



HUMAN RIGHTS POLICY STATEMENT

LORENZ GROUP



OUR COMMITMENT TO HUMAN RIGHTS

We care about people. Our consumers, employees, business partners and suppliers, the large and small producers of our raw materials are at the center of everything we do – all around the world. This includes ensuring fair and respectful working conditions along the supply chain. Given the complexity of global supply chains, we are constantly working to address this major challenge.

We believe that by acting responsibly and supporting improvements alongside our supply chain, we combine the joy of life provided by our snacks with the sustainable development of our company. Acting according to our WHY („We care for each individual so that they feel a sense of belonging and well-being”) and our values provides orientation for decision-making concerning partners, sourcing markets, and materials.

OUR CHALLENGES AND RISKS

An overarching challenge of our business activity is to gain transparency in our supply chain (from farm to fork). A lack of transparency complicates the identification, assessment, and mitigation of potential risks and delays our aim to further integrate vertically.

With regards to country and sector risks, we determined the biggest human rights hazards in the nuts sector, especially in India and South Africa.

(INTER-)NATIONAL STANDARDS, GUIDELINES, AND ORGANISATIONS

We respect international human rights in line with the UN Conventions, e.g. the UN Human Rights Charter, and the core labor standards of the International Labour Organization (ILO):

- We recognize freedom of association and the effective recognition of the right to collective bargaining;
- We do not tolerate any form of forced or compulsory labor;
- We promote the effective abolition of child labor;
- We advocate the elimination of discrimination in respect of employment and occupation; and
- We ensure a safe and healthy working environment.

We are committed to complying with applicable laws, regulations, and standards of all countries in which we operate as well as industrial minimum standards.

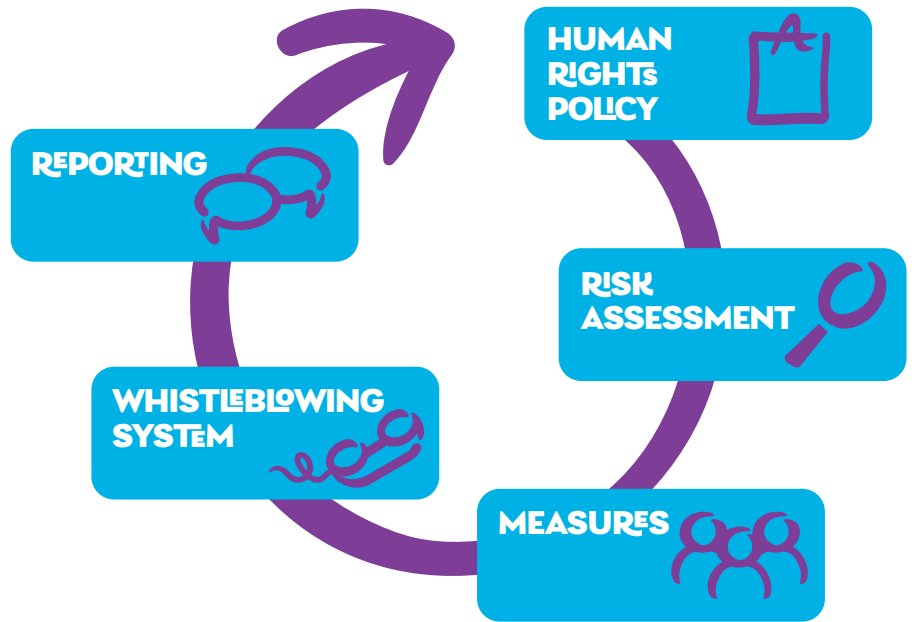
Nut farming is fragmented and not easily traceable, and legal requirements regarding working conditions in the countries of origin are much lower than Lorenz and EU standards.

The issue of women’s empowerment is relevant to all stages of our supply chain. Cultural norms and stereotypes often prevent women from receiving equal rights, treatment, and opportunities as men.

OUR PROCESS TO ADDRESS THESE RISKS

We have a process in place to monitor and assess our internal processes and supply chain in regards to Human Rights violations and to take appropriate action in case of any infraction.

HUMAN RIGHTS DUE DILIGENCE



- 1. PUBLICATION OF A HUMAN RIGHTS POLICY**
 This policy summarizes our general position and approach to protect and promote Human Rights inside our company and along our supply chains.
- 2. REGULAR RISK ASSESSMENT OF OUR SUPPLY CHAIN**
 At least once a year and if necessary in between, we review the risks with regards to Human Rights violations along our supply chain. The assessment is based on the mapping of our direct suppliers and dedicated indirect suppliers. Our risk evaluation considers the country and the segment the supplier is working in using information provided by the Sedex platform. Certifications, audits, compliance with certain standards, and relationship to the respective supplier are further criteria to assess the risk of a supplier. Currently, all production facilities in Poland and Germany are SMETA audited.



3.

IMPLEMENTATION OF MEASURES TO PREVENT AND MITIGATE VIOLATIONS

Measures to mitigate risks or to cope with known violations of Human Rights can be either preventive or case driven. Measures which are implemented along our supply chain are:

- Regular trainings for employees on the Lorenz Code of Conduct, responsible sourcing, non-discrimination, etc.
- Obligatory Responsible Sourcing trainings for all buyers (Responsible Sourcing Guideline) to raise awareness on the topic of Human Rights and sustainability.
- Obliging our business partners to comply with national laws and our Code of Conduct for Business Partners.
- Dedicated Human Risk assessment for our high risk supply chains with an external partner (Löning – Human Rights & Responsible Business GmbH).
- Collaboration with several Non-Profit Organizations and associations in order to create strong alliances to uncover and prevent Human Rights violations and improve the conditions and development opportunities for local farmers and processing companies in the origin countries of our raw materials.
- Vertical integration of our supply chain, for example by establishing our own nut processing company in India, or our joint venture with the peanut processor VGM in South Africa to directly implement corporate policies and best practices in order to support the economic development at origin.

4.

WHISTLEBLOWING SYSTEM ACCESSIBLE TO EXTERNAL ACTORS

We put a whistleblowing system called Tell us! in place for internal use in 2020. Within 2023, access will be also granted to external participants of our supply chain/business partners. Our Tell us! system is based on an independent online portal that offers the opportunity of a secure dialog with our Tell us! officers who help to clarify and resolve the reported incidents by adhering to clearly defined procedures. All information and investigations are handled with strict confidentiality. This enables every participant in our supply chain to report potential Human Rights violations regardless of location or time.

5.

ANNUAL REPORTING

There will be an annual report on the specific activities around the described interventions. This report will be published on our website and will be presented and approved by the board. It will briefly describe the activities implemented in the past year as well as address the number and quality of potential violations, the activities implemented to correct these violations, and the success of the mitigating measures.

OUR EXPECTATIONS TOWARDS PEOPLE WORKING WITH US

CONTINUOUS IMPROVEMENT



With our Human Rights policy we commit ourselves to respecting international human rights in line with the UN Conventions, e.g. the UN Human Rights Charter, and the ILO core labor standards. The principles that we describe here are based on our corporate values. They form the basis for our decisions

This Human Rights policy is reviewed and (if necessary) adapted on a regular basis. We are continuously working on improvements internally and along our supply chain in regards to enhancing the conditions of people working with us. The progress in dedicated fields is

and our actions – inside and outside our company. This is why they are mandatory for all Lorenz employees worldwide. We also expect our suppliers, service providers and all people who work on behalf of our company to act along similar guidelines.

published in our annual sustainability report. In addition, we are reviewing our activities in regards to the German Supply Chain Act („Lieferkettensorgfaltspflichtengesetz“) continuously which will be published in an annual report.