

Paulig's Human Rights Principles

These human rights principles supplement our Ethical Principles. The expectations towards our suppliers are further described in Paulig Code of Conduct for Suppliers.

Purpose of these principles

Human rights are the fundamental rights and freedoms that equally belong to every person in the world. These rights are all interrelated, interdependent and indivisible. At Paulig we recognise that our activities and business relationships can have actual and potential impacts on the human rights of the people in our value chain. We acknowledge that it is our responsibility and opportunity to address human rights impacts through our own activities and in our value chain.

This document outlines our commitment to respect internationally recognised human rights and our approach to managing human rights.

These principles are applicable to all Paulig entities, employees and anyone working on behalf of the company, including contractors and consultants.

Our commitment to human rights

We are committed to respecting the internationally recognised human rights. We aim to avoid causing or contributing to any adverse actual or potential human rights impact. We address such impacts when they occur and seek to prevent re-occurrence.

This commitment applies to impacts that are directly caused by our operations, products, or services or have contributed via our business relationships. We seek to build appropriate leverage to address impacts we are linked to further in our value chain.

Paulig complies with the applicable laws, regulations, and norms in the countries where we operate. Paulig's human rights work is guided by Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, ILO Declaration on Fundamental Principles and Rights at Work, United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Governance of human rights at Paulig

The Paulig Board of Directors approves human rights principles and the approach to human rights management as a part of sustainability approach. Implementation of human rights due diligence and review of progress are part of the annual sustainability review for Paulig Board of Directors.

The responsibility for our sustainable development work is with Paulig Leadership Team where the sustainability work is led by the SVP, Communications & Sustainability. Human rights governance is integrated as part of sustainability governance. The sustainability team is responsible for

sustainability strategy planning and development including setting shared objectives for all Paulig functions, monitoring the progress, and measuring the results. The sustainability team is responsible for human rights principles, development of human rights due diligence, expertise and support to business functions engaged in integration and implementation of the human rights approach.

Human rights due diligence at Paulig

Our human rights due diligence is an on-going process covering identification, assessment, and management of human rights risks and impacts. We will pay special attention in our due diligence efforts on those human rights issues on which our value chain and business relationships can or do have the most severe impact to the affected rightsholders.

We have conducted human rights risk assessment that covers our value chain on a global level. This provides a high-level, horizontal view of human rights risks.

As a food and beverage company, our value chains are global and complex. A significant share of our raw materials come from countries that are classified as risk countries by amfori BSCI (Business Social Compliance Initiative). We recognise that there are contributing factors that increase the risk level:

- in supply chains that are long, and the visibility of the chain is limited
- in supply chains with presence of seasonal and low-skilled workforce
- in areas that have high level of migration
- in countries where legislation is poorly enforced or less developed.

Our most significant human rights risks

Paulig's human rights risk assessment is based on country risk classifications, reports and studies of various organisations and authorities, information obtained from own and third-party sustainability audits, personnel surveys and through whistleblowing channel, and input from personnel working in sourcing, human resources, quality, safety and environment, logistics and IT. Human rights risks are prioritised based on their severity: how grave, widespread and hard to remedy they are.

Based on the human rights risk assessment and the current mitigation measures and controls in place we consider the following to be the most significant human rights risks for Paulig:

- living wages and income
- forced labour
- child labour.

For these prioritised issues our aim is to conduct human rights impact assessments to deepen our understanding and to strengthen measures and controls to mitigate the risks and impacts.

Other significant risks identified are:

- health and safety
- food safety
- access to grievance mechanism
- access to health care
- gender equity and
- data privacy.

For all the identified human rights risks our aim is to continuously improve our ways of working and drive respect for human rights in our value chain.

Implementing human rights commitments at Paulig

- We integrate our commitment to respect human rights into our policies and processes and apply it throughout our value chains and business relationships.
- We continuously conduct human rights due diligence based on risk assessments. This includes identifying, preventing, mitigating, monitoring, and remedying adverse human rights impacts on people.
- This covers actual and potential human rights impacts that Paulig may cause or contribute to through its own activities or through value chains and business relationships. Special attention is given to most vulnerable groups including children, women, refugees, seasonal workers, indigenous peoples, national or ethnic, religious, and linguistic minorities, LGBTIQ+ people, persons with disabilities, migrant workers, and their families.
- We review human rights risks and impacts when there are significant changes in our operations, in case of acquisitions, when building new business relationships and when new risk or impact occurs that must be taken into consideration.
- We ensure access to remedy to the affected rightsholders when our business has directly caused or contributed to adverse human rights impacts. If such human rights violations are detected, we take immediate action with the rightsholders perspective as a priority. We investigate the root causes of detected human rights violations and support in ensuring remedy and addressing the impact for affected rightsholders as appropriate.
- In cases where we are linked to an adverse human rights impact further in our value chain, we will leverage our influence both directly and through partnerships. This leverage will be employed not only to remedy adverse human rights impacts but also to create positive impacts. We aim to

continuously improve our understanding on our human rights risks and impacts. We provide training and build awareness among our own employees and business partners.

- We seek to actively listen to our stakeholders and rightsholders and have an open and transparent dialogue with them. Engagement and collaboration are important to develop value chains and business relationships that respect human rights.

- We carefully choose our business partners and aim at long-term partnerships to create shared value to all parties in the supply chain. This combined with traceability and transparency capabilities are key enablers for effective human rights due diligence.

- We expect our business partners to conduct appropriate and regular human rights due diligence in their own operations, value chains and business relationships and address and remedy any adverse human rights impacts they may cause or contribute to.

- We aim to be transparent and communicate openly about human rights work and report progress, challenges, and activities in our Sustainability Report and other communication channels as relevant. We report on human rights in line with the stakeholders' expectations and legislative requirements.

Whistleblowing

Paulig has an independent whistleblowing channel for its own employees to raise concerns of unethical behaviour and/or activities anonymously. There is a separate anonymous whistleblowing channel for external stakeholders to report misconduct on Paulig's part. Reported breaches and non-conformities are evaluated and investigated by a team appointed from members of the Paulig Leadership Team. Their actions are logged, and handling is confidential. A person reporting a genuine suspicion or raising a concern will not be at risk of suffering any form of sanction or personal disadvantage as a result. Cases are reported annually to Paulig's Board of Directors.

Engaging with civil society organisations and supporting human rights defenders

Civil society organisations provide valuable insights that benefit conducting effective human rights due diligence and can play a constructive role in identifying, understanding, and addressing human rights issues. Human rights defenders are crucial as champions of promoting respect for human rights globally. We respect and value their work and support it in our value chains and expect the same from our partner network.

Approval

Approved by Paulig Board of Directors in October 2024.

References:

Universal Declaration on Human Rights

United Nations Guiding Principles on Business and Human Rights

International Labour Organisation (ILO)

- Elimination of all forms of forced and compulsory labour

ILO conventions 29 and 105

- Freedom of association and the effective recognition of the right to collective bargaining

ILO conventions 87 and 98

- Effective abolition of child labour

UN Convention on the Rights of the Child

ILO conventions 138 and 182

- Elimination of discrimination in respect of employment and occupation

ILO conventions 100 and 111

The OECD Guidelines for Multinational Enterprises

The 10 principles of the UN Global Compact