

beeline group

Sustainability Governance and Management System

How we govern and manage
sustainability topics
October 2024

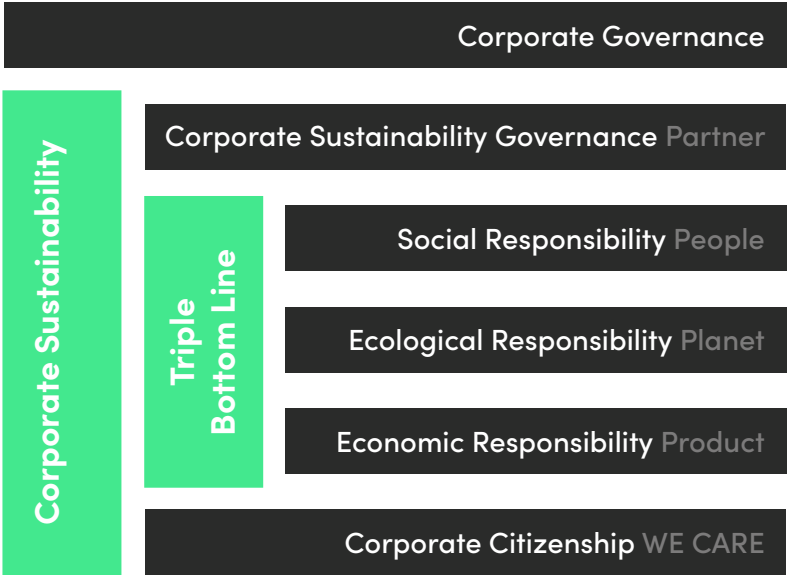
Sustainability Governance and Management System

Sustainability topics can be diverse and complex. Often, there is a huge amount of effort involved in assessing **what to do** or **who should be responsible**. This is why, in 2023, we developed and published our Sustainability Governance and Management System that defines how we govern and manage sustainability topics.

How our Sustainability Governance works

We define Sustainability Governance as the legal and factual regulatory framework for the management and monitoring of more sustainable value creation activities, taking into account the interests of relevant stakeholder groups. Our Sustainability Governance **fits within the larger corporate governance of the beeline Group**. Corporate Sustainability operates according to our corporate values and the laws and guidelines that apply to the wider beeline Group.

Our Sustainability Governance operates in five fields: First, we take on a **“Partner”** focused responsibility for compliance with relevant sustainability laws and guidelines as well as sustainability requirements that our sales partners might have. Second, we take on a **“People”** centric social responsibility for any topics relating to our employees, workers in the value chains, affected communities as well as consumers. Third, we have a **“Planet”** focused ecological responsibility that comprises, for example, our efforts for climate protection and a more sustainable chemicals management. Fourth, we take on a **“Product”** centric responsibility that focuses e.g. on resource use, more sustainable materials, and quality management. Fifth, we implement our Corporate Citizenship activities that come under **“WE CARE”** and that comprise of donations, sponsorships, and social engagement activities.



Overview of our sustainability governance

How it fits in with our corporate governance

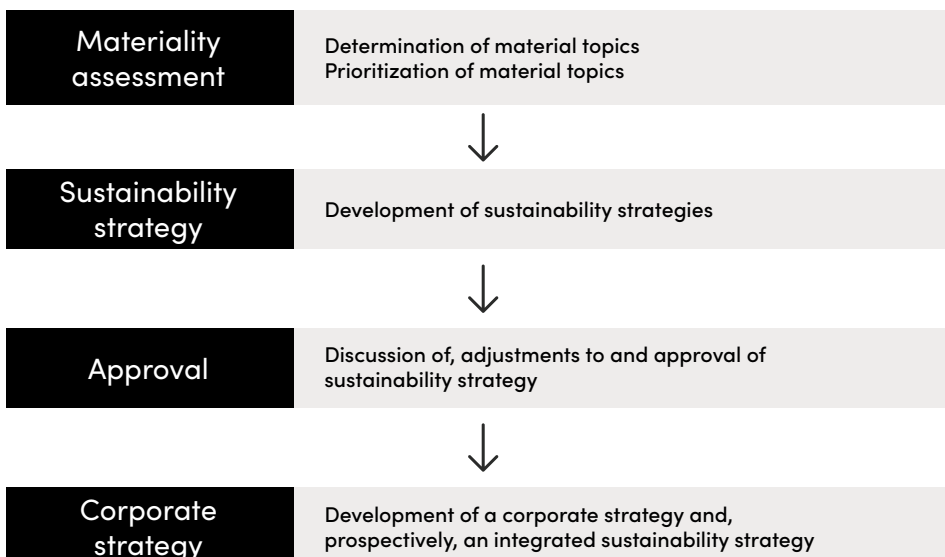
Our Sustainability Governance sits within the larger corporate governance of the beeline Group. **The group is steered by four Boards and the Mission Team.** The highest governance body is the Board of Directors which is responsible for the overall management of beeline. The Europe Board and the North America Board manage their respective business divisions. The Advisory Board is responsible for beeline’s strategic orientation. The Mission Team is responsible for group-wide prioritization and decision-making. The Boards and the Mission Team are connected by their respective chairpersons and the Board of Directors.

The Board of Directors delegates the **accountability for the management of sustainability** to the Head of Purchasing & Corporate Sustainability. The responsibility for sustainability management lies with the Corporate Sustainability Department which is led by the Manager Corporate Sustainability. The Manager Corporate Sustainability reports regularly to the Head of Purchasing & Corporate Sustainability, the Board of Directors and the Advisory Board.

How we develop

our Sustainability Mission

Based on a double materiality assessment, we identify relevant sustainability topics and prioritize these topics within our sustainability strategy, the so-called Sustainability Mission. The Board of Directors delegates the **development of the sustainability strategy** to the Head of Purchasing & Corporate Sustainability. The Corporate Sustainability Department, in cooperation with relevant internal and external stakeholders, conducts the double materiality assessment and determines material topics. The Manager Corporate Sustainability develops the draft sustainability strategy that includes a draft prioritization of material topics. This draft is debated with the Head of Purchasing & Corporate Sustainability and the Board of Directors, and subsequently adjusted. The Board of Directors decides on and adopts the sustainability strategy



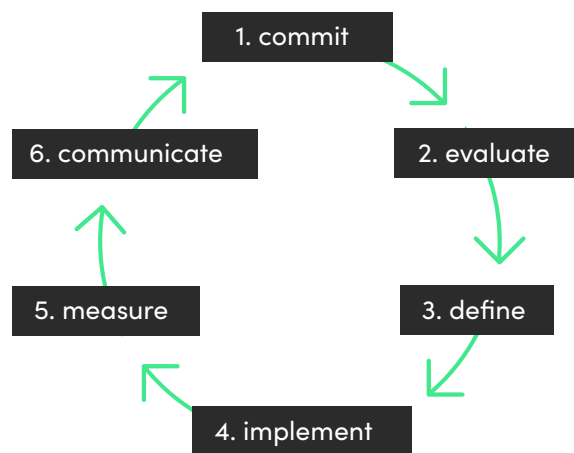
How we manage sustainability topics

Our Sustainability Management System was developed based on **recommendations by the United Nations Global Compact**. The Sustainability Management System outlines how sustainability topics are managed within beeline. It enables us to fulfill our sustainability due diligence and to embed our commitments within the organization. Through this system, we make sure that we commit, allocate responsibility, integrate requirements into strategies and processes, and collaborate with all relevant teams and stakeholders.

The Sustainability Management System consists of six steps: First, the relevant Boards **commit** to incorporating sustainability principles into strategies, corporate values, and processes. Second, we **evaluate** impacts, risks, and opportunities in all

relevant areas by means of a double materiality assessment. Third, we **define** science-based goals, strategies, and guidelines. Fourth, we **implement** these strategies throughout the organization and the supply chain. Fifth, we **measure** and monitor the impact and progress towards achieving the goals. Sixth, we **communicate** progress and collaborate with all relevant stakeholders in order to continuously improve.

The Sustainability Management System is **overseen by the Head of Purchasing & Corporate Sustainability, the Board of Directors, and the Advisory Board**. The Boards engage with the Corporate Sustainability Department and other relevant stakeholders on the outcomes of the system during regular meetings. The effectiveness of the system is reviewed regularly during these meetings and necessary adjustment are made.



1. Commitment of relevant Boards to incorporate sustainability principles into strategies, corporate values and processes and commitment to taking measures and entering into partnerships to support societal goals
2. Assessment of risks, opportunities, and impacts in all relevant areas by means of a double materiality assessment
3. Definition of scientific goals, strategies, and guidelines
4. Implementation of strategies and measures throughout the organisation and the supply chain
5. Measurement and monitoring of the impact and progress towards achieving the objectives
6. Communication of progress and strategies and collaborate with all relevant stakeholders in order to continuously improve

Our sustainability management system

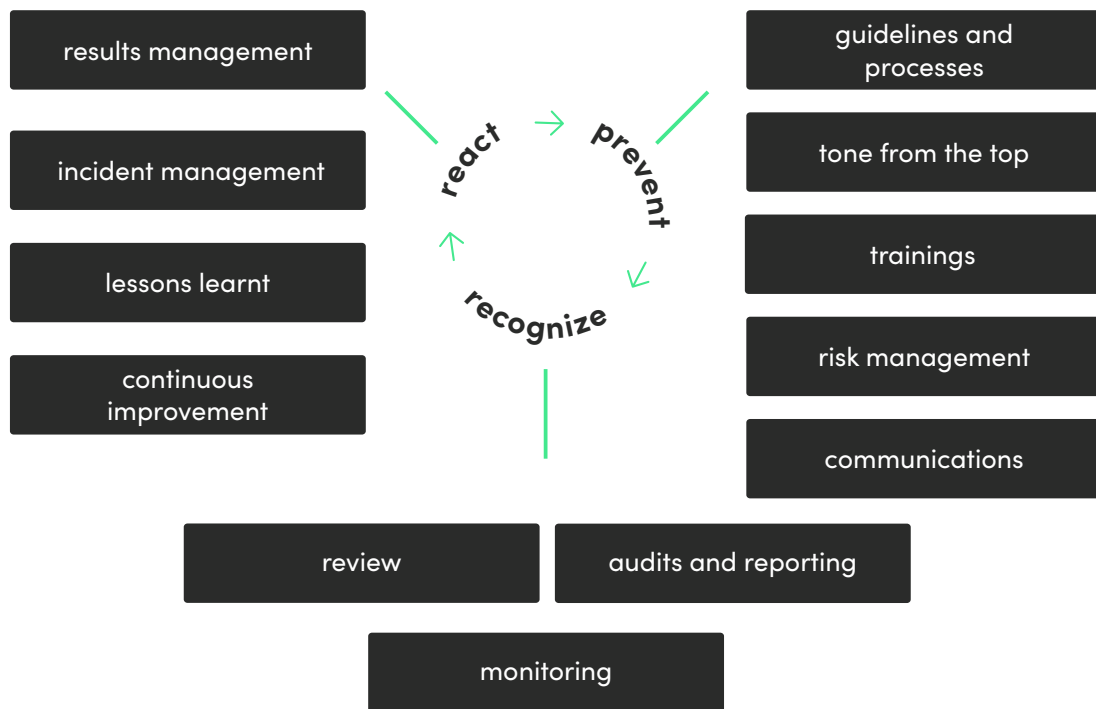
How we manage sustainability compliance

Our Sustainability Compliance Management System forms part of the described (see above) Sustainability Management System and is based on the wider compliance management system of the beeline Group. It was developed to monitor and comply with increasing **legal requirements on sustainability**. Both the Corporate Sustainability and the Legal & Compliance Departments cooperate on sustainability compliance management.

The Sustainability Compliance Management System consists of three parts: First, the **“prevent”** part comprises of measures that prevent a non-compliance from happening, e.g., the adherence to the Procurement and Conduct Guideline. Second, the **“recognize”** part makes sure that we can detect non-compliances if they happen e.g., through our Supplier Monitoring. Third, the **“react”** part includes measures to correct non-compliances in case they happened e.g., our human rights incident management.

The Sustainability Compliance Management System is **overseen by the Head of Purchasing & Corporate Sustainability, the Board of Directors, and the Advisory Board**. The Boards engage with the Corporate Sustainability Department and other relevant stakeholders on sustainability topics and on the outcomes of this system during regular meetings. Also, the Boards use these meetings to advance their collective knowledge on sustainability topics and current debates.

The effectiveness of the system is reviewed regularly during these meetings and adjustments are made. If **critical concerns** arise, then these concerns are immediately communicated to the Board of Directors and the Advisory Board and are handled within the procedures of the Global Compliance System. A critical concern is defined as an action or omission that constitutes a serious human rights or environmental violation or a violation of corporate due diligence along the entire supply chain. In 2023, one critical concern was communicated with particular diligence to the Board of Directors and the Advisory Board. It dealt with a violation regarding our requirements around Environment, Pollution & Waste Management



Our sustainability compliance management system

How we report sustainability information

Our sustainability reporting is prepared by the Corporate Sustainability Department. The information presented **is reviewed and approved by the Manager Corporate Sustainability, the Head of Purchasing & Corporate Sustainability, and the Board of Directors.**