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## Modern Slavery Statement of the Melitta Group



## The Melitta Group

The Melitta Group issues the following statement on slavery and human trafficking in compliance with Section 54 of the Modern Slavery Act 2015. It sets out all the steps taken by relevant group companies during the financial year ending 31 December 2020 to prevent modern slavery and human trafficking in its business and supply chains.

Modern Slavery represents one of the biggest challenges for our global economy and society. According to the 2016 Global Slavery Index, more than 40 million people are still victim of modern slavery. No business is immune.

The Melitta Group is fully aware of the risks in relation to modern slavery and human trafficking that might exist in our supply chains. Therefore, we, the Melitta Group, are strongly committed to conducting due diligence to address human rights risks (including modern slavery or human trafficking) within our supply chains and to improving transparency.

## Our business

Melitta is a family owned international group with over 110 years of tradition. Melitta has numerous brands and products covering a wide range of needs and services, which are divided into 4 different business segments. We are a manufacturer of products for coffee (1), coffee preparation (2) and household products (3). In addition, we produce special papers for the wallpaper industry and industrial films for food packaging (4). The Melitta Group is a group of companies that operates worldwide, comprising 15 operating divisions, 5 corporate divisions and a service unit with over 5,654 employees in total. We are located with own locations in 59 countries around the world. The parent company of our group of companies is the Melitta Unternehmensgruppe Bentz KG based in Minden, Germany. In 2019, our Group achieved sales of 1.7 billion euros (previous year: 1.5 billion euros).

More information about the Melitta Group and our worldwide operations can be found in our annual report from 2019, which can be downloaded [here](#).

## Our supply chains

Our group companies' supply chains are global and varied. They extend through various tiers from strategic manufacturing partners, to componentry and materials suppliers, to raw material sources, such as green coffee beans or pulp.

The Global Procurement function drives the alignment of relevant Group sourcing policies which shall apply within the different business units. This function is also responsible for the strategic sourcing of selected products and services that are commonly used in the different business units.

On top of operational purchasing each business unit conducts the strategic sourcing of defined products and services that are more specific to their needs. The sourcing of coffee, for instance, is managed by the respective group company independently.

In our Coffee business we are particularly reliant on procuring raw coffee, which we process in our own roasting facilities in Germany, North America and South America. We purchase coffee from almost all coffee-growing regions in the world in order to source the quality and quantity we need. We source our green coffee from farmers, cooperatives, exporters, importers and international green coffee traders.

## Our approach

When sourcing our materials, we consider of great importance that we engage and work with suppliers who share our canon of values. Our supplier selection and evaluation take into account respect for human rights and adequate working conditions. In order to ensure that all units adopt and apply the same standards we are continuously working on further improving our approach when engaging with suppliers.

## Governance

The Melitta Group's sustainability engagement is part of the remit of Chief Corporate Management, consisting of Jero Bentz and Volker Stühmeier. Ensuring that there is no form of modern slavery or human trafficking and to improving transparency and addressing risks in our supply chains and in any part of our business is an integral part of our sustainability engagement.

The corporate division Communication & Sustainability reports directly to Chief Corporate Management. Its task is to develop sustainability engagement further in conjunction with Corporate Development and the operating divisions, to ensure it is integrated into the business strategies, and to coordinate its implementation and execution. More information about our sustainability governance can be found in our sustainability statement, which can be downloaded [here](#).

## Commitments

The Melitta Group has a policy of strict compliance with international and national law. Moreover, and in line with our strong commitment to respect human rights, the Melitta Group adopted in 2018 a Code of Conduct, which derives from and refers to the International Labour Organisation (ILO) Core Labour Standards and the Universal Declaration of Human Rights (UDHR). These instruments strictly forbid all forms of modern slavery and deem the elimination of forced labour and the effective abolition of child labour as fundamental. Our Melitta Code of Conduct reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

We expect managers and staff from all companies of the Melitta Group to comply with the Melitta Code of Conduct. For that, senior managers are in charge of assuring that the code of conduct is fully observed and respected by all employees. In addition to this, compulsory online training courses on compliance are currently being developed.

Yet, being fully aware of the risks of modern slavery that might still exist in parts of our wide supply chain, the Melitta Group has implemented a Group-wide Supplier Code of Conduct, which contains clear and uniform requirements for the observance of human rights and is part of all our supplier relationships. The Supplier Code of Conduct is part of contractual agreements with 100% of Melitta's suppliers. This provides us with uniformity and consistency in our course of action when tackling any form of modern slavery and sets out the way in which we interact with business partners. In doing so, we focus once again on the ILO's core labour standards outlining our human rights concerns, including the prevention of modern slavery and human trafficking.

## Due Diligence

We aim at conducting human rights due diligence in line with international standards, in particular the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. We are working to continuously align our processes with these frameworks.

To fulfill our Human Rights due diligence obligations, we are developing and implementing processes which comply with the requirements of Germany's National Action Plan for Business and Human Rights which are in line with the UN Guiding Principles on Business and Human Rights. Currently we are conducting a group-wide human rights gap assessment and – based on this – developing corresponding measures to ensure that human rights are upheld in own operations and in our supply chains.

In order to ensure that all units adopt and apply the required standards we are continuously working on further improving our approach when engaging with suppliers. We have reviewed our supply chain risk management system and are currently rolling out two new tools - riskmethods and Integrity Next - to support us in assessing risks in our supply chains. These tools include a self-assessment on human rights risks as well as mapping of allegations. We are currently rolling out this new risk management system to all relevant business units. As a next step, we want to further develop our group-wide supply chain human rights risk assessment and establish a standard audit program for the Melitta Group, including a risk-based prioritization and a strong system of consequences.

Looking at our own business operations, audits of labour conditions have already been performed in our own production sites, such as in the production facilities based in Shenzhen, China. Well aware of their importance, the Melitta Group is currently designing a more structured strategy to ensure a uniform approach when addressing these audits.

Furthermore, we are working on implementing a group-wide compliance management system to prevent non-compliance with our standards and to allow appropriate response. Melitta offers different channels for both employees and other stakeholders to report possible violations. In 2021 we will also implement a group-wide grievance mechanism and procedures to be able to early identify adverse impacts in our business and supply chains.



## Training

Our managers and relevant staff members receive training on compliance with legal requirements to raise employees' awareness of the risks and to ensure that all these legal provisions are observed throughout the company. Additionally, all employees will receive training on the principles and rules enshrined in the Code, including respect for human rights and the prohibition of any form of modern slavery.

## Reporting

The Melitta Group is committed to report and communicate publicly on our progress on the matter, annually through this Modern Slavery Act Statement and in addition to that in our annual Melitta Group Sustainability Report.

This statement was approved by the Board of Directors of Melitta Group Management GmbH & Co. KG on 31.12.2020.



Jero Bentz



Volker Stühmeier