not be violated. A fair wage is at least the minimum wage set by applicable law and is otherwise determined by the laws of the place of employment.

- **Preserving the natural foundations of life**
 - It is prohibited to violate the ban on causing harmful soil alterations, water pollution, air pollution, harmful noise emissions or excessive water consumption whichmogą w znaczący sposób naruszać naturalne podstawy ochrony i produkcji żywności,
 - significantly impairs the natural foundations for the preservation and production of food;
 - denies a person access to clean drinking water;
 - hinders or destroys a person's access to sanitation facilities; or
 - harms a person's health.
 - Furthermore, it is prohibited to violate the ban on unlawful evictions and the unlawful deprivation of land, forests and water bodies in the course of their acquisition, development or other use, if the use of these resources secures a person's livelihood.

- **Security forces**
 - It is prohibited to violate the ban on commissioning or using private or public security forces to protect the business project if, due to a lack of training or control by the company, the deployment of the security forces entails:naruszony zostanie zakaz tortur i okrutnego, nieludzkiego lub poniżającego traktowania,
 - a violation of the ban on torture and cruel, inhuman or degrading treatment;
 - injury to life or limb; or
 - an obstruction to the freedom of association and unionisation.
 - It is also prohibited to violate the ban on any actions or wrongful omissions beyond the points mentioned above that are directly capable of significantly impairing a protected legal position in an especially serious manner and whose unlawfulness is obvious when considering all relevant circumstances.

- **Environmental risks**

- An environmental risk within the meaning of this Supplier Code of Conduct is a condition where, due to actual circumstances, there is a sufficient probability of a violation of one of the following prohibitions:

- **Mercury**

- In accordance with Section 2(3) No. 1 LkSG, it is prohibited to violate the ban on the production of mercury-added products pursuant to Article 4(1) and Annex A Part I of the Minamata Convention on Mercury of 10 October 2013 (Federal Law Gazette 2017 II, pp. 610-611) (Minamata Convention).
- In accordance with Section 2(3) No. 2 LkSG, the ban on the use of mercury and mercury compounds in manufacturing processes within the meaning of Article 5(2) and Annex B Part I of the Minamata Convention may not be violated from the phase-out date specified in the Convention for the respective products and processes.
- In accordance with Section 2(3) No. 3 LkSG, the prohibition on the treatment of mercury waste contrary to the provisions of Article 11(3) of the Minamata Convention may not be violated.

- **Hazardous waste**

- In accordance with Section 2(3) No. 4 of the LkSG, it is prohibited to violate the ban on the production and use of chemicals as per Article 3(1)(a) and Annex A of the Stockholm Convention on Persistent Organic Pollutants of 23 May 2001 (Federal Law Gazette 2002 II, pp. 803-804) (POPs Convention), last amended by the decision of 6 May 2005 (Federal Law Gazette 2009 II, pp. 1060-1061), in the version of Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (OJ L 169 of 26.5.2019, p. 45), as last amended by Delegated Regulation (EU) 2021/277 of the Commission of 16 December 2020 (OJ L 62 of 23.2.2021, p. 1).

- In accordance with Section 2(3) No. 5 of the LkSG, it is prohibited to violate the ban on the improper handling, collection, storage and disposal of waste as per the regulations applicable under Article 6(1)(d)(i) and (ii) of the Stockholm Convention on Persistent Organic Pollutants.
- In accordance with Section 2(3) No. 6 of the LkSG, it is prohibited to violate the ban on the export of hazardous waste as defined in Article 1(1) and other waste as defined in Article 1(2) of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal of 22 March 1989 (Federal Law Gazette 1994 II, pp. 2703-2704) (Basel Convention), last amended by the Third Ordinance Amending Annexes to the Basel Convention of 22 March 1989 on 6 May 2014 (Federal Law Gazette II, pp. 306-307), and in accordance with Regulation (EC) No. 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste (OJ L 190 of 12.7.2006, p. 1), as last amended by Delegated Regulation (EU) 2020/2174 of the Commission of 19 October 2020 (OJ L 433 of 22.12.2020, p. 11)
 - to a contracting party that has prohibited the import of such hazardous and other wastes (Article 4(1)(b) of the Basel Convention);
 - to a country of import within the meaning of Article 2(11) of the Basel Convention which has not given its written consent to the specific import, if that country of import has not prohibited the import of that hazardous waste (Article 4(1)(c) of the Basel Convention);
 - to a non-contractual party to the Basel Convention (Article 4(5) of the Basel Convention);
 - to a country of import if such hazardous waste or other waste is not treated in an environmentally sound manner in that country or elsewhere (Article 4(8)(1) of the Basel Convention); in accordance with Section 2(3) No. 7 of the LkSG, the ban on the export of hazardous waste from countries listed in Annex VII of the Basel Convention to countries not listed in Annex VII must not be violated (Article 4A of the Basel Convention, Article 36 of Regulation (EC) No. 1013/2006).
 - According to Section 2(3) No. 8 LkSG, the ban on the import of hazardous waste and other waste from a non-contractual party to the Basel Convention (Article 4(5) of the Basel Convention) may not be violated.
- Otherwise, the definitions of the LkSG apply.

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- According to Section 2(3) No. 8 LkSG, the ban on the import of hazardous waste and other waste from a non-contractual party to the Basel Convention (Article 4(5) of the Basel Convention) may not be violated.
- Otherwise, the definitions of the LkSG apply.

Requirements for the Supplier

1. General information on cooperation

The following general requirements are imposed on the Supplier:

- The Supplier undertakes not to violate the human rights and environmental provisions listed in Section II of this Supplier Code of Conduct.
- All measures and commitments laid out in this Supplier Code of Conduct must be implemented, where possible, in consultation with the Supplier and always respecting their legitimate interests (including, where applicable, the interests of their subcontractors), employee rights, data protection and the safeguarding of trade secrets.

2. Obligation to report human rights violations and environmental risks

The Supplier is obligated to report any human rights violations and environmental risks listed in this Supplier Code of Conduct, without prejudice to any of the further notification obligations outlined below. Notifications can be sent to:

Bahlsen GmbH & Co. KG
Compliance & Internal Audit / LkSG Complaints Office
Podbielskistr. 11
30163 Hannover
Email: compliance@bahlsen.com
Tel: +49 511 960 2585

or can be submitted directly to the LkSG complaints system at Bahlsen (accessible via the website).

3. Information for the risk analysis

The Supplier is aware that Bahlsen is obliged to carry out a risk analysis in accordance with Section 5 LkSG. The Supplier must promptly provide all information requested by Bahlsen or a third party commissioned by Bahlsen for the purpose of conducting a risk analysis regarding the Supplier (including repeated risk analyses, if so required under Section 5(4) of the LkSG). If necessary in individual cases, the Supplier shall also allow Bahlsen employees to inspect the Supplier's premises for the same purpose.

4. Preventive measures on the Supplier's side

- If Bahlsen identifies a risk related to the Supplier's business activities during a risk analysis in accordance with Section 5 of the LkSG, the Supplier is obliged to take appropriate preventive measures regarding the identified human rights and/or environmental risks upon request, in particular:
 - to encourage its responsible employees to participate in the training and further education offered by Bahlsen (or equivalent training and further education arranged by the Supplier),
 - to allow Bahlsen employees or independent third parties to conduct reasonable inspections at all of the Supplier's facilities potentially affected by the risk and to review the Supplier's relevant documents pertaining to the risk. Alternatively, Bahlsen may require the Supplier to undergo a recognised certification or audit system, provided that this ensures the conduct of independent and appropriate inspections.
- If a further risk analysis reveals a substantially changed or significantly expanded risk situation, the aforementioned obligations apply again.
- If the Supplier itself identifies a risk, it must take appropriate preventive measures independently, without being requested to do so.
- The effectiveness of these measures will be reviewed annually and on an event-driven basis if Bahlsen anticipates a significantly changed or expanded risk situation in its own business operations or with direct Suppliers, such as through the introduction of new products, projects or a new business area. The measures must be updated immediately if necessary.

5. Remedial actions for Supplier violations

- If a human rights or environmental risk is identified in the Supplier's business activities, the Supplier is obliged to report this circumstance to Bahlsen in accordance with Section III(2) and to immediately take appropriate remedial measures to prevent or end the violation or to minimise its extent. Upon request, the Supplier must provide Bahlsen with evidence of the measures it has taken in this respect.
- If the human rights or environmental risk is such that not all measures can be taken or become effective immediately, the Supplier must immediately prepare and submit to Bahlsen a strategy with a specific timetable for the outstanding measures to be implemented or for their effectiveness to be realised ('Corrective Action Plan'). Bahlsen will provide the Supplier with appropriate support in the preparation of the Corrective Action Plan.
- If the Supplier fails to fulfil any of its obligations under this paragraph, Bahlsen is entitled to suspend the business relationship with the Supplier until it has met its obligation without prejudice to any other rights.
- The effectiveness of the corrective measures will be reviewed by the Supplier annually, as well as on an ad hoc basis, when there is a significant change or expansion in the risk profile within its business operations, such as through the introduction of new products, projects or a new line of business. The measures must be updated immediately if necessary. The Supplier must report on this to Bahlsen on request.

6. Preventive and remedial measures in the Supplier's upstream supply chain

- If there are actual indications suggesting a potential human rights or environmental violation in the Supplier's upstream supply chain (i.e. with a direct or indirect supplier to the Supplier) or if such a violation has occurred, the Supplier is obligated to report this to Bahlsen in accordance with Section III(2).
- Upon Bahlsen's request, the Supplier shall immediately:
 - obtain all the information that Bahlsen or a third party appointed by Bahlsen for this purpose requires to conduct a risk analysis regarding the Supplier in accordance with Section 5 LkSG (including repeated risk analyses, if so required under Section 5(4) LkSG); and

- make every effort to implement appropriate preventive measures on the Supplier's side, such as allowing appropriate inspections during regular business hours with reasonable prior notice by Bahlsen employees or independent third parties, supporting the prevention and mitigation of the risks, or implementing suitable sector-specific or cross-sector initiatives.
- The Supplier shall make every effort to assist Bahlsen in developing and implementing a plan to prevent, eliminate or minimise risks or violations. The Supplier must ensure the cooperation of its direct supplier or work towards the necessary cooperation further along the supply chain and make every effort to ensure that it and its supplier promptly takes the appropriate corrective measures as outlined in the plan. Section III(5) applies accordingly.
- Upon request, the Supplier shall provide Bahlsen with evidence of the corrective measures taken.
- The Supplier shall make every effort to ensure, through appropriate agreements with its direct suppliers, that it can fulfil its obligations under this paragraph at all times (i.e. that it receives the required information promptly if necessary, that its direct and indirect suppliers permit the aforementioned inspections and that they accept and implement the aforementioned preventive measures). If the Supplier's upstream supplier refuses to cooperate in remedying the violation, this must be documented by the Supplier and proven to Bahlsen upon request.

7. Information about the complaint mechanism

The Supplier is obligated to appropriately inform their own employees and direct suppliers about how to report violations to Bahlsen through the complaint system. The Supplier must clearly and comprehensibly inform employees about how to access Bahlsen's complaint system. The Supplier expressly commits to ensuring that employees or any other potential parties who use Bahlsen's complaint system are neither disadvantaged nor punished in any form. If the Supplier becomes aware of any facts from the complaint procedure, particularly the identity of complainants, they will treat this information with strict confidentiality and take appropriate measures to ensure its security.

7. Informacje o mechanizmie składania skarg

Dostawca jest zobowiązany do odpowiedniego poinformowania swoich pracowników oraz bezpośrednich dostawców o możliwości zgłaszania naruszeń za pośrednictwem systemu składania skarg firmy Bahlsen. Dostawca musi poinformować pracowników w sposób jasny i zrozumiały o możliwościach dostępu do systemu składania skarg firmy Bahlsen. Dostawca wyraźnie zobowiązuje się nie stawiać w niekorzystnej sytuacji ani nie karać pracowników lub innych potencjalnych uczestników procesu, którzy w jakikolwiek sposób korzystają z systemu składania skarg firmy Bahlsen. W zakresie, w jakim dostawca uzyskuje wiedzę o faktach z procedury składania skarg, w szczególności o tożsamości skarżących, traktuje je jako ściśle poufne i podejmuje odpowiednie środki ostrożności w celu zapewnienia poufności.

8. Bahlsen's rights in the event of breaches of duty by the Supplier

- If the Supplier intentionally or through gross negligence violates any of its obligations under Section III(1) to (7), Bahlsen is entitled to terminate any ongoing contractual relationships with the Supplier for good cause and to withdraw from any purchasing contracts that have not yet been wholly fulfilled, provided that
 - the violation is related to a very serious infringement of a human rights or environmental provision;
 - or the implementation of the measures developed in the Corrective Action Plan does not remedy the situation after the deadlines have passed; or
 - Bahlsen has no other milder means available and increasing its influence does not appear likely to end the violation.
- Other claims to which Bahlsen is entitled in the event of a breach of duty by the Supplier (in particular the right to claim compensation for any damages incurred) remain unaffected.

9. Adjustments to the contract

The Supplier commits to agreeing to any necessary adjustments to the contract due to changes in the LkSG, relevant legal regulations, or any applicable European regulations, provided these are not unreasonable for it.