



ROTKÄPPCHEN-MUMM

# STATEMENT OF PRINCIPLES OF THE ROTKÄPPCHEN-MUMM GROUP

## I. OUR COMMITMENT TO RESPECTING HUMAN RIGHTS

The observance of human rights and duties to protect the environment are central components of the corporate culture and management of the Rotkäppchen-Mumm Group.

As a market leader and family-owned business, we are aware of our special responsibility for social and environmental standards in our own business activities and in our value chains. We implement these through our due diligence process to protect people and the environment. We expect both our own employees and our business partners to comply with our human rights and environmental standards and to implement these together with us through appropriate processes and measures.

As a basis for our own expectations, we commit ourselves to the rights and duties of the following international standards and frameworks and always respect them in our business actions:

- the United Nations Human Rights Charter (the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights)
- the conventions and recommendations of the International Labour Organization (ILO), including the ILO core labour standards
- the Minamata Convention on Mercury
- the Stockholm Convention on Persistent Organic Pollutants (POPs Convention)
- the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal

This statement of principles applies to all companies and holdings of the Rotkäppchen-Mumm Group (RM).

## II. OUR RISK MANAGEMENT SYSTEM

Since we recognise the respect for human rights and environmental standards as a central part of our corporate management, the management of the Rotkäppchen-Mumm Group bears the overarching and final responsibility for ensuring that human rights due diligence is implemented and practised both within the company and in business relationships.

For effective monitoring of the implementation of the requirements imposed on RM by law and society, the management has created the position of a Human Rights Officer. This officer reports annually on the fulfilment of due diligence obligations to the management and to the Federal Office for Economic Affairs and Export Control (BAFA), and at the same time monitors the implementation of due diligence obligations by the responsible committees and departments.

A cross-functional committee actively manages risk management. This committee consists of members from departments that play a key role in implementing due diligence and corporate environmental and human rights protection. These departments include Legal, Purchasing, Occupational Health and Safety, Corporate Sustainability, Quality Management, Corporate Affairs & Communications and Corporate HR. Operationally, due diligence obligations are implemented within the respective departments.

To include the interests of our employees, business partners and other key stakeholders in our actions and in the continuous development of our due diligence, we have set up a central email address through which enquiries and information related to the LkSG (German Supply Chain Due Diligence Act) can be submitted. These are answered promptly by the responsible persons of the relevant central departments and implemented in the adjustment of processes if necessary.

### III. RISK ANALYSES

Regular risk analyses form the foundation for effective human rights and environmental protection, as they enable us to identify the areas and processes in which we have the greatest impact on people and the environment.

To this end, we first identify and analyse typical human rights and environmental risks based on a variety of sources that arise in our own business activities due to our business fields and locations, and in our supply chain due to the goods and services we purchase and the corresponding procurement countries. Our adapted supplier self-disclosures will allow us to obtain relevant information from our suppliers in the future.

In a second step, we assess and prioritise risks based on their severity and likelihood of occurrence. We also determine our own contribution to causing these risks and our ability to influence them.

We are aware that an annual analysis may not be sufficient in all situations. Therefore, we also conduct risk analyses on an ad hoc basis, especially when we receive information about specific violations or introduce new business fields.

In every analysis, we strive to involve as many internal and external experts and stakeholders as possible to develop a realistic risk profile.

In an initial risk analysis, we identified potential approaches to prioritising risks concerning non-compliance with applicable occupational health and safety obligations, withholding appropriate wages and harmful environmental changes that impact human rights.

## IV. PREVENTIVE MEASURES

The risk prioritisation resulting from the analysis enables us to take measures to avoid and mitigate risks as effectively and promptly as possible. The results of the analysis are therefore immediately shared with relevant departments and, if necessary, with the management to ensure that the insights gained can be integrated into critical business processes and decisions.

In addition, we continuously work on an action plan. This plan is developed particularly in collaboration between the Central Purchasing and Quality Management departments and forms the basis for implementing preventive measures in our own business activities and in the supply chain.

Through policies and training, we enable our employees to recognise and actively counteract risks or violations and to contribute to a corporate culture that respects human rights and environmental duties.

Our Internal Code of Conduct formulates our human rights and environmental expectations for our employees in their interactions with each other and with third parties.

We recognise our business partners and their employees as our essential stakeholders. Therefore, through our Purchasing Handbook, we ensure that sustainability is integrated as part of the corporate strategy and as concrete alignment with the three pillars of economy, ecology and social issues in decisions and actions with business partners.

At the same time, our operational staff are regularly trained to implement important policies and behavioural requirements. This includes training on the human rights, environmental and general compliance requirements formulated in the Code of Conduct. Training on occupational health and safety, as well as data protection, also forms an integral part of our employees' continuous education.

Regular employee discussions provide our employees with the opportunity to raise concerns or misconduct, thereby contributing to strengthening a safe and healthy corporate culture and simultaneously acting as a corrective for potential grievances within the company.

Through external IFS certification, we further ensure that internal working conditions meet relevant standards concerning occupational health and safety, hygiene and product safety.

The foundation for avoiding or mitigating human rights and environmental risks in our supply chain is provided by our [Business Partner Code of Conduct](#), which sets out our minimum requirements for the actions of our business partners and serves as the basis for taking further preventive and remedial measures.

We also view the effective protection of people and the environment in our supply chains as a shared responsibility. We therefore engage in regular exchanges with our high-risk suppliers and strive for long-term, cooperative partnerships that enable mutual learning and development.

Supplier self-assessments and audits allow us to monitor, measure and, if necessary, adjust the progress of our business partners.

## V. COMPLAINT PROCEDURE

We are aware that even an effective due diligence system cannot always prevent all risks or violations. For this reason, we have established a complaint procedure through an external service provider, allowing everyone to report human rights or environmental risks or violations related to our business activities along our entire value chain. Reports can be submitted via our channel by those directly affected, such as our own employees or employees in the supply chain, as well as their representatives, such as NGOs or trade unions, or by mere witnesses.

Through appropriate internal and external communication, as well as the inclusion of the channel in our Business Partner Code of Conduct, we ensure that all relevant stakeholders are informed about our complaint procedure.

Every complaint is reviewed by qualified and trained personnel from our Legal, Human Resources and Central Purchasing departments. Confidentiality, discretion and independence are guaranteed by us and by the external service provider.

The perspective of those affected is particularly important to us in handling and resolving complaints. Therefore, our complaint procedure is designed to be dialogue-oriented: if desired, we maintain regular contact with the reporting party and inform them about the process and outcome. If the complaint involves an actual risk or violation, we particularly take into account the wishes, expectations and experiences of those affected when formulating and evaluating preventive and remedial measures.

The protection of whistleblowers is also a central concern for us. We pursue a zero-tolerance approach regarding reprisals due to complaints or tips and demand the same from our suppliers through our Business Partner Code of Conduct.

To ensure that our procedure can truly be used by everyone, reports can be submitted through various communication channels, such as phone calls or a digital chat function. More information about the procedure and reporting channels can be found in our [Procedure Manual](#) for the complaint procedure and on our [corporate website](#).

## VI. REMEDIAL MEASURES

When we learn about violations in our own business activities or in our supply chain through our risk management system, such as the complaint procedure or risk analysis, or through other sources, we take immediate remedial measures.

Due to our heightened responsibility and ability to influence, we strive to promptly eliminate violations in our own business activities.

In the supply chain, we work together with our business partners on remedial concepts to achieve the quickest possible rectification or mitigation of violations. If no improvements occur within the agreed time frame,

we reserve the right, as a last resort, to temporarily suspend or completely terminate business relationships under our Business Partner Code of Conduct.

## VII. EFFECTIVENESS REVIEWS, DOCUMENTATION AND REPORTING

We understand our due diligence process as a system that must be continuously developed and improved. Therefore, we conduct regular effectiveness reviews, especially for preventive and remedial measures, and particularly take into account the perspective of those affected.

These evaluations enable us to address human rights and environmental risks and violations early and proactively.

We document our fulfilment of due diligence obligations continuously and in accordance with the law in our report on compliance with the Supply Chain Due Diligence Act on our [corporate website](#). We also report to the Federal Office for Economic Affairs and Export Control (BAFA) on our identified priority risks, as well as the essential design and progress within our due diligence process.

## VIII. CLOSING REMARKS AND APPROVAL BY THE MANAGEMENT

Dear colleagues,

The corporate culture of Rotkäppchen-Mumm is based on the values of focus, respect and formation. In particular, the value "respect" demands responsible behaviour from all of us, which includes respect for our fellow human beings and for our environment.

In line with our corporate mission statement 'United Diversity', human rights form the basis for freedom and justice. Furthermore, it is the responsibility of us all to play a focused and formative role in protecting the environment.

The observance and maintenance of these fundamental values, already enshrined in many national and international standards, should be self-evident for all of us. We therefore urge you to study this statement of principles carefully and to fully embody and demand it in everyday work. We are convinced that sustainable and responsible business activity can only be based on respect for people and our environment.

Kind regards,



**Christof Queisser**  
CEO



**Frank Albers**  
CFO

*Freyburg, February 2024*