

COBANA GmbH & Co. KG

SUSTAINABILITY REPORT

2023



PASSION AND INNOVATION POWER

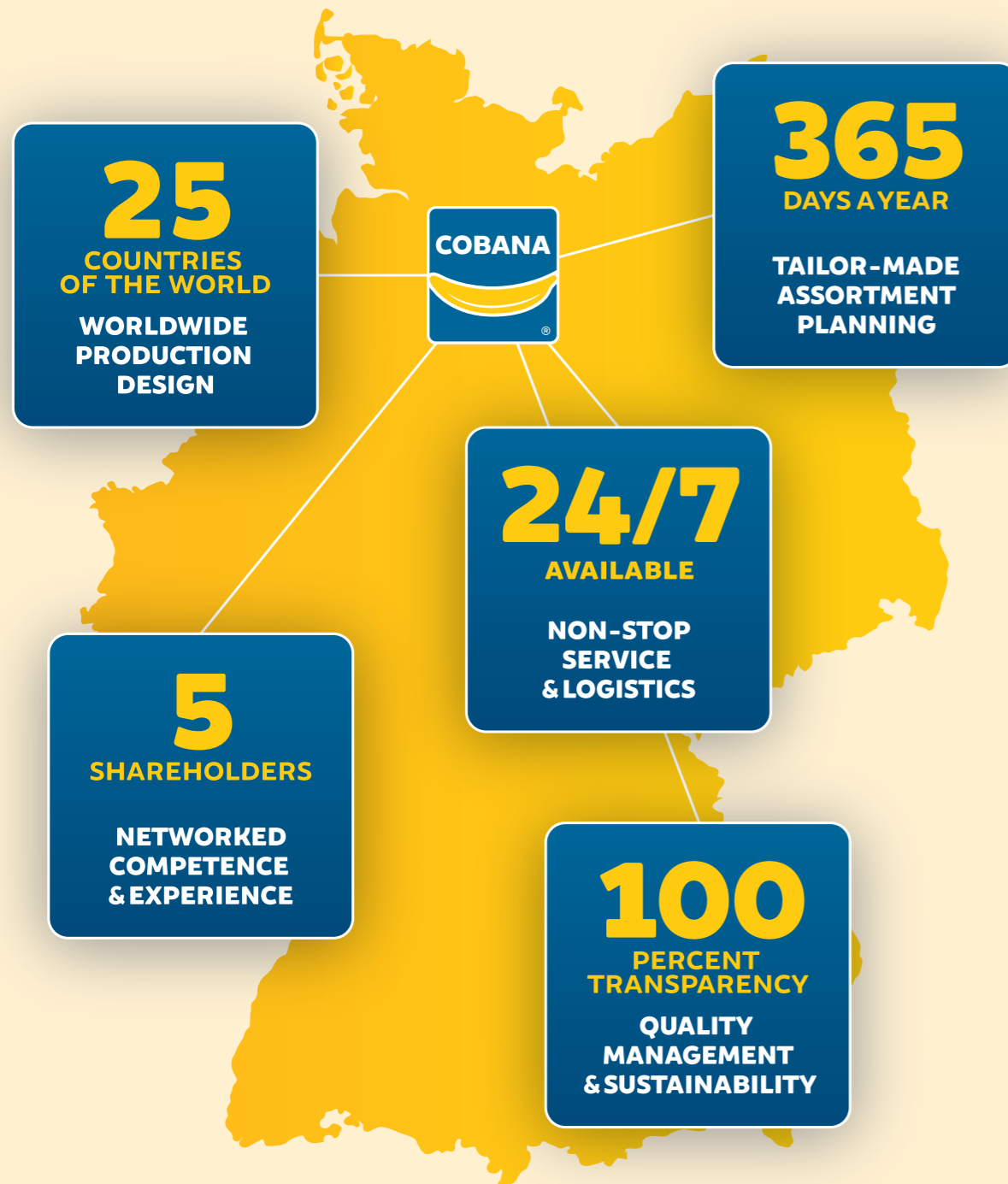


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Foreword

As an international company, COBANA considers it a responsibility to play an active role in sustainable economic development for the common good. Our core business is the global import of high-quality fresh fruit. Together with our trading partners – especially our suppliers in the growing regions – we see it as our task to use the earth’s resources carefully and at the same time to safeguard the rights and well-being of employees and their families. In this way, we contribute to a fairer distribution of resources and opportunities – today and in the future.

As a company committed to the **values of the so-called “Hamburger Kaufmann” (the Honorable Hamburg Merchant)**, we want to actively lead the way towards a sustainable future. We take our due diligence obligations seriously and include ecological, economic, and social aspects equally into our long-term business activities. **The sustainability goals of the United Nations are the guideline for our activities.**

In addition, we are guided by the UN Convention on Human Rights and the UN Global Compact. We use risk and materiality analyses to identify potential risks to the environment and human rights at an early stage and take targeted measures to minimize them. Our requirements for suppliers often exceed the legal requirements of the countries of origin.

As a specialist in the import of tropical fruit, we feel responsible for sustainable supply chains and the continuous improvement of quality and environmental standards along the entire value chain – from cultivation to transportation and logistics.

For us, the key to assuming responsibility across borders is long-term partnerships based on trust.

We are also **actively involved in international networks and multi-stakeholder initiatives** to help shape sustainable supply chains. By participating in the Science Based Targets initiative (SBTi), we are setting ourselves ambitious targets for reducing our CO₂ emissions and thus making a concrete contribution to climate protection.

Our sustainability strategy is based on years of experience in the tropical fruit trade and is continuously evolving. For the financial year 2022, it was supported by quantitative targets for the first time and published in our inaugural sustainability report. The report followed the internationally recognized principles of the Global Reporting Initiative (GRI). For our 2023 report, we are changing the framework and are basing our reporting on the European Sustainability Reporting Standards (ESRS).

In view of the high standard, this report is aimed at various interest groups. It serves as an internal guideline while also providing external stakeholders with an insight into the company’s contribution to sustainable development. The report is interest to stakeholders in the upstream and downstream supply chain, service providers, customers, banks, end consumers, and the general public. For suggestions and comments, please contact: qm@cobana.com




Ekkehard Knabe


Stephanie von Gratkowski


Leonie Frey

„For us, the key to assuming responsibility across borders is long-term partnerships based on trust.“

Reporting period and format

COBANA has decided to publish an annual sustainability report starting in 2022. The period of one calendar year is appropriate, as it aligns with the financial reporting period. While the 2022 report followed the Global Reporting Initiative (GRI) standard, the 2023 report is based on the European Sustainability Reporting Standards (ESRS). COBANA is currently in the transition phase, which helps us to familiarize ourselves with the guidelines and practices of the ESRS adopted by the European Commission in 2023. Therefore, some elements of the ESRS, such as the materiality analysis and the structure, have already been implemented.

Other elements, such as linking key areas of action to specific financial data and implementing a resilience and sustainability climate scenario analysis, are still outstanding and will be completed in the coming years. By the 2025 reporting year at the latest, we will fully comply with all ESRS requirements and thus meet the requirements of the Corporate Sustainability Reporting Directive (CSRD). As soon as the transition phase is complete, we will also submit our sustainability report to external auditors. Responsible for the report is Leonie Frey (leonie.frey@cobana.com).

This sustainability report is based on the European Sustainable Reporting Standards (ESRS)

COMPETENCE AND EXPERIENCE



ESRS 2 – General disclosures

Basis for preparation

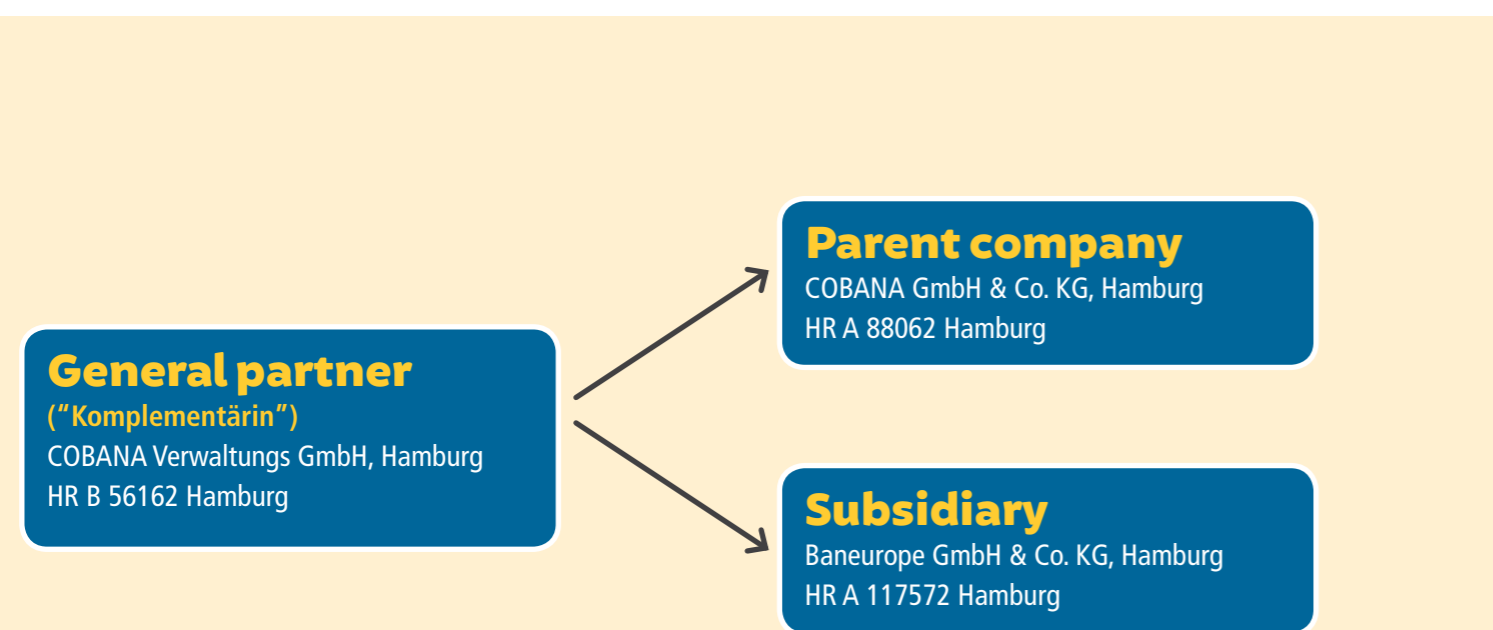
This Sustainability Report has been prepared on a consolidated basis. It covers the parent company COBANA GmbH & Co. KG, the subsidiary Baneurope GmbH & Co. KG, and the general partner COBANA Verwaltungs GmbH. As the supply chain

is mainly managed by the parent company COBANA, only the name COBANA is used in this report. As a trading company, the upstream and downstream supply chain plays an important role for us and is therefore included in the report.

Governance

At the end of the 2023 financial year, the owners of the parent company COBANA GmbH & Co. KG were five independent fruit trading companies across Germany. They ensure customer-specific ripening and packaging of goods, supplying food retailers and other sales channels on a daily basis. On the distribution side, the subsidiary Baneurope GmbH & Co KG, Hamburg, Germany, provides the link to the food retail trade.

COBANA Verwaltungs GmbH, Hamburg, is a general partner company with limited liability ("Komplementärin"), responsible for liability and management. As a network of medium-sized companies, COBANA has an almost unique structure that enables it to be directly on site with customers and at the same time import fruit from a wide range of countries worldwide.



The management of COBANA GmbH & Co. KG consists of the Supervisory Board and the Management Board. There is no explicit representation of employees in the company management. The Supervisory Board is elected by the shareholders every three years and is the highest supervisory body. In the 2023 reporting year, two of the three Supervisory Board members, Gerrit van Schoonhoven and Alexander Merkel, were owners of COBANA's shareholder companies. They inevitably have industry-specific experience in markets, products, and locations, as they operate in the same industry as the shareholders of COBANA. The third member of the Supervisory Board, Jürgen Bruch, works as a consultant. This means that all members of the Supervisory Board and the Management Board are male in 2023. Due to the ownership structure, there are inevitably transactions with related parties (shareholders). However, these are subject to a market comparison so that no conflicts of interest can arise. In addition, cross-shareholdings with suppliers are disclosed in the consolidated financial statements.

Due to the small size of the Supervisory Board, there are no separate committees for individual topics. None of the three members of the Supervisory Board has an executive function. **In 2023, there were three managing directors; however, since August 2023, only two of them, Ekkehard Knabe and Patrick Sperl, have been performing this role.** Critical matters are brought to the attention of the Supervisory Board via the Management Board. In this reporting period, no critical matters were identified.

The remuneration system for the Supervisory Board and the Management Board mainly provides for fixed remuneration. The avoidance of sustainability risks and sustainability-related performance are not taken into account. The ratio of total annual remuneration is subject to confidentiality, as the information could be used to determine the remuneration of an individual. For this, COBANA applies section 286 (4) HGB in the consolidated financial statements and does not report on the ratio of total annual remuneration.

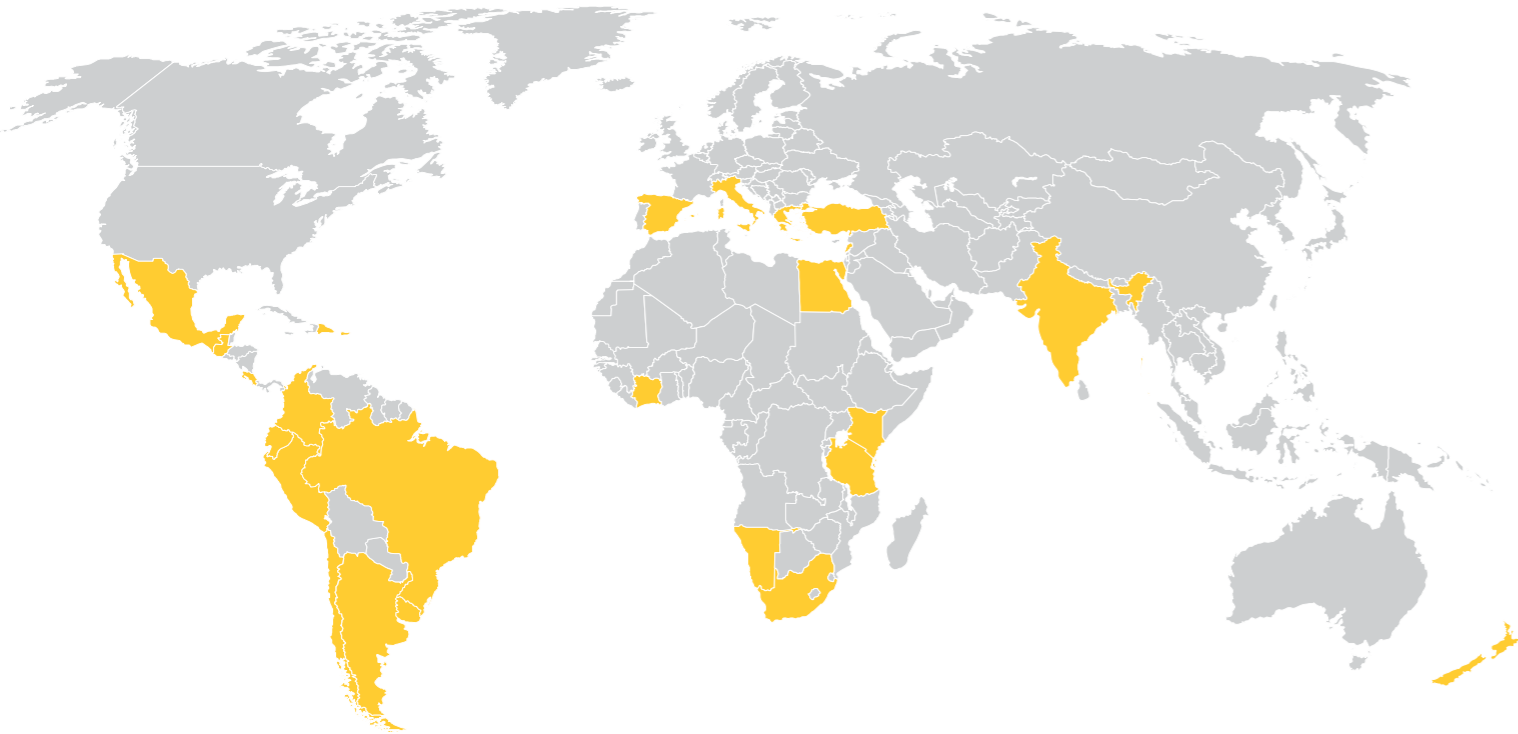
As the highest supervisory body, the Supervisory Board has delegated technical responsibility for managing the impact, risks, and opportunities on the environment and society to the Quality Management / Corporate Responsibility department. Here, one manager and three other employees are responsible for developing and updating the guiding principles, strategies, and goals as well as implementing the corresponding measures in the area of sustainability. This means that 12% of COBANA's workforce is dedicated exclusively to the topics food safety, quality, and sustainable procurement. Thanks to the flat hierarchy, there is an exchange several times a week between this department and the management. The latter, in turn, reports to the Supervisory Board at its quarterly meetings, where the next steps are jointly decided. Since 2023, sustainability has been an integral part of strategy meetings. At these meetings, the members of the Supervisory Board and the Management Board jointly decide on the company's strategic direction for the next three to five years. The focus on sustainability is thus firmly anchored in the current and future direction of the company.

Sustainability-related risk assessments are part of the materiality analysis, which is conducted with the involvement of various stakeholders in the value chain, the Head of Finance and Administration, the Head of Quality Management / Corporate Responsibility (QM/CR), an external sustainability consultant, and the employee responsible for the sustainability report. The detailed process is described in the section on materiality analysis. To minimize risks, the sustainability strategy will be further developed in the coming years based on the results of the [materiality analysis](#). In addition to the overall risk assessment in the materiality analysis, we regularly conduct detailed sustainability risk assessments for each product.

Strategy

COBANA GmbH & Co. KG has been a major fruit-trading group in Europe since 1964 and is based in Hamburg, Germany. It imports and distributes fresh fruit with close links to overseas production. Distribution is mainly to European re-

tailers. The products traded include bananas, citrus, avocado, mango, pineapple, pome fruit, table grapes, stone fruit, kiwi, physalis, pomegranates, and figs. COBANA sources these from more than 20 different countries.



	Pineapple	Banana	Table grapes	Pome fruit	Stone fruit	Citrus	Physalis	Pomegranate	Mango	Avocado	Kiwi	Figs
Egypt			X									
Argentina						X						
Brazil			X			X			X			
Chile			X	X						X	X	
Costa Rica	X	X							X			
Dom. Rep.		X							X			
Ecuador		X										
Ivory Coast		X										
Guatemala		X								X		
Greece									X			
India			X									
Israel						X		X	X	X		
Italy								X			X	
Kenya										X		
Colombia		X					X			X		
Mexico									X			
Namibia			X									
New Zealand				X							X	
Peru		X	X			X		X	X	X		
Puerto Rico									X			
Spain								X	X			
South Africa			X	X	X	X				X		
Tanzania										X		
Turkey												X
Uruguay						X						

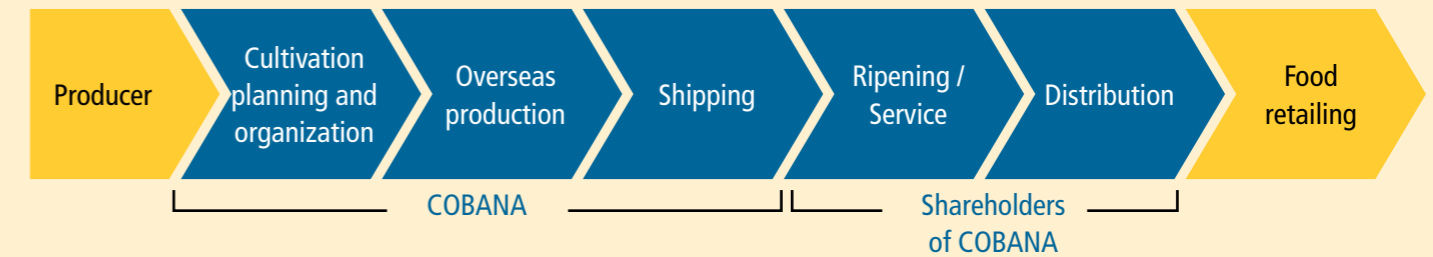
In addition to the 34 employees in Hamburg, Germany, COBANA works with a wide variety of stakeholders. These include producers, suppliers, shipping companies, quality and logistics service providers, shareholder companies, sustainability standards, customers, and end consumers.

Producers and suppliers are among the most important stakeholders in the upstream supply chain. COBANA acts as a link between production and retail and coordinates important parameters in production in line with customer requirements, including the selection of producers, quantity planning, price negotiations, logistics, food safety, and sustainability. In many cases, the producers themselves are our direct business partners. When working with smaller farms, there is often another party involved to assist in the export of the goods. In any case, we maintain close contact with the farm owners, many of whom we have worked with for years or even decades. Where possible, we adapt to the individual needs of our partners. For example, we use the WhatsApp messaging service to communicate quickly. This is often preferred by our partners as it allows to easily share information even in areas with poor network coverage. COBANA tries to overcome language barriers and communicate in the local language wherever possible.

This is a great help, especially for the large number of our Latin American producers. This direct communication enables us to ensure both the quality of the goods and compliance with our sustainability requirements. In addition, our suppliers are regularly **audited by independent third parties** (see also chapter [ESRS S2 – Workers in the value chain](#)).

Another important stakeholder group for COBANA is the **shipping companies** that transport the fruit from overseas to Europe. At the European ports, **service providers** receive our goods, check their quality, and send samples to an accredited and QS-recognized laboratory. From there, the fruit is either loaded directly into the transport packaging – the carton – for retail or stored temporarily for a short time. Some fruits are packaged in smaller units, such as citrus in nets. Bananas, mangoes, and avocados are ripened in special ripening chambers before delivery to the retailer.

COBANA's value chain



“**COBANA acts as a link between production and retail and coordinates important parameters in production**”

Besides our service providers at the European unloading ports, our **shareholder companies** in Germany also act as service companies for ripening, packaging, fine distribution, and shipping to retailers. The ripening of bananas, which requires a high level of expertise, is mainly carried out by our shareholder companies, which have decades of experience in this area. We have been working closely with all our service providers for many years, with both sides benefitting from this partnership and mutual trust. For decades, the COBANA Group has maintained strong partnerships with its shareholder companies, which serve as important pillars of the Group, with close contacts at the management level as well as in day-to-day business.

Last but not least, COBANA's **customers** are a key stakeholder group. In recent years, contact has significantly intensified, especially in the areas of purchasing and corporate social responsibility. For example, joint pilot projects are being implemented to safeguard human rights in the countries of origin. **Based on this value chain, COBANA generated sales of 122,609 metric tons of fruit in 2023, resulting in revenue of EUR 176.2 thousand.**

In addition to the aforementioned stakeholders, **COBANA has joined various associations and initiatives.** In 1994, the company joined the German Fruit Trade Association (DFHV) to network within the industry and the European Fresh Produce Association (Freshfel) to represent its interests at the European level. For more transparency in the supply chain, COBANA is a member of GLOBALG.A.P. The quality assurance and certification system ensures responsible agricultural practices and traceability from the producer to the end consumer.

In 2017, COBANA also committed to the Sustainability Initiative of South Africa (SIZA), a social standard for ethical action. Its aim is the continuous improvement of working and environmental conditions in South Africa in a practical and comprehensive manner. The SEDEX initiative also takes up this idea: Along the entire supply chain, labor, health, safety, and environmental standards are to be maintained and improved in the long term. COBANA has therefore been a member of this initiative since 2021. Furthermore, we joined the Science Based Target initiative (SBTi) in 2022 and set reduction targets for our climate emissions based on 2019 levels. COBANA also signed the Women Empowerment Principles (WEP) in 2023 to promote gender equality. COBANA is open to joining further alliances and fostering new collaborations to further advance sustainability across all three dimensions – ecological, economic, and social.

Materiality analysis

For 2022, we determined the materiality of the sustainability topics based on an internal workshop. Two perspectives – the probability of occurrence/impact on the environment and society, and COBANA's ability to exert influence – were particularly relevant here. For 2023, we conducted a process based on the principle of 'double materiality' for the first time. We

assessed materiality in terms of its impact on people and the environment, as well as on the company's financial situation. This was done in a two-step process: First, we asked relevant stakeholders in our supply chain to identify the most material issues. We then discussed the results in an internal workshop.

1. Stakeholder survey: data collection and analysis

We conducted a comprehensive stakeholder survey to identify and prioritize key sustainability issues. The survey was based on a pre-selection of topics derived from experience and certification requirements. The participating stakeholders were asked to rank these topics by their level of importance and were also given the opportunity to propose additional ones, ensuring a comprehensive view of relevant sustainability issues.

The survey results provided a detailed ranking of all identified topics, grouped into three categories: Environmental, Social, and Governance. **A total of 31 stakeholders participated in the survey, including suppliers, employees, service providers, customers, a bank, external consultants, and representatives of sustainability standards.** This broad participation allowed for a comprehensive and nuanced understanding of sustainability requirements and expectations.



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Organizations and initiatives

Organization	Area of application
German Fruit Trade Association (DFHV)	Promotion of industry dialog at the German level
European Fresh Produce Association (Freshfel)	Promotion of industry dialog at the European level
Global G.A.P.	Promotion of responsible agricultural practices and traceability
Sustainability Initiative of South Africa (SIZA)	Improving social and environmental conditions in the supply chain
SEDEX	Improving working conditions in the supply chain
Science Based Target Initiative	Reduction of climate emissions
Women Empowerment Principles	Promotion of gender equality



2. Internal workshop: assessment of financial materiality

Based on the results of the stakeholder survey, an internal workshop was conducted to evaluate the identified topics for their financial materiality and position them within the materiality matrix.

The workshop was attended by the two managing directors, the Head of Finance and Administration, the Head of Quality Management / Corporate Responsibility (QM/CR), an external sustainability consultant, and the employee responsible for the sustainability report.

During the workshop, the topics of the stakeholder survey were discussed in terms of their opportunities, risks, and effects. The focus was on aspects such as reputation, demand, external requirements, and procurement. The evaluation was based on a point system that allowed for a differentiated weighting of the topics.

The outcome of this process was the categorization of the topics within the materiality matrix and their classification into three categories:

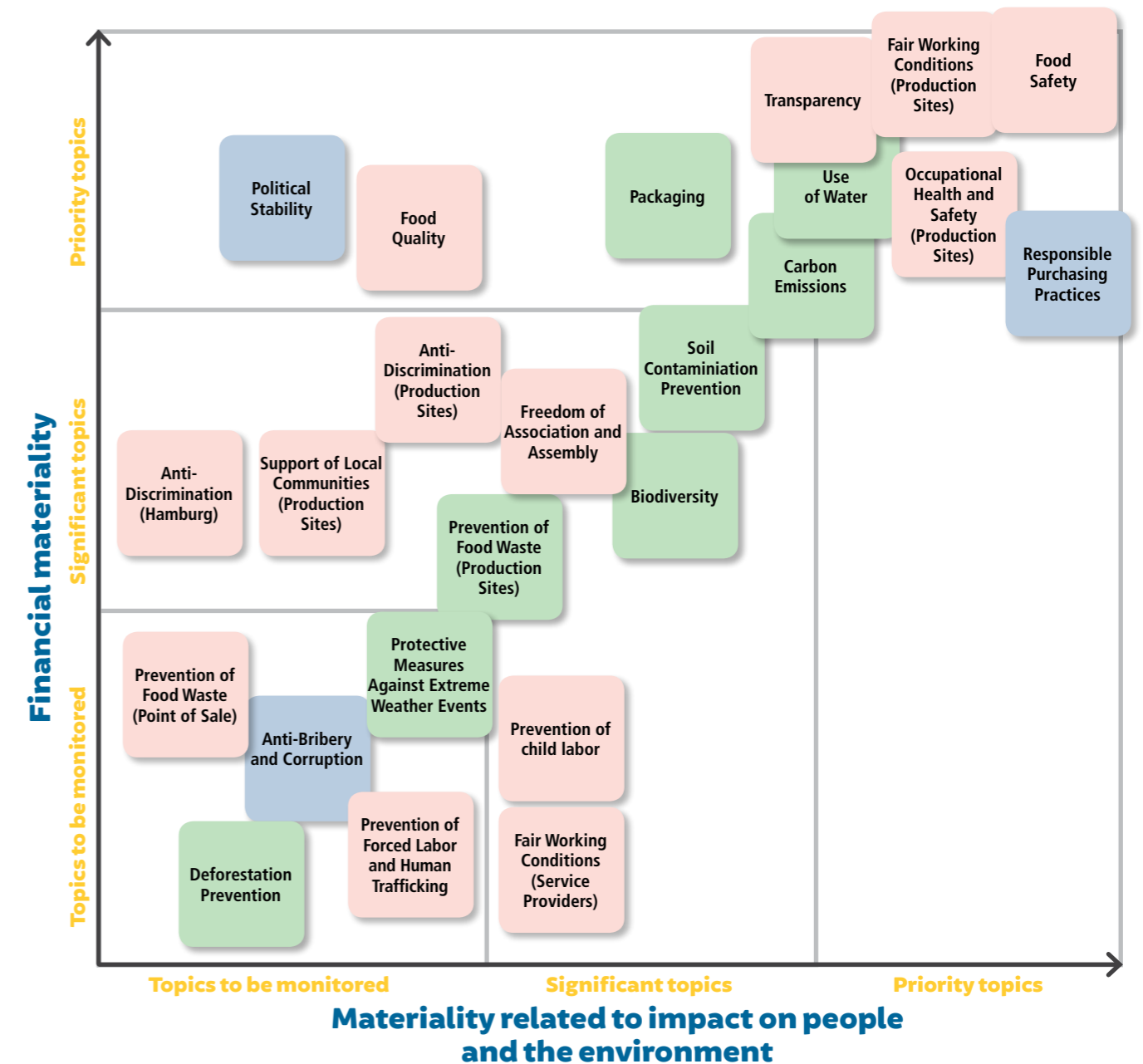
- **Priority topics:** These are the most urgent issues that require the greatest attention. We have set specific targets for them, to be achieved by 2027.
- **Significant topics:** These topics are important to the company but have less impact on our business operation than the priority topics. Specific goals are defined and pursued for them as well.
- **Topics to be monitored:** These topics must be kept in mind, but due to the need for prioritization, they are only assigned specific targets to a limited extent.



The results of this materiality analysis will serve as the foundation for further developing our sustainability strategy and defining clear targets and measures.

This multi-stage process ensured that the relevant sustainability issues were evaluated and prioritized from both an external and internal perspective. **The results of this materiality analysis will serve as the foundation for further developing our sustainability strategy and defining clear targets and measures.** The materiality matrix shows the classification of the respective sustainability topics. **The red fields represent social issues, while the green fields represent ecological components. Blue fields refer to the governance category.**

Each topic is assigned to the corresponding ESRS standard below. The individual points are explained in detail, clearly defined at the relevant sections, and the measures and objectives derived from them are presented. We can assign a material issue to each topical ESRS, except for 'E2 – Environmental pollution.' A detailed overview of which topics are assigned to which standard can be found in the [index](#) at the end of the report.



Environment

ESRS E1 – Climate change

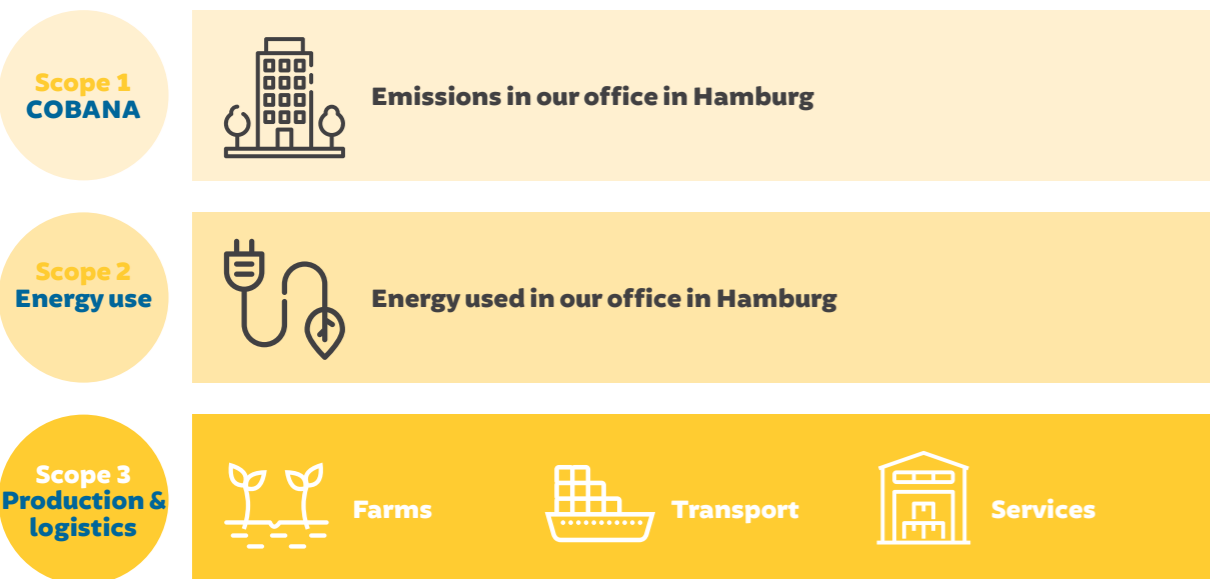
We have identified climate action as a priority under the category of emissions. There are several reasons for this: On the one hand, we are experiencing the effects of climate change, which is being accelerated by increased emissions. On the other hand, considerable emissions are also generated along our supply chain. To contribute to the mitigation of climate change, our goal is to measure and systematically reduce these emissions.

We have therefore been calculating our greenhouse gas emissions in accordance with the Greenhouse Gas Protocol (GHG Protocol) guidelines since 2019. This includes Scope 1 (own business division), Scope 2 (purchased energy), and, since 2022, a complete calculation of Scope 3 (production and logistics). We use this to determine our corporate carbon footprint (CCF), including all product groups. The calculation of CO₂-equivalent emissions is based on consumption data and emission factors. We work together with an external service provider and use primary data from suppliers and service providers where possible; otherwise, we rely on recognized secondary data from databases such as ecoinvent and DEFRA.

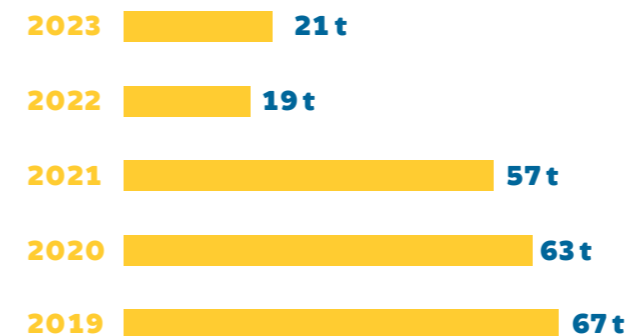
Primary data increases the accuracy of the calculations, but due to the number of suppliers and data points required, collecting it is much more complex than secondary data. To account for all CO₂ equivalents in our value chain, we considered all greenhouse gases relevant according to the IPCC Assessment Report: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). The emissions for electricity (Scope 2) were calculated using both the market-based method and the location-based method, in line with the dual reporting requirements of the GHG Protocol. In the market-based method, the specific emission factors of the purchased electricity were used for the calculation, if known. If not, the residual mix was applied, if available; otherwise, the country mix was used. The location-based method was also applied. This method uses national average factors based on the respective electricity mix. This allows for a direct comparison of our value with the country-specific average. The results of our CO₂ equivalent calculation are as follows: A total of 87,370.86 metric tons of CO₂ equivalent

emissions were emitted in the trade of 122,609.39 metric tons of fruit. **This means that one metric ton of fruit results in approx. 0.71 metric tons of CO₂ equivalents**, distributed across Scope 1, Scope 2, and Scope 3. As in previous years, the 2023 calculation clearly shows that the emissions from Scope 1 and Scope 2 are hardly significant compared to Scope 3. In Scope 1, 14.79 metric tons of CO₂ equivalents were generated, none of which are subject to the regulated emissions trading system. In Scope 2, our emissions – with a green electricity consumption of 83.06 kWh/day – amounted to only 6.41 metric tons of CO₂ equivalents. In Scope 3, on the other hand, 87,349.66 metric tons of CO₂ equivalents were generated, with the majority stemming from inbound logistics (46,212 metric tons) as well as production and consumables (28,770 metric tons) for the fruit. Moreover, 9,555 metric tons are attributed to outgoing logistics. The remaining emissions are distributed across the areas of storage, product disposal, packaging material, business travel, employee commuting, and fuel- and energy-related emissions.

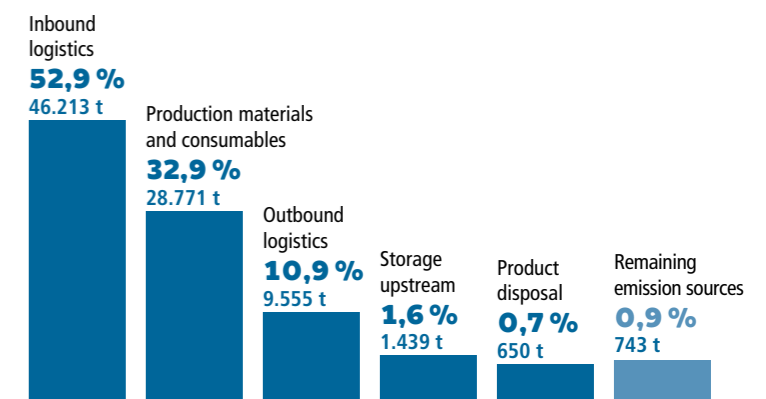
This annual assessment serves as the basis for our transition plan and our strategy towards greater climate action. To reinforce our commitment to reduction, we joined the Science Based Target initiative (SBTi) as a small and medium-sized company in 2022. **To achieve the 1.5 °C target, COBANA must reduce a total of 46.2% of its Scope 1 and 2 emissions by 2030, starting from the base year 2019.** This corresponds to 3.1 metric tons of CO₂ equivalents. A major milestone in this regard was the conversion of the electricity supply at the company's headquarters to green electricity in 2022. This has already saved 29,376 kg of CO₂ equivalents, accounting for 28.24% of the total emissions reduction target. In addition, further measures such as the reduction of company cars have already been implemented in previous years. This means that COBANA has already reduced its emissions by 61.38% in 2022, exceeding the target of at least 46.2%. We have thus activated the most important levers for reducing emissions in Scope 1 and 2. The slight increase in Scope 1 and 2 emissions shown in the graph is due to a calculation error in the heating data for 2022. Due to the low relevance of Scope 1 and 2, we are not introducing an internal CO₂ price.



Metric tons of CO₂ equivalents emitted (Scope 1 & 2)



CO₂ emissions (Scope 3)



In 2023, we focused on discussing further options for reducing emissions, primarily within our supply chain (Scope 3), given our emissions distribution. We will therefore work closely with our suppliers, producers, and service providers until 2027. On the one hand, this will enable us to rely more heavily on primary data and, on the other, to jointly identify and implement decisive measures towards greater climate protection. We are paying particular attention to logistics: We will only use air-planes as a means of transport in exceptional cases and prefer transport by ship. By 2027, we will also define measures on how we, as an import company, can actively influence more sustainable transportation.

Despite the savings achieved so far, unavoidable emissions are still being emitted. In 2024, we will therefore offset our Scope 1 and 2 emissions from 2023 with a project to expand green energy infrastructure in various African countries. Specifically,

Climate adaptation and resilience

Climate-related changes mainly affect the first part of the supply chain: production. This is where the consequences of global warming are most evident in the form of extreme weather events. These are considerable uncertainties for agricultural supply chains. Droughts, floods, storms, and extreme temperatures can impact plant growth and make fruit cultivation significantly more challenging. This often results in crop failures or greatly reduced yields – a trend that has been increasingly observed in recent years. We have therefore classified extreme weather adaptation as a topic to be monitored in our materiality analysis.

the aim here is to maximize the potential for renewable energies in Africa. By providing financial support for the climate protection project, we are promoting technology transfer and contributing to a reliable power supply that is environmentally sustainable in various African countries. Specifically, for example, large solar plants are being built in Madagascar, Namibia, and Egypt. Wind farms are also being built in South Africa and Namibia to replace some of the fossil fuels in the local power grid. In addition to electricity generation, the project also finances a mobile health station, various educational programs, and the rehabilitation of boreholes for clean water in South Africa. Thanks to this offsetting project and its continuous efforts to reduce emissions, COBANA is making an active contribution to climate protection and has been recognized by Climate Partner as a “Company with a Financial Climate Contribution.”

As COBANA, we place great importance on long-term supply relationships, even in challenging times such as extreme weather events. In such extreme situations, we support our producers in a targeted and individualized manner to meet their needs. Our goal is to assist selected suppliers annually through 2027 in identifying and implementing adaptation measures to strengthen their resilience to future challenges. Additionally, COBANA is continuously reducing its carbon footprint to minimize changes caused by the climate crisis.

ESRS E3 – Water and marine resources

The relevance of careful water usage becomes particularly evident at the beginning of our supply chain: the growing regions. Especially in areas where water is a scarce commodity, it must be used as efficiently as possible to avoid jeopardizing the fruit harvest. For this reason, we have classified water as a priority issue in our materiality analysis. For several years now, COBANA has required all suppliers who deliver fruit with high water consumption from water-critical regions to provide a so-called water certificate confirming the responsible use of this resource. The definition of water-critical regions is based on the [WWF Water Risk Filter 5.0](#). If a cultivation area falls within these regions, the fruit must comply with one of the following standards: the GLOBALG.A.P. add-on SPRING, the Environmental add-on of the SIZA standard, or the Rainforest Alliance certification.

The SPRING add-on primarily focuses on water-related issues, including legal compliance of water sources and abstraction volumes, the monitoring of water consumption, best practices in water management, the protection of water sources, and measures to demonstrate continuous improvement in water management. The environmental addendum to the SIZA standard has a broader focus and emphasizes practices in the areas of soil, water, energy, materials, and waste as well as biodiversity and ecosystems. The Rainforest Alliance also takes a holistic approach, focusing not only on the treatment of wastewater but also on the protection of riparian vegetation and the avoidance of hazardous agrochemicals. In addition to the certifications, we will expand our own audits of producers' water consumption by 2027 and encourage producers in regions that are not water-critical to adopt a more differentiated approach to the issue.



Even in challenging times such as extreme weather events [...] we support our producers in a targeted and individualized manner to meet their needs.



ESRS E4 – Biodiversity and ecosystems

Biodiversity and the preservation of ecosystems are key issues in various areas of our supply chain. While our own operations are less affected, they play a crucial role in our upstream supply chain. As part of our materiality analysis, we classified

the topics of soil contamination prevention and biodiversity as significant, while deforestation prevention is continuously monitored.

Soil contamination prevention and biodiversity

The topics of soil contamination prevention and biodiversity are closely related. Both directly influence the sustainability of production, the quality of the fruit, and the long-term profitability of the plantations. We therefore focus on the responsible management of flora and fauna and the preservation of healthy soil at multiple levels.

On the one hand, we demand **certifications such as Rainforest Alliance, organic, and Fairtrade**. The Rainforest Alliance biodiversity standard is mandatory for all our conventionally grown bananas. It sets strict requirements for the protection of natural habitats and the promotion of sustainable agricultural practices. In 2023, a portion of our bananas was also certified organic, and we began commercializing the first small quantities of organic avocados. We also plan to trade organic mangoes starting in 2024, where the use of artificial fertilizers, synthetic herbicides, and pesticides is severely restricted. Moreover, some of our bananas are Fairtrade-certified. In addition to ensuring fair working conditions, this standard also attaches great importance to the protection of biodiversity on the farms.

On the other hand, **producers are only allowed to use chemical pesticides that are approved in the countries where the fruits are grown**. This is strictly monitored by the GLOBALG.A.P. IFA certification. Furthermore, the maximum residue limits for pesticides prescribed by law in the EU, as well as the even stricter requirements of retailers, must be adhered to. All of these measures reduce the adverse effects on the soil at the farms and contribute to the preservation of biodiversity.

We are also involved in pilot projects such as *Follow me to the field*. We implemented this project from 2016 to 2019 in collaboration with the German Development Cooperation (GIZ). As part of this project, 34 practical measures were developed in partnership with experienced experts and banana producers, laying the foundation for the responsible use of natural resources. COBANA supported the producers both conceptually and financially in the implementation of these measures, including

- the use of organic fertilizer,
- the use of traditional weed control techniques,
- the use of ground cover plants to protect the Humus layer,
- the introduction of a participatory monitoring system for biodiversity,
- the creation of hedges using native plant species,
- the establishment of biocorridors for migratory animal species,
- the promotion of beekeeping and the installation of insect hotels.

This project has provided us with important lessons in practical implementation and cross-company collaboration that will continue to drive COBANA's sustainability efforts. **That is why we aim to remain in close contact with the producers until 2027, to expand the measures from the pilot project and thus drive forward resource-conserving production processes.**

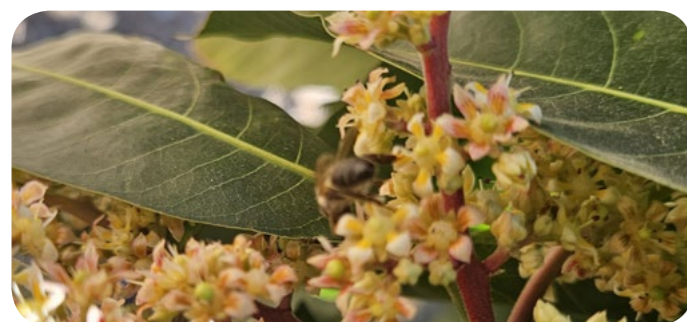
Deforestation prevention

The topic of deforestation prevention was newly included in our materiality matrix in 2023 and is closely linked to the topic of transparency. There is currently no explicit goal to prevent deforestation. However, to ensure that no deforestation occurs on the farms in our supply chain, it is necessary to collect precise geodata for each farm. This is in line with our traceability system, which is described in more detail in chapter [ESRS S4 – Consumers and end users](#).

Although we have no evidence of deliberate deforestation in our supply chain, we support reforestation projects in cooperation with selected producers. One example is a reforestation

project on a farm in the Santa Elena region in Ecuador. A ring of around 31 hectares of tropical dry forest is to be planted around the farm. This ring will be adjacent to a 60-year-old natural dry forest. In order to replicate this as closely as possible, a comprehensive study has already been carried out to identify the necessary tree species and their distribution. Of the planned 15,700 trees and 152 different tree species, 10,000 trees from more than 60 different species have already been planted. The first successes of the project are already visible, with birds and small animals returning to the reforested areas.

To implement sustainable cultivation methods in practice, we aim to expand the pilot project's activities by 2027, promoting resource-efficient production processes.



ESRS E5 – Resource use and circular economy

The circular economy plays a crucial role for us, especially when it comes to reducing food waste and promoting sustainable packaging usage.

Preventing food losses

The disposal of fresh fruit must be avoided at every stage of the value chain. As COBANA, we can primarily influence the processes in the countries of origin and further down the supply chain, right up to delivery to the European retailers. We have therefore classified this area of action as significant in our materiality analysis. Our scope for action at the point of sale – the supermarket – is limited, but we will continue to monitor the issue.

In the countries of origin, we cooperate with our suppliers and producers. To this end, we will first conduct an inventory starting in 2025, followed by the initiation of projects aimed at further processing and marketing unused by-products. For example, bananas can be used to make products such as jam, yogurt, flour, and even sun cream. These measures not only help to prevent food waste but also strengthen the local communities in the growing regions.

We are also committed to minimize the disposal of fresh fruit along the supply chain. When fruit that does not meet retail standards arrives at European ports, we divert it for alternative uses. Depending on the condition and type of fruit, further processing is carried out. For example, overripe bananas are sold in other European markets. Mangoes, avocados, and citrus fruits that do not comply with Quality Class I are sold to Dutch wholesalers, who use the product to make juice, oil, or puree. Starting in 2025, we aim to strategically market these products.

At the point of sale, we are unable to set specific targets due to our limited influence. However, we will work on developing ways to increase our impact over the next few years.

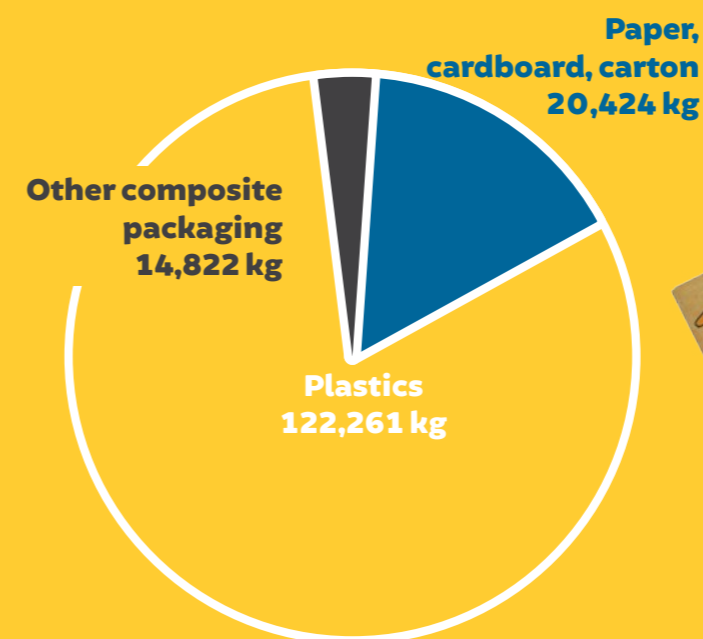
Packaging as part of the circular economy

In addition to reducing food waste, optimizing our packaging plays a central role. This topic was prioritized in our materiality analysis, as sustainable packaging solutions offer both ecological benefits and meet the growing requirements of legislators and customers. We currently purchase our packaging from external suppliers, and the quantities are recorded directly.

We attach great importance to recycled materials, especially plastics. Furthermore, the majority of our paper, paperboard, and cardboard come from responsible sources and are certified with at least the FSC Mix label. We are adhering to the goal set in our 2022 report: By 2027, most of our plastic packaging should either contain recycled material, be recyclable, or be reusable. We are also expanding this target: Reducing plastic alone is not enough – promoting packaging that is made entirely from a single material (mono-material) is crucial. This type of packaging makes recycling much easier and contributes to a functioning circular economy.



The circular economy plays a crucial role for us, especially when it comes to reducing food waste and promoting sustainable packaging usage.



In concrete terms, this means:

- By 2027, we will create technical data sheets for all packaging to ensure a detailed breakdown of the materials used to date.
- Based on this data, we work with our suppliers to develop packaging alternatives made from mono-material.
- We present these solutions to our customers and recommend their use – but the final decision lies with the food retailer.

These measures incentivize more environmentally friendly packaging options and lay the foundation for a more sustainable supply chain.

ESRS S1 – Own workforce

As part of our materiality analysis, only the issue of *anti-discrimination* at our head office in Hamburg was classified as significant in the category own employees. The German social standards apply to all employees, eliminating risks such as child labor or forced labor. Nevertheless, we have opted to provide detailed reporting on the ESRS social standard S1. In 2023, COBANA GmbH & Co. KG employed an average of 31 people throughout the year, and 34 people at the end of the year. This total includes all employees, including trainees, working students, and managing directors. At the end of 2023, the workforce comprised 14 women and 20 men, with no individuals identifying as diverse.

The year 2023 can be described as a year of change at COBANA, as nine predominantly experienced employees left the company while 13 younger employees joined. This corresponds to an employee turnover rate of 29%. Nevertheless, a solid core remains, as eight employees have been with COBANA for more than 10 years. At the end of the year the workforce is predominantly young, with 12 employees under the age of 30, 14 employees between the ages of 30 and 50, and eight employees over the age of 50. Two of the employees have disabilities. Of the total of 34 employees, seven worked part-time, five of them women and two men. As a result of this part-time work, the total number of full-time positions at the end of 2023 was around 31.5.

All employees are employed at the headquarters in Hamburg and have permanent employment contracts that are not bound by collective agreements. In this way, the company ensures reliable and long-term employment for its entire workforce. In Germany, parents who personally care for and raise their children until the age of three are also entitled to the so-called parental leave. This is a break from working life for parents. In 2023, one person made use of this entitlement for four weeks.

All employees receive a fixed salary above the statutory minimum wage in Germany. The salary for employees in sales also includes variable remuneration components. The criteria for these components are primarily based on financial performance indicators. An employee representative body has not yet been established.

In addition to the directly employed staff, COBANA works closely with a sustainability consultant in Ecuador. Another individual will work for us in South Africa in 2024. Both will serve as company representatives in Latin America and Africa, respectively. Their task is to conduct field visits and carry out COBANA's own audits on the farms. Further information can be found in chapter [S2 – Workers in the value chain](#).

Number of employees in 2023

Employees	Total	Full-time	Part-time	Open-ended contract	Hamburg
Women	14	9	5	14	14
Men	20	18	2	20	20
Total	34	27	7	34	34

FTE 2023

Employees	Total	Full-time	Part-time	Open-ended contract	Hamburg
Women	12,45	9	3,45	12,45	12,45
Men	19,05	18	1,05	19,05	19,05
Total	31,5	27	4,5	31,5	31,5

Age of employees

Age	Total	Full-time	Part-time
Under 30 years	12	11	1
Between 30 and 50 years	14	12	2
Over 50 years	8	4	4



Our ethical values

In addition to the points already mentioned, COBANA attaches great importance to responsible corporate ethics. As a traditional Hamburg-based company, this primarily involves **acting in accordance with the values of the so-called “Hamburger Kaufmann” (the Honorable Hamburg Merchant)**. This includes taking responsibility in business transactions, negotiating fairly, and fulfilling services as agreed. It also entails a commitment to freedom, social security, respect for human dignity, and taking action against corruption. The conduct of an honorable “Hamburg Merchant” is always loyal, considers the legitimate interests of others, and reflects on the consequences of their actions for the company and its environment, even beyond Germany’s borders. This value-driven behavior remains relevant even during challenging times. COBANA is also committed to **equal opportunities and anti-discrimination** for its workforce. Through our Code of Conduct on Gender Policy, we emphasize the principle that all employees have equal rights and development opportunities, regardless of their gender. This includes the performance of a function and its representation, regardless of gender. Sexual harassment or sexist behavior is not accepted in any way. To ensure this and provide regular training on this topic, a gender equality officer has been appointed. Building on this, we joined the Women Empowerment Principles (WEP) in 2023.

This initiative, led by UN Women and the UN Global Compact, aims to empower women and non-binary individuals in companies. It is based on seven key principles that align with international labor and human rights standards. By joining this initiative, we are demonstrating our commitment to gender equality and contributing to the implementation of the goals of the 2030 Agenda.

However, we do not want to focus solely on the topic of gender discrimination. We are proud to already have a high level of diversity in terms of nationalities in 2023. For eight out of a total of 34 employees, German is not their (only) native language. In order to formally advance the topic of anti-discrimination, we will establish guidelines on fair coexistence at COBANA by 2027 at the latest. To this end, we will work with the entire workforce to develop ethical values to guide our daily actions. To achieve an even greater impact, we will carry out various awareness-raising measures on this topic with all colleagues.

The well-being of employees and equal opportunities also include the **possibility of further training and continuous professional development** for each employee. This is why COBANA supports all types of training. Employees can decide for themselves which further training best suits their needs. The choice ranges from individual one-day training courses to multi-year, in-service (part-time) study programs. Moreover, all employees receive a regular assessment of their performance and professional development through annual appraisals with the management.

Complaints management

To ensure that our ethical values are also upheld in everyday practice, we have established various procedures that enable the elimination of negative effects, the provision of advice, and the reporting of concerns.

Firstly, a digital feedback box has been installed on the desks of all internal employees. **This enables all employees to submit their concerns and complaints about negative effects resulting from specific business activities or processes – whether technical, social, or economic – and aligns with the United Nations Guiding Principles on Business and Human Rights (UNGPs)**. The concerns are directed to the company’s complaints officer, who handles them confidentially and initiates the necessary measures.

External individuals can submit their complaints via our homepage. Similar to the internal procedure, anonymous messages can also be left here. This ensures that employees of suppliers and producers at the origin have the opportunity to submit a complaint as well. This serves as an extension to the option of submitting complaints directly on the farms, as all suppliers and producers from whom COBANA procures goods are re-

quired to have a functional grievance mechanism in place. All complainants, both internal and external, are protected from termination of employment, retaliation, or threats as a result of using the grievance mechanism. When a complaint is received, a predetermined procedure is initiated depending on the severity of the complaint or incident. The top priority is the protection of the persons concerned. Therefore, we first obtain the complainant’s consent to proceed further. This includes registering all parties involved and initiating cooperation with external parties, such as supply chain partners, trade unions, and government agencies. A remediation plan is then jointly developed. This aims to address the incident in detail and find a solution for all parties involved. The grievance officer monitors the implementation of the plan. In addition to creating and implementing the remediation plan, the management team initiates training and awareness-raising measures to ensure everyone’s well-being in the long term. However, COBANA did not have to apply this procedure in 2023, as no serious complaints were filed. As a result, COBANA did not record any criminal violations or penalties.



The conduct of an honorable “Hamburg Merchant” is always loyal, considers the legitimate interests of others, and reflects on the consequences of their actions for the company and its environment, even beyond Germany’s borders.

Health-promoting and family-friendly working conditions

In addition to the mental well-being of its employees, COBANA is also concerned with their physical health. To this end, the company set up **modern, ergonomic workstations** for all employees in 2023. This includes height-adjustable desks and individually adjustable chairs. Furthermore, all employees receive **additional private health insurance** to ensure that they are covered beyond the statutory health insurance. Apart from mandatory health insurance, the following are also covered by law in Germany: unemployment, workplace accidents, long-term care, retirement, maternity protection, and parental leave.



In addition to health, COBANA also promotes family-friendly working conditions, including various working time models. Employees, including managers, have the opportunity to work part-time and arrange their working hours flexibly. Since 2023, employees have also been able to work from home one day a week. In this way, COBANA supports employees in achieving the best possible work-life balance.

Promotion of ecological behavior among employees

All employees receive regular training on sustainability and quality management. For example, an internal training course is held once a year for the entire workforce as part of the IFS Broker certification. This course addresses aspects of both food safety and sustainability, raising awareness among employees about critical issues. Moreover, employees in the Quality Management / Corporate Responsibility department, in particular, receive sustainability-related training, including, for example, events organized by the German Fruit Trade Association on topics such as "Responsibility in the supply chain," "Carbon footprint," and "Impact buying." Alongside these training courses, team members also participated in various seminars organized by the consulting companies Climate Partner and EcoVadis. In addition to theoretical input, COBANA promotes the ecological behavior of employees by **covering the costs**

of public transportation, providing an incentive for employees to use it for the daily commute instead of driving. Another measure to promote ecological behavior is the installation of motion detectors on office lamps. This ensures that the lamps are only lit when someone is nearby. We also place special focus on our paper consumption and only procure printing paper that has been awarded the EU Ecolabel and carries the FSC Mix seal. Beyond certifications, we aim to reduce our paper consumption by 80 percent by 2027, compared to 2022 levels. In 2023, we also implemented a comprehensive recycling system in our offices and conducted awareness-raising initiatives for all employees. These measures also provide practical incentives for adopting more environmentally friendly behavior on a daily basis.

ESRS S2 – Workers in the value chain

Most of the social issues identified in our materiality analysis fall under the category of labor in the value chain. The two issues, *fair working conditions* and *occupational health and safety* in the countries of origin, were classified as priority issues. These primarily concern the workers in the field and in the packing house of the respective production facility. By the term fair working conditions for workers on the farms, we mean a payment that is at least equal to the minimum wage, timely payment of wages, no excessive overtime, and compensation for overtime. On the other hand, *freedom of assembly, anti-discrimination, child labor prevention in the countries of origin, and fair working conditions at service providers* are significant issues. Prevention of forced labor and human trafficking is considered an issue to be monitored by COBANA. It should be noted that the classification of the risk categories was also based on the actions required from the company. To date, despite mandatory audits in the supply chain, we are not aware of any cases of forced labor or human trafficking. All companies are regularly inspected by independent auditors. However, as we also source our fruit from high-risk areas, we are aware that this issue can arise. To ensure a swift response if a case is identified, we have included it as an issue to be monitored.

The situation is similar regarding the *prevention of child labor and fair working conditions at service providers*. We do not actively address these issues in our daily operations because they do not occur. However, we take preventive measures to ensure that no child labor occurs in our supply chains. These topics are therefore classified as significant and not a priority in the materiality matrix. It is important to note that the strategy and the associated measures for addressing the material topics in this category apply universally to all topics. There are therefore no separate sub-chapters for the individual topics, as in the previous categories.

When establishing strategies to address these issues, COBANA attaches great importance to ensuring that they are in line with internationally recognized standards, including the United Nations Guiding Principles on Business and Human Rights. In principle, all suppliers are required to sign our quality agreement. In addition to specifications on quality, traceability, pesticides used, packaging, and data protection, it also includes a code of conduct for suppliers. The signed quality agreement therefore forms the basis for all cooperation. Furthermore, we use certifications, increased supplier visits, and on-site personnel in the countries of origin to ensure that we are informed about the conditions in our value chain.



Certifications

Along with the signed quality agreement, we require all production companies that supply us to meet a so-called social standard. They can choose from different risk assessments and certifications. As a minimum, the company must have undergone a GLOBALG.A.P. GRASP risk assessment, which covers topics such as the health, safety, and well-being of workers. Another form of auditing is the so-called SMETA risk assessment conducted by the SEDEX organization. It evaluates compliance with labor rights, health, safety and environmental standards, and business ethics along the supply chain. The SIZA certification in South Africa follows a similar approach. The Sustainability Initiative of South Africa monitors compliance with labor laws and aims to promote continuous improvement in practices that exceed the minimum legal requirements. This initiative is rooted in local South African legislation and addresses risk areas that are particularly relevant in South Africa. It also takes into account the unique circumstances of local producers. COBANA primarily sources citrus

Increased supplier visits

In addition to the certifications, COBANA relies on supplier visits and its own audits, which exceed the requirements of the existing certifications in terms of both content and duration. They are therefore an important building block for safeguarding and strengthening environmental protection, as well as the interests of workers and their families. We primarily conduct them in the hot spots identified by risk analyses, serving as an additional safeguard. A checklist is used to assess working hours, wages, social benefits, freedom of assembly, and the health and safety of workers in the production plant. We also review the company's policies and measures to prohibit child labor, forced labor, discrimination and harassment, as well as bribery and corruption. Producers are also asked to provide us with information about the grievance mechanisms in place and the procedures for addressing grievances.

fruit and pome fruit with this certification.

Besides the standards already mentioned, COBANA also sources bananas with the Fairtrade certification. This standard aims to provide all small farmers and workers with a sustainable livelihood and a self-determined way of life. To this end, it promotes fair trading conditions, democratically constituted interest groups, increased financial support, and training opportunities for people in the Global South. The standard also emphasizes environmentally friendly cultivation, the protection of natural resources, and promotes the organic cultivation of food. Furthermore, all fruit traded by COBANA in the banana and pineapple product groups is certified according to the Rainforest Alliance Standard. This certification ensures compliance with both social and environmental standards. In particular, it takes into account issues related to forests, climate, human rights, and workers' livelihoods.

Through conversations with individual, randomly selected workers on the farm and in the packing house, we verify the management's statements. If any point on the checklist is not sufficiently fulfilled, the issue is discussed with the producer, and suitable corrective measures along with a time frame for their implementation are jointly determined. Should serious violations be identified during our own audits or brought to our attention via certification bodies, COBANA will suspend acceptance of goods from the company until the issue is clarified and improvements are made. However, termination of the business relationship is considered a last resort and is only pursued in particularly serious and unresolvable cases.

Support by on-site personnel

Along with our own audits, a local employee in Latin America supports the producers and helps them to continuously improve working conditions and environmentally relevant aspects on the farms. We will expand this support and employ another person for the African continent.

Pilot projects

These three levels – (1) certifications, (2) our own audits, and (3) support from our local staff – form the basis for covering the key social issues in our supply chain. We are also engaged in several specific pilot projects.

This includes our commitment to the establishment of the Living Wage. We participate in activities of the working group of the German retail sector on living wages and incomes. This group includes the food retailers ALDI Nord and ALDI SÜD, dm-drogerie markt, Kaufland, and the REWE Group. The aim of the collaboration is to establish living wages in the banana sector and, eventually, extend this initiative to other supply chains in the fruit and vegetable sector. To achieve this, COBANA participated in a pilot project, meeting with key players from production and a German supermarket every two weeks in 2023 to establish a common understanding of the wage system in the banana sector. In the development of the individual steps, **COBANA serves as an important bridge between the retailers in Germany and the producers in Latin America.** As part of the project, a wage analysis was carried out for Ecuador in 2022, and activities were launched to strengthen employee representation. In 2023, we collaborated with our Colombian producer to develop local wage structures. We focused on identifying which workers are not yet receiving a living wage and which measures can help to bridge this gap.

In addition to information on the living wage, we plan to provide training on this topic to educate production workers about their rights, as well as human rights in general.

Initial talks on this began in 2023, and this person was already on site for us in 2024. This is another way in which COBANA builds long-term, personal supply relationships that are maintained even during challenging times, such as price fluctuations or climate-related issues.

To this end, we have already determined the training needs of our key producers in Ecuador, Colombia, and Peru. **On this basis, we will be able to offer all employees of our strategic suppliers annual human rights training by 2027.**

To establish these conditions not only at the origin but also further down the supply chain, COBANA participated in the **'Decent Working Conditions in Shipping'** working group in 2023. This is part of the 'Sustainable Supply Chains: Wage, Working and Living Conditions' project funded by the German Federal Ministry for Economic Cooperation and Development (BMZ). The project aims to discuss the working conditions of employees in ports and on the high seas along the banana supply chain, involving various stakeholders such as researchers, food retailers, shipping companies, NGOs, and trade unions. A shared understanding of the challenges was established, and solutions were developed.



ESRS S3 – Affected communities

COBANA does not operate its own production facilities. Nevertheless, we have identified supporting local communities in the countries of origin as a significant topic in our materiality analysis. This refers to the people who live near one of our suppliers' farms. The production of fruit usually shapes the entire region, and involving local communities helps us to better understand the needs of people in the countries of origin. Our strategy therefore goes beyond merely demanding production-related protective measures from our suppliers, such as those during pesticide application. People from neighboring communities also have the opportunity to easily submit complaints to us via our website. The exact procedure is described in detail in chapter [ESRS S1 – Own workforce](#). In the [Follow me to the field](#) project, which is described in more detail in chapter [ESRS E4 – Biodiversity and Ecosystems](#), we also developed measures to empower women in the neighboring communities, raise awareness of the issue of waste and recycling in the region, and cooperate with local medical centers.

Building on this, we have been supporting selected projects to strengthen local communities every year since then. In 2023, for example, initial discussions took place regarding financial support for a [German school in Ecuador](#). This school is being built in the El Oro region, right in the heart of a banana-growing area. This will offer children in the region access to a high-quality education to which they previously had no access.

COBANA also helped to [finance a packing house in Kenya in 2022 and supported the construction of another packing house in Tanzania in 2023](#). This will create new jobs in the region, which, in turn, will help to improve local social conditions.

Furthermore, every year, we support a project to strengthen local communities in countries from which we source fruit as part of our carbon offsetting efforts. In 2024, we retroactively contributed to the expansion of green energy in various African countries to offset our 2023 emissions.

Another measure to strengthen the local economy is the planning of an initiative to support the [production and marketing of by-products from production processes](#). More information on this can be found in chapter [ESRS E5 – Resource use and circular economy](#).

ESRS S4 – Consumers and end-users

As a retailer of fresh fruit, consumers are an essential interest group for us. Ensuring their safety and health is our top priority. We have therefore prioritized the two topics of *food safety* and *food quality* in our materiality analysis. Moreover, traceability and *transparency* throughout our entire value chain are essential to make sure we can respond effectively in the event of a crisis. This is why these topics are also defined as priorities. Another issue that concerns consumers is the reduction of food waste at the point of sale. However, as COBANA, we have only limited influence on this, which is why it has been classified as an issue to be monitored. Given its close connection to the prevention of food losses in the value chain, this topic is described in more detail in chapter [ESRS E5 – Resource use and circular economy](#).

In principle, the positive effects of the products we trade – fresh fruit – such as the natural supply of vitamins, are of primary importance to consumers. However, to prevent possible negative effects on food quality or even consumer health from the outset, we are certified in accordance with the [International Featured Standard \(IFS\) Broker](#), which evaluates compliance with legal and customer-specific requirements. It requires preventive measures such as regular laboratory tests,

supplier evaluations, careful selection of service providers, traceability of goods, and a functioning crisis management system. **As in previous years, we achieved a “higher level” in the IFS certification for 2023, with a compliance rate of 98.39%.** Our aim is to maintain such ratings in the future.

To ensure long-term food safety, COBANA relies on continuous inspections upon the arrival of goods at the European ports. In addition, all our traded products have an up-to-date product passport and clear quality specifications. Inspections are carried out on two different levels. On the one hand, experienced quality inspectors assess the fruit's appearance and condition, conduct various sensory tests, evaluate the potential storage period, and verify the correct labeling. Secondly, random samples are collected according to a risk plan and sent to an accredited and QS-recognized [food laboratory](#) for chemical and microbiological analyses. In the event of a non-conformity being identified, we initiate the necessary corrective actions and measures. This ensures that only products that are deemed food-safe reach the food retailers. A crisis test is carried out at least once a year to ensure that the process runs smoothly in a case of an emergency.



To ensure long-term food safety, COBANA relies on continuous inspections upon the arrival of goods at the European ports.



Additionally, we evaluate **our suppliers** annually based on various criteria, including, for example, the existence of recognized certifications from the Global Food Safety Initiative (GFSI), laboratory results from the samples taken, and compliance with our sustainability requirements. In addition, all suppliers are required to sign a quality agreement drawn up by COBANA. This ensures that the products supplied comply with legal requirements and contractual specifications. During the assessment, suppliers are categorized into four groups: A, B, C, and D, with A being the best possible rating. In 2023, one supplier was classified in category C, all others in category A or B. Category D was not assigned. We intend to continue this distribution of supplier ratings in the future. Together with the suppliers, all **transport and service companies** with whom we work must either be certified according to the IFS standard or the comparable BRC Global Standard (British Retail Consortium), or have signed a quality agreement specific to their area of activity.

If, despite these precautions, negative effects or other **reasons for complaints** arise, we provide consumers with various channels through which they can submit their concerns anonymously, if desired (see chapter **ESRS S1 – Own workforce**). Complaints regarding our products typically concern issues that are considered minor and do not have any significant negative effects. There were also no significant or critical complaints from the food authorities in 2023. The Quality Management / Corporate Responsibility department is responsible for handling incoming reports and for continuously ensuring the quality and safety of products. If material negative effects or a significant risk of material negative effects are identified via the reporting channels, the food authorities, consumer protection organizations, product tests, or our internal procedures, we initiate the necessary immediate measures through the standardized procedures of our **crisis management system**, depending on the case. This defines the crisis teams and outlines the procedures in detail, including escalation levels, communication channels, and cooperation with food authorities and other external stakeholders. The crisis management process is continually updated. For example, product recalls can be initiated through this process if necessary.

Traceability and transparency

To ensure effective processing in the event of a crisis, COBANA has established a **traceability system** that allows for the precise tracking of the goods' origin. To this end, **100 percent of the traded goods are certified by GLOBALG.A.P. and assigned a GLOBALG.A.P. number, ensuring that the products can be clearly identified and traced back to the producer.** Additionally, for the majority of goods, we receive packing lists that specify the farm code and the respective packing house, in addition to the GLOBALG.A.P. number. This means that the goods can be traced not only to the respective producer but also to the specific farm. By 2027, we will further automate the traceability process so that the farm of the respective fruit can be identified instantly 'with the push of a button.' Besides traceability, ensuring **transparency** in our supply chain for external parties is equally important to us. We take part in various working groups and pilot projects to give our customers an insight into our collaboration with our suppliers. This fosters mutual understanding, which forms the basis for collaboratively developing solutions in the area of sustainability.

We will continue to pursue this approach in the coming years. Alongside transparency with our direct customers, we also ensure **clear transparency for consumers.** We only have access to their data in the event of consumer complaints and, of course, treat that information confidentially. If there is no complaint, we do not have any consumer data. However, depending on the legal requirements for marketing, we must clearly display product-related information. This includes details such as the name, class, variety and size of the fruit, the country of origin, the name and address of the packer, any post-harvest treatment agents used (e.g. fungicides and additives), and, for pre-packaged products, the net quantity. In addition, if applicable, special seals such as the organic, Rainforest Alliance, or Fairtrade certifications are also displayed. According to the European Union's Food Information Regulation, which also applies to food retailers, this information must be made available to all consumers in clear language and in a legible font size. The labeling varies depending on the type of packaging, but it is always accessible in the supermarket.



100 percent of the traded goods are certified by GLOBALG.A.P. and assigned a GLOBALG.A.P. number.



Governance

ESRS G1 – Business conduct

The topic of governance and corporate policy was also identified as relevant in our materiality analysis, with three key areas: responsible purchasing practices, political stability, and anti-bribery and corruption. Before we delve into the individual topics in more detail, we will first provide an overview of our corporate policy.

Establishing and maintaining long-term business relationships is a core element of our corporate policy, supported by close customer contact and a strong focus on food safety, quality, and sustainability. We therefore emphasize our strong commitment to product safety culture, the responsibility of our personnel, and ethical, environmental, and social responsibility. This responsibility also includes aligning our business practices with the Code of Conduct developed by the German Fruit Trade Association (DFHV) in 2007, which incorporates social standards.

Responsible purchasing practices

As mentioned before, responsible purchasing practices are essential to our corporate policy. An important pillar of this is fostering purchasing practices 'at eye level' with suppliers and producers. COBANA has always cultivated long-term relationships, leading to business partnerships built on trust. **We have been working with around half of our suppliers for more than five years, and with around ten percent for more than ten years.** We want to maintain this connection in the future and continue to cultivate our long-standing relationships. Until now, as is common in the fruit and vegetable industry, cooperation has been based on verbal agreements and assurances. We will gradually formalize this practice by entering into long-term contracts with our suppliers. In the banana sector, we have been operating based on one-year contracts with fixed purchase quantities for many years.

This encompasses the following ten points: prevention of child labor and forced labor, the right to unionization and collective bargaining, non-discrimination, written employment contracts, adherence to legally permitted working hours, compliance with minimum wage standards, protection of health and safety, avoidance of risks related to pesticide use, and a commitment to environmental protection. The code is freely accessible to all employees, and customers can verify the implementation of the standards at any time. Furthermore, COBANA is committed to the following conventions:

- UN Universal Declaration of Human Rights
- UN Convention on the Rights of the Child
- UN Convention against Corruption
- UN Convention on the Elimination of All Forms of Discrimination against Women

We plan to extend these contracts to other product groups by 2027 and extend them to three- to five-year contracts in the banana sector. In addition to the formal contracts, we are enhancing transparency in the supply chain by implementing an 'open cost' approach. This involves disclosing all costs to all parties along the supply chain during price negotiations to establish fair prices for everyone. This approach was developed in collaboration with a customer in the banana sector in 2022 and continued throughout 2023. After successful trials, it will be extended to additional product groups by 2027. We prevent payment delays to our suppliers, particularly SMEs, by creating a daily list of outstanding items on the credit side, which serves as the basis for payment runs in accounting.

Our sustainable purchasing practices also include the **careful selection of new suppliers**. It is essential that every new supplier complies with our environmental, social, and human rights criteria (as outlined in the previous chapters). We therefore verify the existence and validity of all necessary certifications and laboratory analyses during onboarding. Additionally, the supplier must sign our quality agreement, which also covers our sustainability requirements, before the first delivery.

If we are aiming for a long-term supplier relationship, we also plan a personal on-site visit to conduct our COBANA audit. If a supplier does not meet all the requirements, we work together to identify how the deficits can be addressed. If this is not possible, the Quality Management / Corporate Responsibility department has the right to veto the onboarding of the supplier in question. In this case, no cooperation is established.

Political stability

Along with responsible purchasing practices, we identified political stability as a priority topic in our materiality analysis. This is particularly relevant in terms of financial materiality, as political unrest can hinder trade, especially in the countries of origin of the fruit.

However, as a German company, we have little influence on political stability in the countries of origin. Therefore, although this topic is considered material, no targets have been assigned to it.

Anti-bribery and corruption

We also identified *anti-bribery and corruption* as a material topic, albeit only at the 'to be monitored' level. At present, we are not aware of any cases of corruption. To prevent corruption within our company, we have developed a code of conduct and distributed it to all employees. On the one hand, it includes principles such as compliance with laws and international standards, reporting violations, and the individual responsibility of employees. It also covers topics such as fair competition, preventing conflicts of interest, safeguard-

ing trade and business secrets, data protection, ensuring fair working conditions, and the need for lawful, complete, and truthful accounting, including taxes. In addition to our internal precautionary measures, all suppliers are required to confirm that they have implemented an effective anti-corruption procedure. We have incorporated this requirement into our quality agreement, which has been signed by all suppliers. By 2027, we will also progressively integrate the topics of corruption and bribery into our COBANA audits.

ESRS index

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E1 Climate change	To be monitored	Protective measures against extreme weather	Climate adaptation and resilience	18
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E4 Biodiversity and ecosystems	Significant	Soil contamination prevention	Soil contamination prevention and biodiversity	20
E4 Biodiversity and ecosystems	Significant	Biodiversity	Soil contamination prevention and biodiversity	20
E4 Biodiversity and ecosystems	To be monitored	Deforestation prevention	Deforestation prevention	21
E5 Resource use and circular economy	Priority	Packaging	Packaging as part of the circular economy	23
E5 Resource use and circular economy	Significant	Prevention of food waste (production sites)	Preventing food losses	22
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The strategy and the associated measures for addressing the [material topics in this category](#) apply universally to all topics. There are therefore no separate sub-chapters for the individual topics, as in the previous categories.

GROWING SOLUTIONS



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COBANA GmbH & Co. KG
Neue Burg 2
20457 Hamburg, Germany
Phone: +49 (0) 40/30 30 5 - 0
Fax: +49 (0) 40/30 30 5 - 197
Email: info@cobana.com
Website: www.cobana.com

