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# NETTO GERMANY POLICY STATEMENT ON HUMAN RIGHTS

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## Introduction

As one of the major food retailers in Germany, we supply the people in our region with food and varied non-food items.

Our world should remain a place worth living in for us and for future generations. As a company, we also take responsibility for this by acting in an increasingly sustainable manner.

In our company as well as along our entire supply chain, we want to live up to our ecological and social commitment. We have defined measures for this and want to improve every day with ambitious goals.

This task is not only the responsibility of the management and CSR employees, but should be shared by all Netto colleagues.

## Positioning

The recognition of and respect for human rights and the resulting environmental obligations are of central importance. In cooperation with our business partners, we are committed to socially and ecologically responsible corporate governance and prioritise identified human rights and environmental risks.

To implement and manage human rights and environmental issues, we align our actions with the Guiding Principles on Business and Human Rights (UNGP). We follow the ideal of the Universal Declaration of Human Rights (UN UDHR) and the ILO core labour standards, which are decisive for improving working conditions.

We want to implement these ideals and standards responsibly and successfully. Essential to this is responsible respect, integration and concrete implementation in every part of our company, i.e. with our business partners and by every employee in their daily work.

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## Risk analysis

Our risk analysis is carried out in our own operations and at our direct business partners. If we have substantial knowledge, we will also include indirect suppliers and partner in our risk analysis. Based on risk assessments by central bodies and experts, we conduct an origin-based risk assessment of our products and business partners.

Our risk analysis was prepared for the first time in 2021 on the basis of the CSR Risk Check reports of the German Agency for Economic and Development Affairs. This is checked and updated at least once a year with the help of a risk monitoring software OSAPIENS OS. Our software also helps us to react quickly and comprehensibly to hazards as and when they arise.

This audit aims to identify, assess and resolve potential and real risks and impacts of our business activities in a sustainable and targeted manner.

It is essential that each of our business partners identifies risks within their own supply chains, takes appropriate measures and works with us to find a joint solution.

The focus of our risk analysis is on the following points, which are based on the results of the first risk analysis:

1. Climate and energy
2. Biodiversity and deforestation
3. Occupational health and safety
4. Environment and waste
5. Discrimination
6. Working conditions and freedom of association
7. Consumer interests and product safety
8. Child labour
9. Conflicts

The insights gained form the basis for our prevention and remediation measures, which we implement together with our business partners.

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## Prevention - and remedial measures

Future cooperation with our business partner is based on the recognition, commitment and fulfilment of our human rights and environmental expectations by our business partner.

Based on basic compliance with the BSCI or comparable standards (SMETA, SA8000, ICS, ICTI), as well as the ideals of the Universal Declaration of Human Rights (UN-UDHR) and the ILO core labour standards, our business partners are contractually obliged to enforce these minimum expectations in their own supply chain.

The implementation of training and further education on this topic must be carried out annually by our business partner and recorded for Netto.

Inspections by independent auditors are to be carried out in accordance with amfori BSCI and comparable standards (see above) and recorded for Netto.

With our process for new and existing business partners, we identify risks and, if we have substantial knowledge of them, demand preventive and remedial measures from our business partners. We develop these together in order to find mutually agreeable solutions.

A refusal by the business partner to terminate or minimise substantial risks may lead to suspension or even termination of the business relationship.

In the event of the existence of substantial risks, we have internally provided concrete success factors and assessment criteria as well as preventive and remedial measures for our employees.

Within the framework of regular internal training measures, our employees are informed about our self-imposed guidelines with regard to human rights and environment-related duties and are specifically sensitised for their everyday professional life.

The responsible persons and advisory bodies are in permanent exchange in order to incorporate emerging risks into the corporate strategy. Effectiveness reviews for the continuous improvement of our own measures are planned annually.

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By regularly carrying out risk analysis with the help of our risk monitoring software, we can react at any time and in a targeted manner to substantial problems in our company and with our business partners.

In addition to our business partners and our employees, we also want to involve the employees in the supply chains as well as our customers.

To this end, we use a complaints management system with which our employees and workers in our supply chains can and should always report grievances to us anonymously and without fear of reprisals.

## Complaints procedure

We have established an independent complaints procedure, which can be accessed at this link:

<https://whistlefox.heuking.de/start/Netto-aps-co-kg>.

Just like our contact form, it is accessible to anyone with an internet connection.

In addition, we provide this link to our business partners and require them to publish it in parts of the supply chain that are relevant to us.

Every complaint is handled impartially, independently and in confidence, and we use external legal representation for this purpose.

The protection of the identity of the whistleblower is the primary objective in order to prevent disadvantages or penalties for the whistleblower.

If we receive complaints via our customer contact form that need to be dealt with in accordance with the German Supply Chain Duty of Care Act (LKSG) or the German Whistleblower Protection Act (HinSchG), our customer service will refer the complainant to our complaints office with the above-mentioned link.

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Our legal representation is impartial, independent, not bound by instructions and sworn to secrecy.

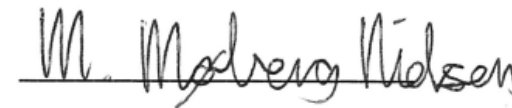
The rules of procedure are publicly available on our complaints website. This includes what issues can be reported and how acknowledgement of receipt and feedback to the whistleblower can be made.

### **Implementation and documentation**

The implementation of this policy statement is monitored and controlled by the Executive Board.

The documentation of the fulfilment of the due diligence obligations is kept for 7 years according to the law.

The annual report on the LKSG is publicly available on our corporate website for 7 years.



Morten Møberg Nielsen

CEO Netto ApS & Co KG