

December 2024

The Uelzena Group Policy Statement in accordance with the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)

As part of the Uelzena Group¹ BHI Biohealth International firmly commits to respect and protect human rights and the environment as well as to comply with the corresponding regulations. In this context we consider the corporate due diligence obligations derived from current legislation as well as the LkSG (Act on Corporate Due Diligence Obligations in Supply Chains), which is mandatory in Germany.

This Policy Statement has been approved by the executive management and reflects the fundamental company policy guidelines. It is supplemented by our Code of Conduct, which defines binding standards for the conduct of all employees and suppliers.

Guiding principles

We are committed to the principles and content of the following internationally recognised frameworks and standards:

- Universal Declaration of Human Rights
- United Nations Global Compact (UNGC)
- Core labour standards of the International Labour Organisation (ILO) to end child labour, forced labour and discrimination, and to ensure the right to freedom of association and collective bargaining
- OECD guidelines for multinational enterprises
- Basel convention on the control of transboundary movements of hazardous wastes and their disposal
- Minamata convention on mercury
- Stockholm convention on persistent organic pollutants

Our principles form the basis for the collaboration with our contracting partners. We also expect our business partners to commit to protecting human rights.

¹ The Group includes Uelzena eG, H. Schoppe & Schultz GmbH & Co. KG, Hoche Butter GmbH, Altmark-Käserei Uelzena GmbH, WS Warmesen Spezialitäten GmbH and BHI Biohealth International GmbH and holds a participating interest in OFF Dairy Fine Food GmbH.

Risk management

To meet the requirements of the LkSG, the Uelzena Group has established a comprehensive risk management system in collaboration with selected service providers. As part of this system, we conduct group-wide risk analyses ad hoc and annually. In these analyses we evaluate potential risks relating to human rights and environmental topics within our own business as well as along the entire supply chain. This helps us identify relevant risks and assign their review to the appropriate member of staff. The results of the risk analyses continuously inform the corporate decision-making process, are a factor in selecting and managing suppliers, and are used as a basis for taking preventative and corrective actions. We also have a complaints procedure and the entire monitoring process is subject to continuous improvement.

Risk analysis

As part of our risk analysis, we regularly review risks relating to human rights and the environment both in our own business divisions and with regard to our direct suppliers and service providers. We collect relevant data and are supported by an external service company to evaluate this automatically. The risk analysis is based on a tool comprising more than 50 data sources that relate to country risks and 700 sources of risks for product groups. If we identify potential areas of risk for suppliers, we undertake a more in-depth investigation, factoring in the type and scope of business activities. A core component of this investigation is an assessment of the impact on the relevant suppliers, likelihood of occurrence, anticipated severity of the risk, irreversibility of the violation and level of contribution to the cause as well as the rigorous review of evidence and certificates that relate to risk minimisation. The executive management will be informed internally about all the identified risks, which will be taken on board when developing appropriate measures. As part of this year's risk analysis we have not identified any major risks within our own business divisions nor any that relate to direct suppliers and service providers of the Uelzena Group.

Preventative and corrective measures

To fulfil our responsibility to respect human rights and environmental standards, we set targeted preventative measures. A core component of our due diligence obligations is making our employees aware of the importance of human rights and imparting the necessary expertise for others to effectively implement due diligence processes based on human rights. This is supported by our binding Code of Conduct. We are also committed to increasing awareness and strengthening skills in the relevant departments. As a member of the SEDEX initiative (Supplier Ethical Data Exchange) we also actively contribute to promoting ethical standards in global supply chains.

Should we receive substantiated information that our business activities are causing potential or actual violations of our due diligence obligations as they relate to human rights or the environment, we will immediately take suitable corrective measures. In relation to our direct suppliers, this includes preparing concepts to prevent, eliminate or minimise the risks as the situation requires. If this is not immediately possible, we will develop and implement a corrective action plan, which may include audits, training or requesting statements from the supplier concerned. Upon becoming aware of infringements of the due diligence obligations in our business operations we will undertake measures to promptly resolve this, particularly with respect to risks within Germany. A plan of measures will be developed based on a targeted analysis of the effects of the risk and submitted to the executive management for a decision. We will review the preventative and corrective measures every year and when circumstances require.

Responsibilities

The group management and management of our subsidiaries bear full responsibility for compliance with the human rights and environmental protection strategy as well as for implementing our due diligence obligations in accordance with the LkSG. Our human rights officers will inform the management of the current issues as circumstances require, however at least once a year.

The sustainability department is responsible for the operational implementation of human rights and environmental due diligence obligations in the supply chain by communicating the corrective measures to be taken throughout the organisation.

Whistleblower system and complaints procedure

The protection of human rights and safeguarding environmental standards is important to us. This is why we have established a transparent, digital whistleblower system and complaints procedure, which enables people internally and externally to report risks or violations of human rights and environmental obligations. The procedure is accessible to the public and guarantees confidentiality as well as the protection of whistleblowers against discrimination. All information is reviewed independently and objectively. If required, we will initiate immediate measures to rectify the established infringements.

Effectiveness review and reporting

We consider the implementation of our human rights and environmental due diligence obligations to be a continuous development process. To ensure that our measures are effective, we regularly review and adjust them as required.

According to the requirements of the LkSG, we also prepare an annual report regarding the fulfilment of our due diligence processes, which documents the effectiveness of the actions taken, the identified risks and the preventative and corrective measures. This report is published punctually on our company website and submitted to the German Federal Office for Economic Affairs and Export Control (BAFA) for inspection.

Münchberg, 20 December 2024

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