

# Manner



**DECLARATION OF PRINCIPLES  
HUMAN RIGHTS STRATEGY  
AND ENVIRONMENTAL RISKS**



## Preamble

Founded in 1890, Josef Manner & Comp. AG specializes in wafers, dragees and foam confectionery in Austria. Our decisions have a direct and indirect impact on people along the entire supply and value chain. As a leading food producer in the confectionery industry, we are aware of our responsibility within the global flow of goods and services. Humanity, solidarity and community have been practiced values at Manner and its subsidiaries since the beginning of the company's 130-year history. The company's business activities, as well as those of our suppliers, must be in harmony with people and the environment in order to ensure sustainable business practices. We are therefore focused on strengthening human and environmental rights, preventing and minimizing their violation and providing remedies. This commitment is binding for us and stands for our clear stance of working towards a sustainable society.

## Introduction

As a leading confectionery manufacturer in Austria and an internationally active company, Josef Manner & Comp. AG - hereinafter referred to as "Manner" - is aware of its social responsibility and the impact of its business activities. The scope of the corporate duty of care extends across our own business area, including all group companies over which we as Manner have a decisive influence, as well as employees and business partners along the supply chain. We are committed to sustainable, transparent and ethically responsible business activities that focus on human rights, working conditions and environmental protection. By implementing our social and environmental due diligence obligations, we help to identify potential risks both in our own business area and along our supply chain at an early stage and take appropriate preventive and remedial measures as required to prevent, stop or minimize human rights violations and environmental damage. In doing so, we rely on the continuous review and further development of our processes to enable a sustainable future for all and to live up to our responsibility as part of a global community.



Our actions and expectations are based, among other things, on the following internationally established standards and guidelines:

- Universal Declaration of Human Rights of the United Nations (UN)
- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- Ten principles of the UN Global Compact (UNGC)
- Conventions and recommendations of the International Labor Organization (ILO) on labor and social standards (ILO conventions)
- OECD Guidelines for Multinational Enterprises
- International Covenant on Civil and Political Rights of December 19, 1966
- International Covenant of December 19, 1966 on Economic, Social and Cultural Rights
- Minamata Convention on Mercury of October 10, 2013 (Minamata Convention)
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of March 22, 1989 (Basel Convention)
- Stockholm Convention of May 23, 2001 on Persistent Organic Pollutants (POPs Convention)

In addition, we refer to the contents and annexes of all relevant laws. Manner expects all employees and business partners to comply with all applicable laws and to fully meet our expectations with regard to social and environmental responsibility. Our expectations and values are set out in a Code of Conduct, which must be observed by all employees without exception. Furthermore, our expectations of suppliers and business partners are defined in a Supplier Code of Conduct, which calls on our suppliers to pass on our expectations to their own employees, suppliers and business partners in order to prevent human rights and environmental violations against indirect suppliers.



### Risk management & responsibilities

As part of our business activities and our international network, people within Manner and along the supply chains are exposed to various human rights and environmental risks. Comprehensive and consistent management of due diligence obligations is essential in order to prevent, end or minimize possible violations of human rights and environmental laws. In this way, we strengthen the trust of our employees and business partners and make a positive contribution to people and the environment. Manner sees risk management as a continuous process that is firmly integrated into all operational processes and is continuously improved and further developed. Detailed analyses of abstract and concrete risks are used to identify potentially negative effects on human rights and environmental concerns as well as potentially affected parties in our own business area and along the supply chain. We derive specific risk priorities from the findings and define appropriate preventive and remedial measures to avoid and minimize risks.

Based on the risk assessment and prioritization, we anchor suitable preventive and remedial measures in our own company and along our supply chain. Where necessary, we involve relevant stakeholders and use information from the complaints mechanism implemented at Manner. The effectiveness of the measures taken is reviewed regularly and on an ad hoc basis and continuously developed. The continuous processes and results are documented and stored accordingly and are included in the annual reporting on a materiality basis.

Responsibility for compliance with the principles set out in this declaration of principles lies with the Manner Management Board. The sustainability manager is responsible for monitoring risk management and the operational implementation of the due diligence obligations and is supported by the management of the specialist departments. This responsibility includes the results of risk analyses, information on the effectiveness and applicability of preventive and remedial measures, training and further education, complaints and information, documentation and internal and external reporting. The sustainability manager is in regular and ad hoc contact with the Management Board through the internal monitoring and reporting system.

With our commitment to human rights and environmental protection, we cover the following protected legal positions in accordance with the legal requirements of the the German law on corporate due

diligence obligations in supply chains (Lieferkettensorgfaltspflichtengesetz - LkSG) in our own business area and along our supply chains:

- Ban on child labor
- Prohibition of forced labor and all forms of slavery
- Occupational health and safety
- Freedom of association and unionization
- Prohibition of unequal treatment / discrimination
- Employee rights and safety
- Appropriate remuneration
- Prohibition of unlawful eviction and land confiscation
- Prohibition of negative impact on natural resources
- Hazardous waste and chemicals

### **Risk analyses & measures in own business area**

Manner, including its subsidiaries, has implemented appropriate risk analyses to consider potential risks within its own business area in accordance with defined appropriateness criteria. These analyses are carried out both regularly and on an ad hoc basis and take into account, among other things, the location (country), the applicable local law, the type and scope of the relevant business activity, the severity of the possible violation of the protected legal interest in terms of degree and number of persons affected as well as its irreversibility, the possibilities of influence and Manner's contribution to causation.

In addition, we take into account the results of regular internal and external audits at all locations and have various general and industry-relevant certifications on social and environmental aspects. In this way, the locations of the individual subsidiaries nationally and abroad as well as the company-specific risks can be specifically reviewed, weighted and prioritized. Raising awareness of human rights and environmental issues is particularly important to us. We therefore train our employees in the relevant business areas regularly and on an ad hoc basis and offer further training opportunities. We also have an annual evaluation of how our company is positioned in the ESG area (e.g. EcoVadis sustainability rating) and use this rating to determine our potential for improvement.

If a potential risk or violation is identified in the company's own business area, remedial action is taken immediately to end the violation of a human rights or environmental aspect. Cooperation takes place in close coordination between the sustainability manager and the responsible employees on site. An evaluation and monitoring process is carried out with regard to the effectiveness and implementation of the remedial measures taken. This can also trigger the introduction of preventive

and corrective measures and the monitoring of their success. The results of the risk analysis are communicated to the responsible decision-makers via our internal monitoring and reporting system.

### **Risk analyses & measures for suppliers**

As part of its risk management, Manner conducts regular and ad hoc risk analyses of its direct suppliers. In a first step, the suppliers are weighted and prioritized according to the potential risks of the raw materials supplied and the countries of origin. With the help of internationally established reports, data and information from various stakeholders, an abstract risk assessment is created (gross risk). Supplier-specific information, such as audit reports, certifications, agreements or existing preventive measures with suppliers, as well as the experience of our employees and experts, are then integrated into the specific risk analysis. This results in the need to adapt preventive measures (net risk) in order to prevent potential human rights violations and environmental damage. If a higher risk is identified in the risk analysis and a supplier is prioritized accordingly, specific preventive measures are developed for the supplier. Possible preventive measures include increased scrutiny of human rights and environmental aspects, on-site audits or binding recognition of the Supplier Code of Conduct. In order to enable a comprehensive and in-depth understanding of the specific risks at our suppliers, we rely on partnership-based and trust-based cooperation.

If the preventive measures taken are not effective or if a violation is identified at a supplier, we work with the supplier to develop a concrete and time-bound concept for remedial action to end or minimize the violation. Systematic recording and tracking ensures that the results of these risk analyses and measures can be taken into account in the future selection of suppliers. If the remedial measures taken with the supplier do not improve the situation, we reserve the right to terminate the business relationship as a last resort.

If we receive substantiated information from a supplier or other external sources about a violation that has already occurred or appears possible at an indirect supplier, we carry out a risk analysis on an ad hoc basis and take appropriate preventive and corrective measures against the originator in order to prevent, end or minimize the violation. The results of the risk analysis are communicated to the responsible decision-makers via our internal monitoring and reporting system. This ensures that our continuous improvements achieve maximum effects.

Our risk analysis has shown that our main risks to be prioritized are in the area of raw materials (especially cocoa and hazelnuts). We counter these risks through close dialog with our suppliers and product- and raw material-related certifications, such as Fairtrade, Rainforest Alliance certifications, Roundtable of Sustainable Palm Oil (RSPO) and Verifiable Origin Egg (HG). As part of the implementation of the due diligence obligations, the previous risk assessment is continuously



expanded. If deviating priority risks are identified in the course of regular and event-driven risk analyses, this policy statement will be adapted accordingly.

### Complaints mechanism

An appropriate, effective and barrier-free grievance mechanism is an elementary component of our continuous processes for obtaining information about human rights and environmental risks and, if necessary, taking remedial action. We take complaints and reports of possible human rights and environmental violations very seriously and our grievance system provides publicly accessible and confidential complaint channels through which anyone can report violations at any time. Our grievance system is part of our continuous processes and is open to all employees, business partners and potentially affected third parties along the supply chain who wish to report violations both within the company and along the supply chain. We investigate all complaints and reports and prohibit any retaliation for reports made in good faith. Complaints and reports can be made by name or anonymously. Confidential treatment of information and identities as well as a fair procedure for processing complaints and reports is guaranteed. Information and complaints relating to human rights or environmental standards are processed by legally qualified employees in consultation with the Sustainability Manager. The persons handling complaints are impartial, independent and sworn to secrecy. Further information on the complaints procedure and the rules of procedure can be found on the reporting platform (<https://whistleblowersoftware.com/secure/josefmanner>).

### Documentation & Reporting

Manner sees the implementation of human rights and environmental due diligence obligations as a continuous process. We therefore review our processes and procedures at regular intervals in order to continuously develop and improve them. We see complete documentation and transparent reporting on the implementation of due diligence obligations as an important part of our social responsibility. Reporting on human rights and environmental issues is regularly submitted to the Management Board. We also report annually on risks, measures and developments in our NFI report and in the publicly accessible annual report on our website. If the risk management processes for implementing the due diligence obligations change or new information on priority risks becomes available, this policy statement will be amended accordingly.

Mann would like to take this opportunity to thank all the partners involved who contribute to the protection of human rights and environmental concerns.



A handwritten signature in blue ink, appearing to read "A. Kutil".

**Andreas Kutil**  
*CEO, Chief Marketing and Sales*

A handwritten signature in blue ink, appearing to read "Thomas Gratzler".

**Thomas Gratzler**  
*Production & Technology*

A handwritten signature in blue ink, appearing to read "Dr. Hans Peter Andres".

**Dr. Hans Peter Andres**  
*Purchasing, materials management & logistics*