

Policy Statement

GELITA's Commitment on observing human rights and environmental due diligence obligations in the own business areas and global supply chain



GELITA produces gelatin, collagen and collagen peptides from natural raw materials obtained from by-products of meat production. Consumers encounter our innovations and products almost everywhere in their daily lives – in drug capsules, nutritional supplements for healthy joints and strong bones, fruit gums, fertilizers, biodiesel and much more. Founded in 1875, **GELITA** has its roots in Germany and is headquartered in Eberbach.

Our purpose, “**Improving Quality of Life**”, represents a big promise and at the same time a great responsibility. As one of the leading manufacturers of gelatin, collagen and collagen peptides and a globally operating company with more than 2,800 employees, we are particularly committed to sustainable corporate governance, the environment, our employees and society.

Our Commitment

Respecting human rights and our environment is a fundamental element of responsible corporate governance for **GELITA**.

We are committed to **fulfilling our responsibility** and ensure that respect for human rights and the protection of our environment is established and implemented in every part of our **own business areas** and in our **global supply chain**.

This policy statement applies to **all entities and business divisions of the GELITA group** and its employees.

National and international guidelines

As a global operating company with more than 20 legal entities worldwide we are committed to comply with the **German Supply Chain Due Diligence Act** and the within listed internationally recognized human rights and environmental standards.

GELITA always respects applicable national law. If there is a conflict between international human rights principles and national regulations, **GELITA** always strives to comply with international guidelines as far as possible.

Risk management, process & responsibilities

For awareness and observance of all business risks and, by association, human rights and environmental due diligence obligations, **GELITA** defined and established a **comprehensive group-wide risk management system**.

For supply chain compliance risks our risk management process aims to avoid potential violations and related negative impacts from the outset. If violations still occur, the risk management is directed to eliminate or minimize as far as possible. In order to achieve these goals, we have implemented appropriate provisions in our own business area and in our global procurement processes.

To ensure compliance with the human rights and environmental strategy internally, **GELITA** has established a clear **structure of roles and responsibilities**. Our **human rights officer** supervises and monitors all operational processes and measures and informs the management at least once a year.

Risk analysis

In order to fulfill our **duty of care**, **GELITA** continuously monitors its global supply chain regarding the actual or potential human rights violations or abuses of environmental due diligence obligations.

We conduct **annual risk analyses (“regular risk analysis”)** to identify, assess and prioritize potential and actual negative impacts on human rights and environmental due diligence obligations in our own business area and at our direct suppliers. We rely thereby also on the expert knowledge of external service providers.

Direct suppliers and **GELITA’s own business area** are subject to a **initial risk analysis** using a digital risk analysis tool based on country risk, industry risk, publicly available reports, reported complaints and the so-called impact, which is derived from the ratio of purchasing spend of **GELITA** to the supplier's total turnover (if known). If necessary, this is followed by an **in-depth detailed analysis (“concrete risk analysis”)** in order to specify the concrete risks. For **GELITA’s** own business area a concrete risk analysis will always be conducted, regardless the results of the initial assessment. For carrying out the concrete risk analysis, questionnaires are used

primarily to determine human rights and environmental risks. The answers must be demonstrated in a suitable manner, e.g. in the form of certificates.

If there is substantiated knowledge of a breach at indirect suppliers, these are integrated into the risk management process in the same way as direct suppliers, where possible.

In the case of changes or restructuring of our business activities, we also conduct ad hoc **risk analyses**.

Sector- and company-specific risks

GELITA carried out an initial risk analysis as a basis for assessing and prioritizing the risks for its own business areas and for its direct suppliers, which led to the following findings:

1. The potential for human rights and environmental risks for our **own business area** is considered to be **low overall**. In **production and logistics areas, health and safety** is a priority area of risk due to the nature of the industry.
2. In terms of **direct suppliers**, the highest risk potentials are to be found due to the fundamental country risks **primarily with direct suppliers outside of Europe**. In terms of risk categories, no clear focus can be identified among suppliers although **health and safety** is also a priority area there.

When implementing our due diligence obligations, we therefore do not focus on specific risks or risk categories, but rather on the need for action arising from the various risk areas. Here we proceed according to the criticality of the risk.

As part of our risk management identified risks will be put to an appropriateness test and investigation efforts will be increased as required.

Preventive & corrective measures to mitigate risks

In order to **fulfill our responsibility**, appropriate **preventive measures** are a fundamental part of our risk management processes. Preventive measures are defined and implemented for our own business area as well as for direct suppliers and, in the event of substantiated knowledge, for indirect suppliers.

The main conventions and principles for our **own business area** are reflected in our **Code of Conduct** as the binding basis for our actions at all levels of **GELITA** group. This applies to all employees of **GELITA**. Supported by further **internal guidelines**, such as our “Group Policy Supply Chain Compliance”, associated internal **trainings** are held to raise the necessary awareness of respect for human rights at our sites. Furthermore, **risk-based control measures** have been implemented to monitor compliance with the human rights strategy contained in the policy statement in our own business area.

GELITA handles human rights or environmental risks that we have identified with **our direct suppliers** with the following, not exhaustive list, of appropriate preventive measures:

- Efforts are made to ensure that direct suppliers comply with our **Supplier Code of Conduct** that structures dealings together with our **associated expectations** concerning human rights and the environment.
- Definition of **criteria** for selecting a direct supplier with taking specific human right standards and environmental due diligence obligations into account as long as the business relationship lasts.
- If the risk level is determined to be medium or high, the supplier will be invited to participate in an assessment. During this assessment, they will be required to complete a questionnaire and provide supporting evidence, such as certificates. Additional measures will be implemented as needed.
- If a medium or high risk remains after all questions have been answered and necessary evidence provided, additional measures will be initiated, such as conducting audits, signing contracts, and providing individual guidance.
- Other suitable measures are initiated as required.

If there are actual indications that violations at an **indirect supplier** could have occurred, the causer will be immediately integrated in our risk management and appropriate preventive and corrective measures will be developed.

In case the precautionary measures have not sufficed and a violence in the area of human rights and environmental due diligence obligations occurs or is directly imminent within our **own business area**, we will ensure that the violation will be eliminated immediately.

If there are breaches with one of **our direct suppliers or, if credible information is available, also indirect suppliers** in our supply chain, we will endeavor to take appropriate remedial action and resolve through the following **corrective measures**:

- We expect and require our suppliers to immediately **identify and report** actual human rights violations and violations against environmental due diligence obligations.
- Our concept for **ending or minimizing** the violation defines a concrete plan for agreed measures with deadlines and responsibilities together with the responsible party. If necessary, we support our business partners in implementing the necessary measures.
- If the breach will not be resolved, **GELITA** retains the right to **suspend or terminate the business relationship**.
- Industry initiatives and the exchange within our network together with other companies help us to **find efficient solutions** that lead to the termination of the violation in our supply chain.

In general **GELITA** derives continuously appropriate measures from the implementation of the risk analyses, public available reports, the complaints procedures, experience from internal projects, controls or audits.

Complaints procedure

Despite GELITA's careful handling in relation to the area of human rights and environmental due diligence obligations violations can still occur.

For affected employees in our own business area, for external business partners (e.g. direct or indirect suppliers along our supply chain, customers) and other interested third parties, GELITA provides access for an **appropriate and effective complaints procedure** to report violations. The complaints procedure serves as a valuable whistleblower system for identifying actual and potential violations.

Reports can be made namely or anonymous at any time and will be always treated strictly confidential. All available reporting channels are communicated internally and published, as well as further details about the complaints procedure and the dealing with reports, on our company website. The whistleblower system can be accessed via this [link](#).

Effectiveness test

GELITA reviews the effectiveness of all of the described processes and measures, including the complaints procedure, on an annual and ad hoc basis using predefined effectiveness criteria for individual cases. Whenever necessary, processes and measures will be adjusted respectively, also in the sense of the continuous improvement.

Documentation & reporting


GELITA documents constantly all activities concerning human rights and environmental due diligence obligations in its own business area and in the supply chain and reports annually on current due diligence processes. From the beginning of 2025, this respective GELITA **annual human rights and environmental due diligence report** will be transmitted to the Federal Office of Economics and Export Control (BAFA) and will be also publicly accessible to interested parties on our company website.

This policy statement will be communicated internally within the GELITA group and externally and will be publicly available in the respective current version on our company website.

Revisions will be implemented on an occasion-related basis.

Eberbach, November 2024

GELITA AG



Dr. Peter Hill
Chief Executive Officer



Jan Christoph Teetz
Chief Financial Officer



Michael Van Elsacker
Chief Operating Officer