

Corporate Social Responsibility (CSR) - Policy

Rapunzel Naturkost GmbH
version 3, January 2022

Background

Rapunzel Naturkost GmbH is an internationally operating company with a wide range of approximately 600 organic food products sold at natural health food retailers. From the very beginning, the production and marketing of healthy, high-quality organic food has been a major concern for Rapunzel. Rapunzel products have always been 100% organic. Besides the production of high quality food in compliance with organic standards, the commitment to social and environmental aspects that go beyond the requirements of the EU organic regulation are fundamentally important to Rapunzel's activities. Social and environmental aspects have been part of the Rapunzel philosophy and vision ever since.

Policy Scope

This CSR policy applies to the company Rapunzel Naturkost GmbH with premises in Legau and Bad Grönenbach, Germany. The policy covers the company's commitment concerning national and international laws and regulations, social responsibility and the "Rapunzel Together" within the company. It further covers the company's responsibility within the supply chain and towards clients and final consumers.

National and International Laws, Standards and Regulations

National and international laws, standards and regulations form the basis of the Rapunzel vision and philosophy (<http://rapunzel.de/philosophie.html>). Rapunzel undertakes to comply with the following:

- Compliance with relevant national laws
- Compliance with relevant regulations at EU level
- Compliance with the EU organic regulation
- Universal declaration of human rights, human rights due diligence
- United Nations Global Compact
- ILO (International Labor Organization) Conventions
- SA8000 principles
- IFOAM Norms and IFOAM guidelines for social justice

The company Rapunzel is also certified according to voluntary organic, social standards, fair trade standards and environmental standards and undertakes to commit itself to the following standards:

- Standards of organic associations: BioSuisse, KNOSPE, Demeter, KRAV, Naturland (for specific products)
- IFS Food Standard
- For Life certification standard for Corporate Social Responsibility
- Criteria of the HAND IN HAND fair trade program
- Fair for Life certification program for fair trade & responsible supply chains (for specific products)
- FLO Fairtrade International Fairtrade standard (for specific products)
- RSPO Roundtable on Sustainable Palmoil, standard for sustainable palmoil
- EMAS

Social Responsibility within the Company and the "Rapunzel Together"

For generating positive financial outcomes and securing long-term value creation, it is key to continuously adapt to changing conditions and market requirements. This builds the basis for fulfilling corporate responsibilities and commitments of an employer and towards suppliers and clients, and it is crucial in order to be able to ensure the creation of stable and secure jobs in the long-term.

The company's compliance with the **German Health and Safety at work Act (deutsche Arbeitsstättenverordnung, ArbStättV)** allows Rapunzel to offer workers and employees a secure

and healthy workplace at all Rapunzel premises (in Legau, Allgäu and Ören, Turkey). Rapunzel staff additionally benefits from healthy meals offered at the company's canteen.

The conventions of the International Labour Organization (ILO) build a crucial foundation for the activities carried out at all Rapunzel-owned sites. This concerns particularly the following ILO conventions:

- No.1: Hours of work
- No.87: Freedom of Association and Protection of the Right to Organize
- No.98: Right to Organize and Collective Bargaining
- No.29: Forced Labour
- No.105: Abolition of Forced Labour
- No.100: Equal Remuneration
- No.102: Social Security
- No.132: Holidays with pay
- No.103, 183: Maternity Protection
- No.111: Discrimination (Employment and Occupation)
- No.135: Workers' Representatives
- No.182: Worst Forms of Child Labour
- No.138: Minimum Age
- No.155, 164: Occupational Safety and Health
- No.158: Termination of Employment
- No.159: Vocational Rehabilitation and Employment (disabled persons)

Rapunzel pays fair and equitable wages. A profit-sharing bonus program turns all employees into co-entrepreneurs. High staff satisfaction and long-term job tenure is just as important as it is to encourage and challenge employees.

For this purpose, it is important to treat each other fair and with mutual respect. Part of this is to create an environment, which is fun to work in. Furthermore, flexible working-time models aim to foster the reconcilability of family and working life. The workers' representatives (Betriebsrat) represent the interests of all workers and employees and contribute to a positive working environment.

Rapunzel staff has agreed upon rules for daily interactions within the company. In 2021 these rules have been defined within in a **Code of Conduct („Rapunzel Together“)**. The code of conduct is based on the company's values as well as the legal and social framework within which the company operates in. It defines binding rules for all Rapunzel staff, executives and the management board. The **house rules** define specific rights and obligations of the company staff concerning their daily work.

Responsibility in the supply chain

A central concern for Rapunzel is the long-term promotion and safeguarding of organic agriculture. Rapunzel strives for long-term cooperation on eye level with all its suppliers and aims at further developing key topics together with its suppliers such as topics revolving around organic cultivation,

This also includes the process and supply chain of each product, and the people engaged at the various levels of the chain. Aspects of human rights due diligence are embedded in the Rapunzel vision and philosophy. Treating farmers, workers and employees with dignity and respect and complying with internationally agreed labor standards is inherent to all Rapunzel activities. We expect our suppliers and our other business partners to share the basic values of our thinking and acting.

The Rapunzel Code of Conduct for Suppliers builds the foundation for the cooperation with our suppliers. This code of conduct contains the basic elements of a social standard and requires suppliers, among other things, to comply with the conventions of the International Labour Organization (ILO). Additional key elements of the code of conduct are environmental aspects, product quality and process- and upstream value-added chains. The recognition and self-commitment to comply with the Code of Conduct for Suppliers is a prerequisite to engage in a supply cooperation with Rapunzel. The suppliers' compliance with the requirements defined in the Code of Conduct for Suppliers is examined systematically through the Rapunzel supplier self-declarations and during regular on-site audits at the premises of the suppliers.

The written self-declarations of suppliers, regular on-site audits, direct contact with suppliers, traceability and external assessments and certifications are central elements in order to create transparency and safeguard product quality along the entire supply chain.

Regular, direct contact with suppliers, mutually transparent and open communication, but also clear and binding agreements on volumes and price from a crucial element of our long-term relationships with suppliers. Rapunzel stipulates clear and written agreements with the suppliers at the beginning of each harvest season and complies with these agreements. The regular exchange with suppliers shall create an understanding for the respective local context of the suppliers. Adequate raw material prices shall ensure sufficient value creation for suppliers.

Long-term and stable trade relations and adequate prices as well as the requirements defined in the Code of Conduct for Suppliers constitute an important basis for Rapunzel suppliers upon which they can take over corporate responsibility themselves. This includes safe and stable jobs, healthy workspaces, compliance with applicable laws and standards as well as fair remuneration for employees.

Rapunzel's own corporate commitments and defined criteria regarding the responsibility along the supply chain, the selection and development of suppliers and maintenance of supplier relationships are defined in the company's **Ethical Sourcing Policy**.

Rapunzel has particularly close relationships with the HAND IN HAND suppliers. The company's engagement and commitment regarding HAND IN HAND and fair trade are defined in more detail in the company's **Fair Trade policy**.

Clients and final consumers

Rapunzel offers clients and final consumers high quality products and very good service and advice. Transparency within the supply chain and a transparent and honest communication towards clients and final consumers are important company values.

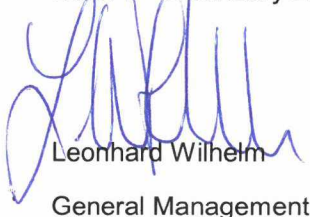
Environmental aspects

Rapunzel is EMAS-certified since 2016. Rapunzel also has an environmental policy since 2021 that defines the company's environmental goals and principles. The environmental goals include operative and strategic goals that are both monitored and updated yearly.

Continuous improvement, monitoring and reporting

Rapunzel has defined specific goals in regard to CSR as part of its sustainability goals. The departments responsible for sustainability and the company's sustainability working group regularly monitor and update the company's sustainability goals. The Workers' representatives (Betriebsrat) are actively involved in the continuous improvement of the Rapunzel company sites. Public reporting on CSR activities is done all three years in the form of a company's sustainability report. Since 2021, Rapunzel follows the Global Reporting Initiative (GRI) standards for sustainability reporting. In the future, Rapunzel's sustainability goals shall be aligned even closer with the commitments outlined in this present policy. The sustainability goals will be continuously monitored and regularly amended.

Date: 7th of January 2022



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