



## **POLICY STATEMENT ON RESPECT FOR HUMAN RIGHTS**

### **1 PRINCIPLES**

The business activities of the HiPP Group (hereinafter referred to as HiPP) are characterised by fundamental values based on trust, fairness, and reliability. As a company, HiPP regards respect for human rights as an indispensable part of its corporate responsibility. This policy statement on respect for human rights is an important addition to the HiPP PRINCIPLES.

For us at HiPP, it is essential that we always act responsibly in our business activities. One of our core principles is strict compliance with the law. We are committed to complying with all applicable legal obligations and regulations and to acting in accordance with ethical principles at all times. In this regard, we pledge to observe and respect the following internationally recognised standards.

- the Universal Declaration of Human Rights
- the International Covenant on Civil and Political Rights
- the International Covenant on Economic, Social and Cultural Rights
- the International Labor Organisation's Declaration on Fundamental Principles and Rights at Work
- the United Nations Guiding Principles on Business and Human Rights

This declaration of principles forms a binding basis for the human rights due diligence of the HiPP Group in accordance with the German Supply Chain Due Diligence Act (LkSG) and has been adopted by the management of the HiPP Group.

### **2 HUMAN RIGHTS**

HiPP is committed to protecting the following human rights within the framework of its own business activities and expects the same from its direct suppliers:



Prohibition of child labour: In recognition of the fundamental importance of the right to education and in compliance with the international framework and national laws, HiPP firmly rejects any form of child labour. We are committed to ensuring that the minimum age for employment is respected in accordance with internationally recognised standards and legal requirements to protect the rights and dignity of children.

Prohibition of forced and compulsory labour: HiPP has a clear policy of strict opposition to forced and compulsory labour. Our corporate principles and values are in line with the international consensus that any form of involuntary labour is unacceptable. We are committed to upholding the highest ethical standards and ensuring respect for fundamental human rights throughout our supply chain.

The right to health and safety at work: Promoting health and safety at work is not only a matter of course at HiPP, it is a key requirement of our day-to-day operations. Every employee is called upon to make an active contribution to safety and health at work by complying with the relevant regulations and promoting their implementation. Our responsibility goes beyond individual wellbeing to create a work-friendly environment for all.

Freedom of association, the right to collective bargaining and the right to strike:

HiPP respects and promotes the right of our employees to freedom of association, the right to join or not to join a trade union, the right to collective bargaining and the right to strike in accordance with the laws applicable at the place of work. We recognise the importance of collective bargaining as a means of improving working conditions and are committed to open dialogue between employers and employees.

Equal opportunities and protection from discrimination: HiPP fosters a culture of equal opportunity, mutual respect, and trust. We treat all employees, partners, and customers equally, respectfully, and fairly, regardless of their gender, age, skin colour, cultural background, ethnic origin, sexual identity, disability, religious affiliation or philosophy of life. We aim to create an inclusive working environment where diversity is seen as a strength.



Compensation and benefits: HiPP guarantees that the remuneration and other benefits provided to all employees meet at least the legal requirements of the respective countries.

We recognise that adequate remuneration is fundamental to the quality of life of our employees. We are therefore committed to ensuring regular and fair wages that provide a decent standard of living.

Human rights and the environment: At HiPP, we consider environmental and climate protection to be key corporate objectives. In all our business activities, we focus on environmentally friendly, resource-saving and energy-efficient approaches to product development, production, and transport. In line with the Supply Chain Duty of Care Act, we do not use substances classified as hazardous, such as mercury and persistent organic substances. Our responsibility extends beyond the economic to the sustainable preservation of the environment for future generations.

Protecting local communities and indigenous peoples: HiPP recognises the impact of its business activities on local communities and is committed to respecting the rights of these communities and indigenous peoples. We strive to operate in a responsible and sustainable manner, giving equal consideration to environmental and social concerns. Through dialogue and cooperation with affected communities, we seek to bring about positive change and make a sustainable contribution to the development of these regions.

Protecting human rights in the use of security forces: When HiPP uses private or public security forces to protect our operations, we place the highest value on ensuring that international human rights are fully respected. Any form of torture, inhumane treatment or harm to life and limb by private or public security forces is strictly rejected by HiPP. We are committed to ensuring that all security measures comply with human rights standards and provide a safe working environment without compromising the fundamental rights and dignity of individuals.



### **3 IMPLEMENTATION OF DUE DILIGENCE OBLIGATIONS**

#### **3.1 Own Business and Direct Suppliers**

##### **3.1.1 Risk management and accountability**

To describe the due diligence obligations in risk management and responsibility with regard to our own business area and our direct suppliers in more detail, we at HiPP have introduced a comprehensive risk management system. This serves to ensure compliance with all due diligence obligations within the scope of our business activities and along the entire supply chain.

The Compliance Department is responsible for the implementation and continuous development of this risk management system.

Each manager at HIPP is responsible for the full implementation of human rights due diligence in their respective areas of responsibility. This responsibility extends not only to their own business unit, but also to all direct suppliers. This includes identifying, assessing, and managing potential risks of human rights abuses along the entire value chain.

Managers are required to fully communicate the contents of this Policy Statement to their employees to ensure that all team members are aware of the due diligence requirements and can actively contribute to their fulfilment. Emphasis is placed on raising awareness of the importance of human rights in our business activities.

##### **3.1.2 Risk Analysis**

To ensure compliance with due diligence requirements as part of our risk analysis, we conduct comprehensive due diligence reviews on a regular basis, both annually and as needed. Our focus is on identifying potential human rights and environmental risks both within our organisation and among our direct suppliers. This careful analysis includes both country and business model risks to provide a comprehensive picture of potential exposure.

We use a range of criteria, aligned with the UN Guiding Principles, to assess the risks identified. We look at the issues of magnitude, scope and remediability to ensure that the identified risks are



appropriately assessed. These criteria enable us to understand the scope of the risks, quantify their potential impact and assess the options for remediation.

The likelihood of the identified human rights and environmental risks occurring is also thoroughly analysed. We place a strong emphasis on not only identifying the potential risks themselves, but also understanding their likelihood and impact. This proactive approach allows us to prioritise risks according to their urgency and significance.

When we identify priority risks through regular risk analysis, we take immediate action. These measures are designed to minimise the risks identified, to take preventative action and to ensure that our operations meet the highest standards of human rights and environmental protection. Our ongoing commitment to due diligence is reflected in our systematic approach to risk assessment.

The results of the risk analysis are regularly communicated in full and in detail to the management of the HiPP Group.

### 3.1.3 Preventive measures

HiPP has introduced comprehensive measures to prevent possible violations of human rights due diligence. A wide range of measures have been taken in its own business to ensure the implementation of due diligence as a preventive measure. These include not only the integration of human rights due diligence into the procurement strategy, but also targeted training for employees to create a comprehensive understanding and awareness of the relevant requirements.

Regarding HiPP's direct suppliers, specific measures are taken as part of the preventive measures to implement human rights due diligence in the selection of suppliers.

This includes careful consideration and due diligence at the supplier selection stage. In addition, contractual clauses with suppliers are adapted and expanded to ensure that human rights issues are adequately addressed and incorporated into contracts. These measures not only fulfil due diligence obligations, but also contribute to a responsible and sustainable supply chain.



Based on the risk analysis, specific preventive measures are anchored - at HiPP itself and in relation to our direct business partners/suppliers.

The preventive measures are evaluated and tested for effectiveness on an annual basis.

#### 3.1.4 Remedial measures

If we or one of our direct suppliers is found to have violated due diligence or human rights, we are strongly committed to taking the necessary corrective action. Implementing measures to ensure due diligence and human rights compliance is of the utmost importance to us. In such cases, we will take immediate steps to ensure that the identified violations are ended. We place particular emphasis on taking appropriate and effective action to protect the rights and dignity of those affected. If, after repeated requests, we find that the agreed remedies are not being implemented or are not being implemented adequately, this may ultimately lead to the termination of the business relationship.

The corrective actions taken will be evaluated annually to determine their effectiveness.

#### 3.1.5 Complaints Procedure

Our commitment to implementing due diligence is reflected in our comprehensive Complaints Mechanism, which serves as a central mechanism for reporting concerns. We take great care to ensure that the information we receive is treated impartially, independently, and confidentially.

Our complaints process not only provides a dedicated channel - <https://hipp.integrity.complylog.com> - for reporting concerns about human rights violations or environmental impacts, but also ensures a detailed and transparent approach throughout the process. In addition to this central channel, employees can also contact their local Compliance Officer, the Global Group Compliance Manager or the



HiPP Human Rights Officer to ensure that potential violations are promptly addressed.

To further ensure the transparency and accessibility of our Complaints Mechanism, the procedure is publicly available on our website <https://www.hipp.de/ueber-hipp/unternehmen/compliance/>. It is also posted in all our facilities to ensure that all employees have easy access to it. This underlines our commitment to promoting open communication and ensuring that our due diligence obligations are effectively implemented.

To ensure that our whistleblowing procedure remains of the highest standard, it is subject to regular annual evaluation. The purpose of this evaluation is to review the effectiveness of the procedure and to ensure that it is continually adapted to changing needs and challenges. We remain firmly committed to ensuring sustainable and ethically responsible business operations through the consistent implementation of our due diligence procedures.

### **3.2 Indirect Business Partners/Suppliers**

At HiPP, we are committed to identifying our indirect business partners and suppliers to fulfil our due diligence obligations. This process is essential to ensure that our supply chain meets the highest standards of human rights and environmental protection.

If HiPP has significant evidence that indirect suppliers may be violating human rights or environmental obligations, we will take immediate action. This includes conducting a comprehensive risk analysis to thoroughly assess potential hazards and risks. Based on the results of this analysis, a tailored approach is developed to prevent, end, or minimise violations through targeted engagement with the originator.

To ensure that our due diligence efforts with indirect business partners and suppliers are effective, we establish transparent communication channels and work closely with our suppliers. This allows for the ongoing exchange of information and implementation of best practices to ensure that all parties comply with the highest standards of human rights and environmental protection.



#### **4 DOCUMENTATION AND VERIFICATION**

We carefully document our methodology, processes, and results. An annual assessment and review of the effectiveness of our preventive and corrective actions is conducted. The results of this evaluation are also reported annually to management.

#### **5 COMMUNICATION**

This policy statement will be brought to the attention of all employees and their representatives in an appropriate manner and will be made publicly available.

We aim to ensure that this policy statement always reflects our current policies and values by regularly updating and continuously developing it.

#### **6 CONTACT**

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