

COBANA GmbH & Co. KG

SUSTAINABILITY REPORT

2022



PASSION AND INNOVATION POWER

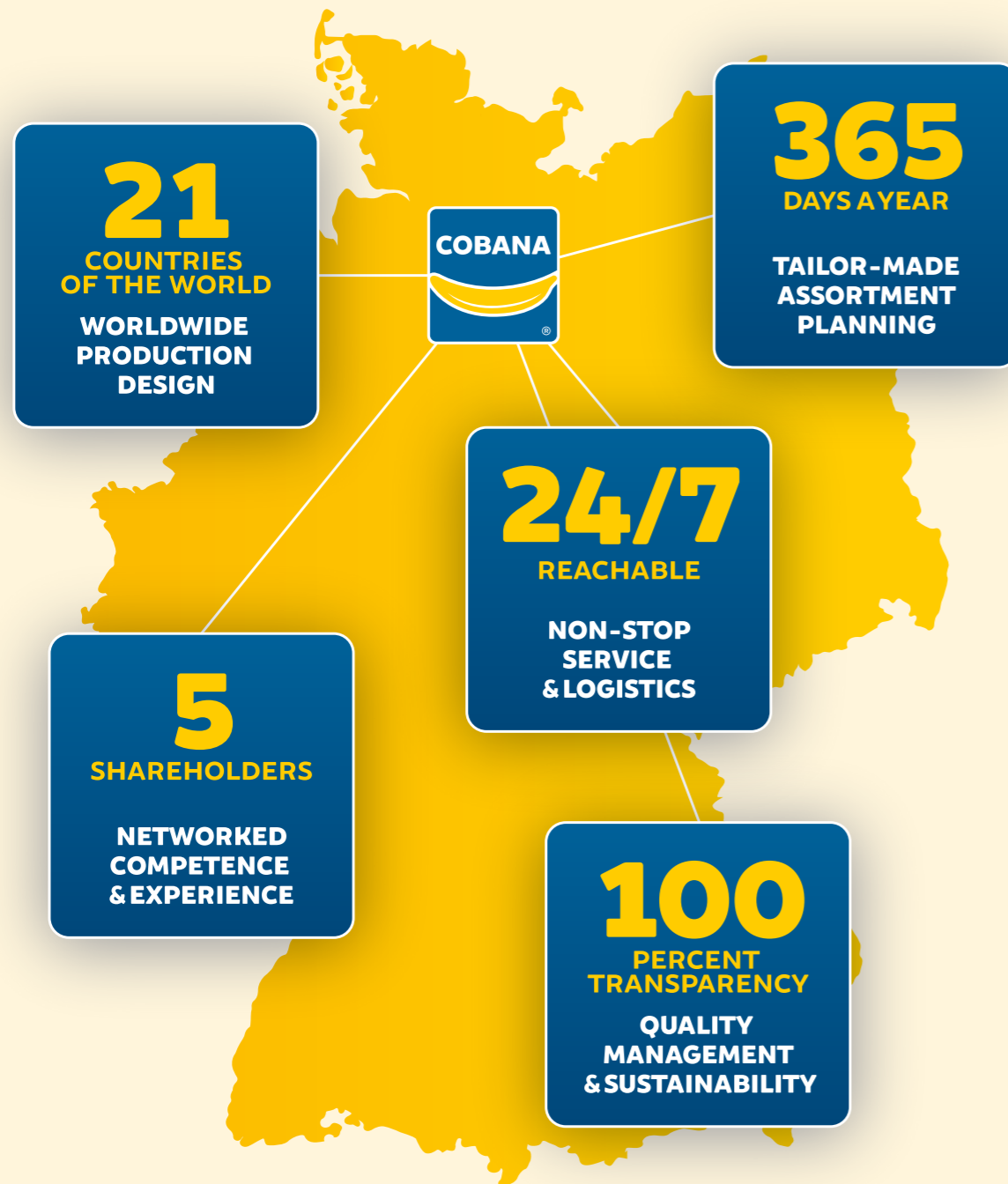


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1. Foreword

As an international company, COBANA considers it a responsibility to play an active role in sustainable economic development for the common good. The core mission of COBANA GmbH & Co KG is the international import of high-quality, healthy fresh fruit. We see it as our task to support all trading partners, above all our supply partners in the growing regions, in carefully using the earth's resources and to guarantee the protection and strengthening of the interests of workers and their families. In this way, we contribute to the fair distribution of resources and opportunities for our society today and future generations. In addition to the supply chains, this naturally also applies to the operational ecology of our company based in Hamburg. Following the principles of the honorable merchant, we want to set an excellent example as a shaping player and set the tone for a sustainable future. First and foremost, this includes fulfilling our corporate duty of care, which encompasses all three areas of sustainability: ecological, economic and social.

The sustainability goals of the United Nations are the guidelines for our actions. We are also guided by the UN Convention on Human Rights and the UN Global Compact. We use materiality and risk analyses in our business activities in order to make efficient use of our opportunities to exert influence and to identify and mitigate risks in the area of environmental and human rights protection at an early stage. Our requirements for supply partners also go beyond the national laws

of the countries of origin. As a procurer of tropical fruit, we feel responsible for the sustainable alignment of supply chains and for maintaining, updating, and further developing quality and sustainability standards in production, transportation, and logistics. To this end, COBANA relies on long-term supply partnerships characterized by mutual respect, transparency, and interaction. We use this trusting basis of cooperation to assume responsibility across national borders. In addition, COBANA helps shape the discourse on future-proof, sustainable agricultural supply chains through proactive participation in multi-stakeholder partnerships and topic-related networks. For example, we have set ambitious reduction targets for climate emissions as part of the Science Based Initiative.

Our sustainability strategy is based on years of experience in the tropical fruit trade and constantly evolves. It is underpinned by quantitative targets for the first time in this report for the financial year 2022. The report is based on the internationally recognized principles of the [Global Reporting Initiative \(GRI\)](#). These facilitate the comparability of high-quality sustainability reports due to the precise specifications and conceptual definitions. As the GRI had not yet published a sector standard for our industry at the time of preparation, COBANA's reporting is based on the topics of sector standard 13 Agriculture, aquaculture and fisheries in addition to the general disclosures.

We filtered out the material topics from this standard and added further topic standards on materials, education, training, and customer health and safety. Following the EU's Corporate Sustainability Reporting Directive, COBANA is not obliged to prepare a sustainability report in 2022. Based on its self-image, COBANA has voluntarily published a sustainability report. Given the high standard, this report is aimed at various interest groups. It serves as an internal guideline and, at the same time, gives external stakeholder groups an impression of the company's contribution to sustainable development. The report particularly interests people in the upstream and downstream supply chain, service providers, customers, end consumers, and the general public. For suggestions and comments, please contact qm@cobana.com.


Ekkehard Knabe


Stephanie von Gratkowski


Leonie Frey



„Sustainable development is more than a goal. It is our responsibility to our planet and future generations“

António Guterres (Secretary-General of the United Nations)

2. Reporting period and format

COBANA has decided to prepare a sustainability report following the globally developed Global Reporting Initiative Standard (GRI), compatible with the European Sustainable Reporting Standard (ESRS) from 2022. The report is to be published regularly at one-year intervals starting in 2024. One year is appropriate as this is also when the financial reporting occurs. Leonie Frey (leonie.frey@cobana.com) is responsible for the report. In the future, reporting is expected to follow both ESRS and GRI standards, thereby meeting the Corporate Sustainability Reporting Directive (CSRD) requirements.

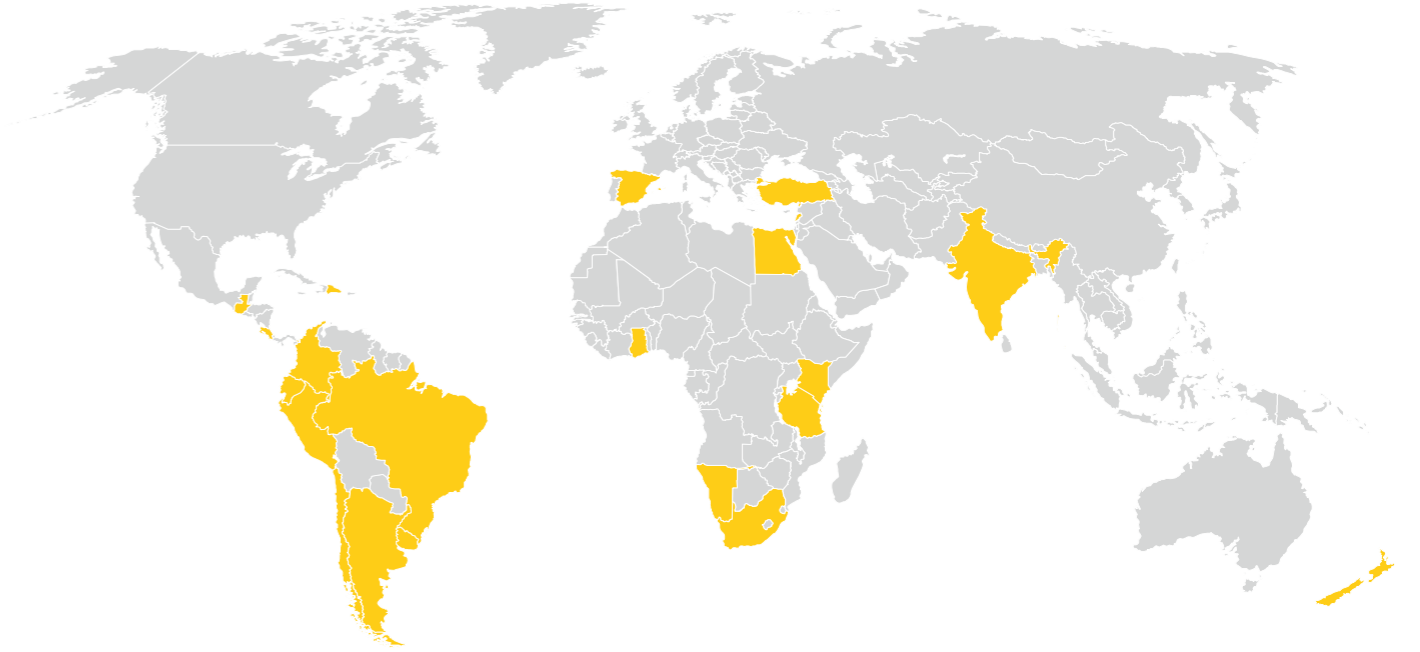
COBANA is using the first reporting year to familiarize itself with the guidelines and practices of the GRI Standards. For this reason, the first sustainability report will not be audited externally. In the future, the report will also be submitted to external auditors. COBANA prepares this report voluntarily in the spirit of cooperative supply partnerships and transparent business practices. When designing the report, we took care to use gender-neutral language.

This sustainability report is based on the Global Reporting Initiative Standard (GRI).
It is compatible with the European Sustainable Reporting Standard (ESRS).

3. Governance

COBANA GmbH & Co. KG has been a major European fruit-trading group since 1964 and is based in Hamburg, Germany. It imports and distributes fresh fruit with close links to overseas production. The products traded include bananas, citrus, avo-

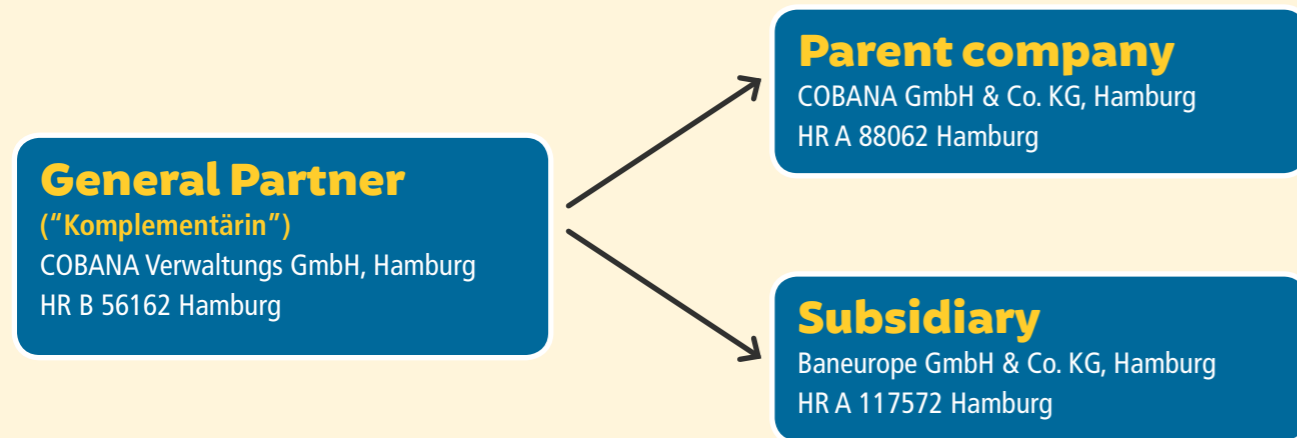
cado, mango, pineapple, pome fruit, table grapes, stone fruit, kiwi, physalis, pomegranates, figs and passion fruit. COBANA sources these from more than 20 different countries.



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

At the end of the 2022 financial year, the parent company COBANA GmbH & Co. KG owned five independent fruit trading companies spread across Germany. They ensure customer-specific deliveries to food retailers and other sales channels daily. On the distribution side, the subsidiary Baneurope GmbH & Co. KG, Hamburg, represents the link to food retailers and the settlement center while COBANA Verwaltungs GmbH, Hamburg, is a general partner company with limited liability ("Komplementärin").

As a network of medium-sized companies, COBANA thus has a unique structure that allows us to be close to our customers and at the same time import fruit from all over the world. As the active business is primarily conducted via the parent company COBANA, only COBANA GmbH & Co. KG is reported below.



“ [...] a unique structure that allows us to be close to our customers and at the same time import fruit from all over the world.

COMPETENCE AND EXPERIENCE



3.1. Corporate management

The management of COBANA GmbH & Co. KG consists of the Supervisory Board and the Management Board. The Supervisory Board is elected by the shareholders every three years and is the highest controlling body. In the 2022 reporting year, two Supervisory Board members own COBANA's shareholder companies, while another person acts as a consultant. Due to the business model discussed in more detail in section 3.3, transactions with related parties (shareholders) are inevitable. However, these are subject to a market comparison, so 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 a function within the company management. This is the Management Board's responsibility, consisting of three managing directors in 2022 who have been managing the company for several years. In 2023, only two existing managing directors will perform this function. In the event of critical matters, these are brought to the attention of the Supervisory Board via the Management Board. No paramount matters were identified in this reporting period.

The remuneration system for the Supervisory and Management Board mainly provides for fixed remuneration. In sales, on the other hand, the salary comprises both selected and variable remuneration components. The avoidance of sustainability risks is not considered in either area. The criteria for variable remuneration include financial performance indica-

tors. The ratio of total annual remuneration is subject to confidentiality, as the information can be used to determine an individual's remuneration. For this reason, COBANA also uses Section 286 (4) HGB in the consolidated financial statements and does not report on the ratio of total annual remuneration. Consistency between our sustainability report and the consolidated financial statements is essential for our organization. The highest supervisory body has delegated responsibility for managing the impact on the environment and people to the Quality Management / Corporate Responsibility department. One manager and three other people are responsible for developing and updating the guiding principles, strategies and objectives as well as implementing the corresponding measures in the area of sustainability. This means that around 16% of the workforce is dedicated exclusively to food safety, quality, and sustainable procurement. Thanks to the flat hierarchies, there is a regular exchange between the department and the management. The latter, in turn, reports strategy-relevant topics to the Supervisory Board and then jointly decides on the next steps. The Supervisory Board also reviews the sustainability reporting and is responsible for its approval. During the review process, it receives the current version of the report. This is commented on by the members, thus ensuring that all material topics are presented appropriately. From 2023, sustainability will also be integral to the strategy meetings. The Supervisory and Management Board members will decide on the company's strategic direction for the next three to five years at these meetings. This means that sustainability is firmly anchored in the company's future direction.



3.2. Employees

In 2022, COBANA GmbH & Co. KG employed an average of 27 people annually. These included all employees except the three managing directors and the trainee. There were 13 women and 14 men; no employees described themselves as diverse. They are all employed at the headquarters in Hamburg and have open-ended employment contracts not bound by collective agreements. In this way, the company ensures reliable and long-term employment for the entire workforce. There is also the option of working part-time. Six people took up this offer in 2022: five women and one man. Due to this part-time offer, the working hours of the entire workforce amount to around 25 full-time positions.

In addition to the staff who are directly employed, COBANA works closely with a sustainability consultant in Ecuador. This consultant represents the company in Latin America and performs field visits and COBANA sustainability audits on the farms, among other things. These audits go beyond the existing certifications' requirements concerning content and time and are, therefore, a vital additional building block for safeguarding and strengthening environmental protection and the interests of workers and their families. These audits enable COBANA to react to the latest trends, changes, and moods in the fruit's countries of origin and act promptly.

Number of employees in 2022

Employees	Total	Full-time	Part-time	Open-ended contract	Hamburg
Women	13	8	5	13	13
Men	14	13	1	14	14
Total	27	21	6	27	27

FTE in 2022

Employees	Total	Full-time	Part-time	Open-ended contract	Hamburg
Women	11,45	8	3,45	11,45	11,45
Men	13,5	13	0,5	13,5	13,5
Total	24,95	21	3,95	24,95	24,95

3.3. COBANA's value chain

COBANA works with a wide variety of stakeholders. As shown in the COBANA value chain, this primarily includes **producers and suppliers 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 the increasingly important area of sustainability. In many cases, the producers themselves are our direct business partners. In the case of smaller farms, another player is often involved who coordinates the exports. In any case, we are in close contact with the farm owners, many of whom we have worked with for years or even decades. We respond to individual needs on a case-by-case basis. For example, communication occurs via the WhatsApp messaging service for quick and easy exchange. Our partners often prefer this, allowing them to communicate easily, even when network coverage is poor. COBANA also tries to overcome language barriers and converse in the local language where possible. This is particularly helpful for the large number of our Latin American producers. Thanks to this direct communication, we can ensure that the quality of the goods and our sustainability requirements are met.

In addition to this stakeholder group, **COBANA works with shipping companies** to 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. For some items, the fruit is initially packed in smaller units, e.g., in nets for citrus fruit. Bananas, mangos, and avocados are ripened in special ripening chambers before delivery to the retailer. In addition to our service providers at the European ports of unloading, **our shareholder companies in Germany also act as service companies** for ripening, packaging, fine distribution, and trucking 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.

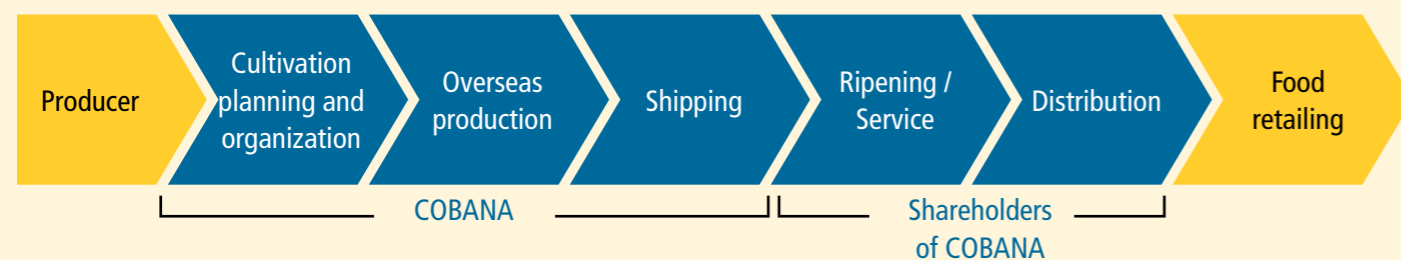
We have worked closely with all of our service providers for many years, and both sides benefit from a partnership and trusting cooperation. For many decades, we have also had a partnership-based relationship with our shareholder companies, as fundamental pillars of the COBANA Group, with close contact at the management level and in day-to-day business. Last but not least, **COBANA's customers are also crucial stakeholder groups**. Also, contact has been significantly intensified in recent years, particularly in purchasing and corporate social responsibility. For example, joint pilot projects are being carried out to safeguard human rights in the countries of origin.

In addition to the stakeholders mentioned above, COBANA has also joined dedicated associations and initiatives. In 1994, the company joined the German Fruit Trade Association to network within the industry and the European Fresh Produce Association (Freshfel) to represent its interests at 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 addition, COBANA has joined the Sustainability Initiative of South Africa (SIZA), a social standard for ethical and environmentally sustainable

trade. It aims to continuously improve working and environmental conditions in South Africa practically and comprehensively. The SEDEX initiative also takes up this idea: Along the entire supply chain, labor, health, safety, and environmental standards are to be adhered to and improved in the long term. COBANA is, therefore, also a member of this initiative. At an environmental level, we have joined the Science Based Target Initiative and set ourselves ambitious targets for reducing our climate emissions starting in 2019. To further expand the topic of sustainability in all three dimensions - ecological, economic, and social - the company is open to joining further alliances and promoting new collaborations.



COBANA's value chain



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

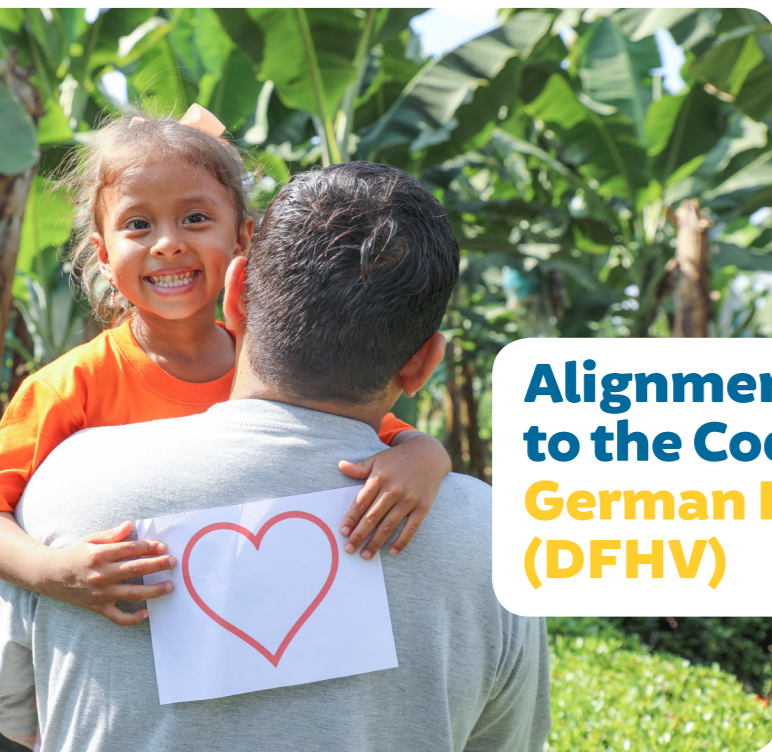
4. Internal sustainability management

Establishing and maintaining long-term business relationships is anchored in our corporate policy. Close customer contact and a focus on food safety, quality, and sustainability are essential. The company, therefore, commits itself in the corporate policy to an outstanding commitment to product safety culture, personnel responsibility, as well as ethical, environmental, and social accountability. This duty also includes aligning the trade with the [Code of Conduct that the German Fruit Trade Association \(DFHV\)](#) developed in 2007 in order to take social standards into account. The Code of Conduct considers the following ten points: No child labor, no forced labor, right to unionization and collective bargaining, no discrimination, written employment contracts, only legally permitted working hours, no undercutting of minimum wage standards, no impairment of health and safety, no risk from the possible use of pesticides and commitment to environmental protection. The Code is freely accessible to all employees and customers can check the implementation of the standards at any time.

In addition, 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

Building on this, COBANA's Code of Conduct on Gender Policy emphasizes that all employees have equal rights and development opportunities regardless of gender. This includes the performance of a function and its representation irrespective of gender. Sexual harassment or sexist behavior is not accepted in any way. A gender officer has been appointed to ensure this and to provide employees with regular training on this topic. In addition, the Quality Management / Corporate Responsibility department is responsible for implementing sustainability-related points. Therefore, it has a unique role in selecting new suppliers. If a supplier violates the ecological, social, or human rights requirements stipulated by COBANA, the department can veto any cooperation. In addition, the existence and validity of the necessary certificates are checked via the ERP system for each purchase. If the social or environmental requirements are not met, the procurement process is automatically stopped until the problem is resolved.



Alignment of trade according to the Code of Conduct of the German Fruit Trade Association (DFHV)

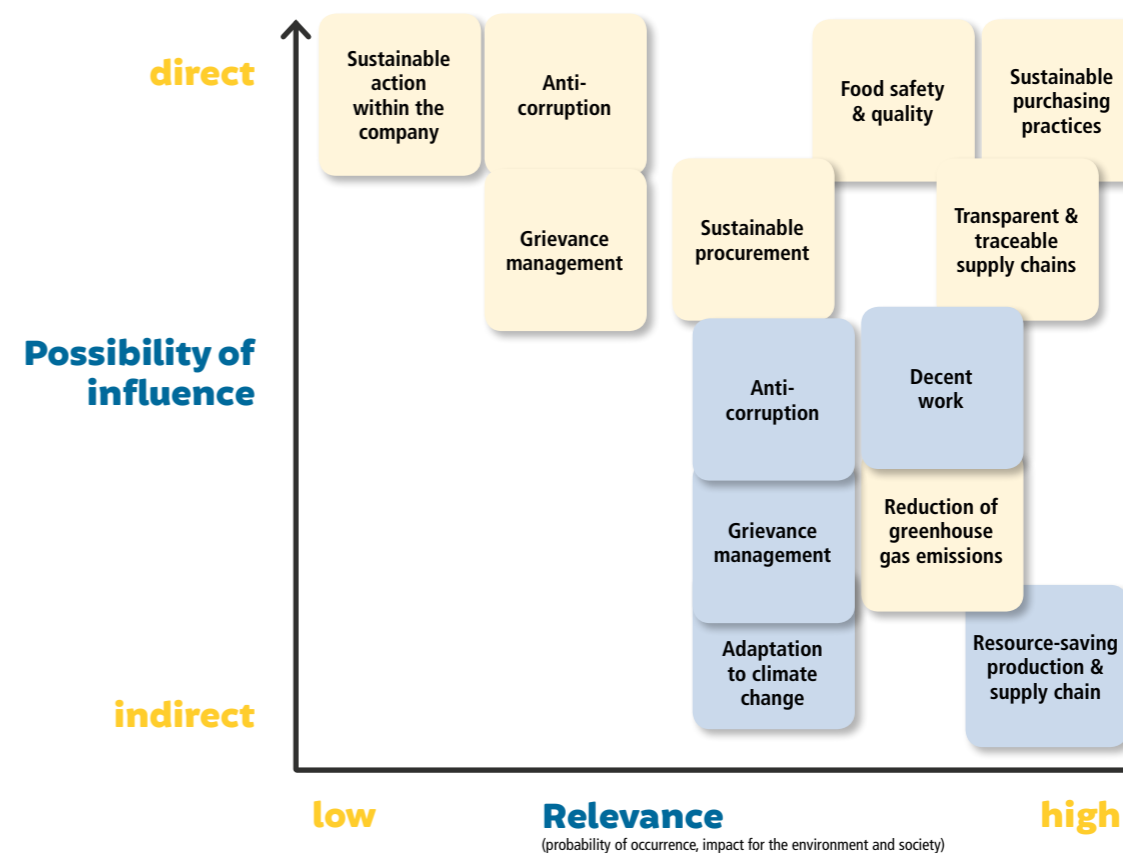
5. Materiality

The critical sustainability topics were developed in an internal workshop in April 2023 and will be reviewed and updated annually in subsequent reports. The focus was on identifying the key stakeholder groups and comparing their interests. The following stakeholder groups were identified as a result of the workshop: Consumers, direct customers (food retailers), suppliers in the EU, overseas suppliers with and without an export function, producers at origin, company employees, packaging manufacturers, certification bodies, and service providers along the supply chain in the areas of shipping, road transportation, ripening, refrigeration, storage logistics, quality control, and laboratories. In addition to these stakeholder groups, interest groups outside the direct value chain influence COBANA's business practices. These include legislators (compliance and tax revenues), NGOs (improvement of production standards, particularly overseas), banks (ESG criteria for lending and investment decisions), and local communities.

The material topics were analyzed based on the following criteria:

- 1) Relevance (probability of occurrence, impact for the environment and society)
- 2) Possibility of influence through COBANA

The assessment along these criteria was carried out for individual fields of action derived from the GRI Sector Standard Agriculture and selected topic standards. The valuation is based on decades of practical and cooperative experience. Moreover, it was supported by an external, independent sustainability consultancy. This resulted in eleven topics, which were structured and prioritized in a materiality matrix. Topics directly affecting COBANA are highlighted in yellow, while those in the supply chain are marked in blue. In the following text, the main topics relating to production are presented first. This is followed by aspects that relate to the entire supply chain, and finally, we take a closer look at factors that determine the Hamburg site or are influenced by the activities there.



6. Sustainable purchasing practices

A fundamental pillar of a sustainable supply chain is purchasing practices on an equal footing with suppliers and producers. COBANA has always pursued long-term relationships, which has resulted in a business relationship based on trust. **We have been working with 48% of our suppliers for more than five years and with over 10% for more than ten years.** We want to maintain this connection in the future and continue to foster our long-standing relationships. Up to now, as it is usual in the fruit and vegetable industry, cooperation has been based on verbal agreements and assurances. We will gradually formalize this practice by concluding long-term contracts with our suppliers. We have already concluded one-year

contracts with fixed purchase quantities in the banana sector in 2022. **By 2027, we plan to extend these contracts to all product groups and even three- to five-year contracts in the banana segment.** In addition to the formal contracts, we are making the supply chain more transparent by introducing an **open cost approach**. This involves disclosing all costs to all parties along the chain as part of price negotiations to establish fair prices for everyone. This approach was developed in 2022 with a customer in the banana sector and is to be expanded to additional product groups such as mango, avocado, and citrus by 2027 following successful trials.

With 48% of our suppliers we have been working with for more than five years [...]



6.1. Social and environmental standards

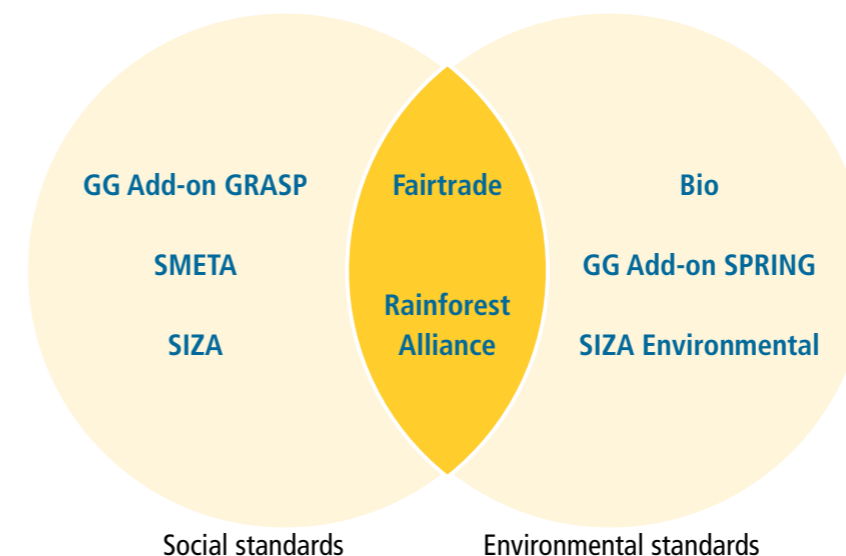
To ensure that all our products are grown under decent working conditions, all production facilities have undergone at least a **GlobalG.A.P. GRASP risk assessment** (GG Add-on GRASP). This covers topics such as workers' health, safety, and well-being. In addition, the fruits in the banana and pineapple product groups are labelled with the **Rainforest Alliance** seal. The **Rainforest Alliance Standard** certifies both social and environmental compliance. In particular, the issues of forests, climate, human rights, and workers' livelihoods are considered.

Producers of other product groups have opted for **SMETA auditing**. Here, an audit procedure is carried out to ensure compliance with labor rights, health, safety, and environmental standards as well as business ethics along the supply chain. The **SIZA standard** in South Africa follows a similar approach. The Sustainability Initiative of South Africa monitors compliance with labor laws and aims to promote continuous improvement over time in practices beyond the minimum legal requirements. The initiative is anchored in local South African legislation and addresses risk areas particularly relevant in South Africa. It also considers the specific circumstances of local producers. COBANA primarily sources citrus fruit, pome fruit and table grapes from growers who are participating in the SIZA program.

In addition to the standards already mentioned, COBANA also sources bananas with the **Fairtrade seal**. This standard aims to provide all small farmers and workers with a livelihood and a self-determined way of life. To this end, it pursues fair trading conditions, democratically constituted interest groups, more financial support, and training opportunities for people in the Global South. The standard also emphasizes environmentally friendly cultivation and the protection of natural resources and promotes organic food cultivation.

In addition to the Fairtrade and Rainforest Alliance Standard and various water certificates, which will be discussed in more detail in Chapter 8, **COBANA relies on organically certified goods**. Here, the use of external means of production is severely restricted or completely prohibited, such as synthetic chemical plant protection products, synthetically produced nitrogen fertilizers and growth regulators. In 2022, just under a quarter of the bananas we traded were certified organic. We want to expand this by 2027 and include organically grown avocados alongside bananas in our range. We will actively promote these to our customers and thus work towards increasing demand.

All these standards improve working conditions and/or environmental protection in the production countries. We are working together with our suppliers to further expand social standards in addition to growing organic-certified goods so that **by 2027, all fruit from medium and high-risk countries¹ will be certified with a recognized social standard that goes beyond the GRASP risk assessment.**



¹ Our classification is based on the GlobalG.A.P. classification, which can be viewed at the following link: <https://www.globalgap.org/what-we-offer/solutions/risk-classification/>

6.2. Increased supplier visits

In addition to certifications, COBANA relies on supplier visits and audits to help to improve the living and working conditions of people in the production countries and to protect the environment. The audits are carried out in the hot spots identified by risk analyses as an additional safeguard. Among other things, a checklist examines the working hours, wages, social benefits, and health and safety of the production facility's workers. We also review the company's policies and measures to prohibit child labor, forced labor, discrimination, and harassment, as well as bribery and corruption. Furthermore, we ask the producers to show us their grievance mechanisms and procedures for remedying grievances. We verify the management's statements by talking to individual, randomly selected workers on the farm and in the packing house. If one of the points on the checklist is not sufficiently fulfilled, we discuss this with the producer and jointly discuss suitable corrective

measures and the time frame for their implementation. In the event of serious violations that come to our attention either during our audits or are brought to our attention via certification bodies, COBANA will no longer accept goods from the company until the issue has been clarified and improved. However, termination of the business relationship is the last resort and is only undertaken in intense, unresolvable cases.

In addition to our audits, **a local COBANA representative in Latin America supports the producers and helps them continuously improve working conditions and environmental aspects on the farms. We will expand this support by 2027 and increase the staff in the countries of origin.** This is another way COBANA builds long-term and personal supply relationships that are maintained even in problematic times, such as price fluctuations or climatic problems.

“ [...] continuously improve working conditions and environmental aspects on the farms.



7. Decent work

Especially in working conditions, it is important to establish measures to empower workers in production. A fundamental basis for this is compliance with human rights and informing workers about their rights. We are therefore planning to provide training on this topic. To this end, we surveyed in 2022 to determine the training needs of our suppliers in Ecuador, Colombia, and Peru. This will serve as a basis for us **to offer all employees of our strategic suppliers annual human rights training by 2027.**

In addition to respecting and raising awareness of human rights, we are committed to establishing a **Living Wage**. For this purpose, we participate in the activities of the [German retail industry's working group on living wages and incomes](#). This incorporates the food retailers ALDI North and ALDI South, dm- drogerie markt, Kaufland, and the REWE Group. The collaboration aims to establish living wages in the banana sector and later extend this to other supply chains in the fruit and vegetable sector. To achieve this, COBANA is part of a pilot project that will meet with relevant stakeholders from production and a German supermarket every two weeks from 2023 to create a common understanding of the wage system in the banana sector. **COBANA forms a vital bridge between retailers in Germany and producers all over the world in developing individual steps.** As part of the project, a wage analysis for Ecuador was already carried out in 2022, and activities were launched to strengthen employee representation. The task is to develop new structures and then scale them up to guarantee living wages for workers in the various countries with different structures.

To establish these conditions at the origin and further down the supply chain, COBANA will 2023 participate in the working group Decent Working Conditions in Shipping. This is part of a project funded by the German Federal Ministry for Economic Cooperation and Development (BMZ). The objective is to discuss the working conditions of employees in ports and on the high seas along the banana supply chain with various stakeholders such as researchers, food retailers, shipping companies, NGOs, and trade unions. The aim is to create a common understanding of the challenges and develop solutions. In addition to living wages, we strengthen the communities in the countries of origin that border production sites. In 2022, for example, we were supporting a project in Colombia to protect indigenous territories and their independent administration as part of our carbon offsetting payments retroactively for our 2021 carbon emissions. COBANA also financed an avocado packing house in Kenya and plans further investment in Tanzania. This will create new jobs in the region, which will help improve local social conditions. **By 2027, we will support additional projects to promote and strengthen local communities, such as the construction of schools.**

“ COBANA forms a vital bridge between retailers in Germany and producers in all over the world.

8. Resource-conserving production and supply chain

We work closely with our producers to contribute to greater sustainability right at the start of the supply chain. As part of the “Follow me to the field” project, which we carried out together with the German Development Cooperation (GIZ) from 2016 to 2019, we laid the foundations in the banana sector for reducing the use of pesticides, protecting the soil and preserving biodiversity. Together with experienced experts and banana producers, 34 practical measures were developed. COBANA supported the producers both conceptually and financially in implementing these measures, including, for example, the creation of bio corridors for migratory animal species or the development of a catalog of activities for and with women from the neighboring settlements. The lessons learned from the practical implementation of measures and inter-company cooperation have provided important insights that will continue to advance COBANA’s sustainability efforts in the future. Further measures will be developed by 2027 to initiate resource-conserving production. In 2022, all conventionally grown bananas were already certified with the Rainforest Alliance biodiversity standard.

Responsible use of water is also part of resource-conserving production. As early as 2022, COBANA required all suppliers who deliver goods from water-critical regions to provide a water certificate confirming the responsible use of the water. Water-critical zones are defined based on the [WWF Water Risk Filter 5.0](#). Suppose a cultivation area belongs to these re-

gions, it must meet one of the following standards: **The GLOBALG.A.P. Add-On SPRING, the Environmental Add-On of the SIZA standard or a Rainforest Alliance certification.** The SPRING add-on focuses mainly on water. It considers, among other things, the legal compliance of water sources and withdrawal volumes, the monitoring of water consumption, best practices in water management, the protection of water sources and measures taken to demonstrate continuous improvement in water management. On the other hand, the environmental addendum to the SIZA standard has a broader focus and highlights practices in soil, water, energy, materials, waste, biodiversity and ecosystems. The Rainforest Alliance also takes a holistic approach and, in addition to wastewater treatment, it also includes protecting riparian vegetation and avoiding hazardous agrochemicals. **In addition to the certifications, we are expanding our audits of producers’ water consumption by 2027 and motivating producers in regions that are not water-critical to take a critical look at the issue.**

In addition to our efforts to make production conditions more resource-efficient, we are also focusing on transportation. As early as 2022, we will only use air transportation in exceptional cases; instead, goods from overseas will reach us by ship. To make this mode of transportation more sustainable, we will define measures by 2027 on how we, as an import company, can actively influence more sustainable transport.



9. 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 noticeable in the form of extreme weather events. This can be seen, for example, in prolonged periods of drought or heavy rainfall and the resulting flooding in production countries. These events can have a significant impact on the cultivation of fruit. To counteract this, COBANA will support selected producers with adaptation measures such as rain catchment basins or an early warning system. COBANA is also continuously reducing its carbon footprint to avoid changes caused by the climate crisis as far as possible. This is discussed in more detail in chapter 12.

”
COBANA will support selected producers in the future with measures to adapt to climate change.



10. Transparent and traceable supply chains

In addition to sustainable production, we also pay attention to a responsible supply chain. To this end, it is essential to make the supply chain as transparent as possible and to be able to trace all products back to their origin. **This is why 100% of traded goods are certified by GlobalG.A.P. and have a GlobalG.A.P. number.** This enables products to be identified and traced. In addition, we have so-called packing lists for several goods, in which the farm code and the respective packing house are noted alongside the GlobalG.A.P. number. The goods can be traced back to the respective producer and the farm. By 2027, we will further automate the traceability process so that the farm of the respective fruit can be identified "at the touch of a button" at any time.

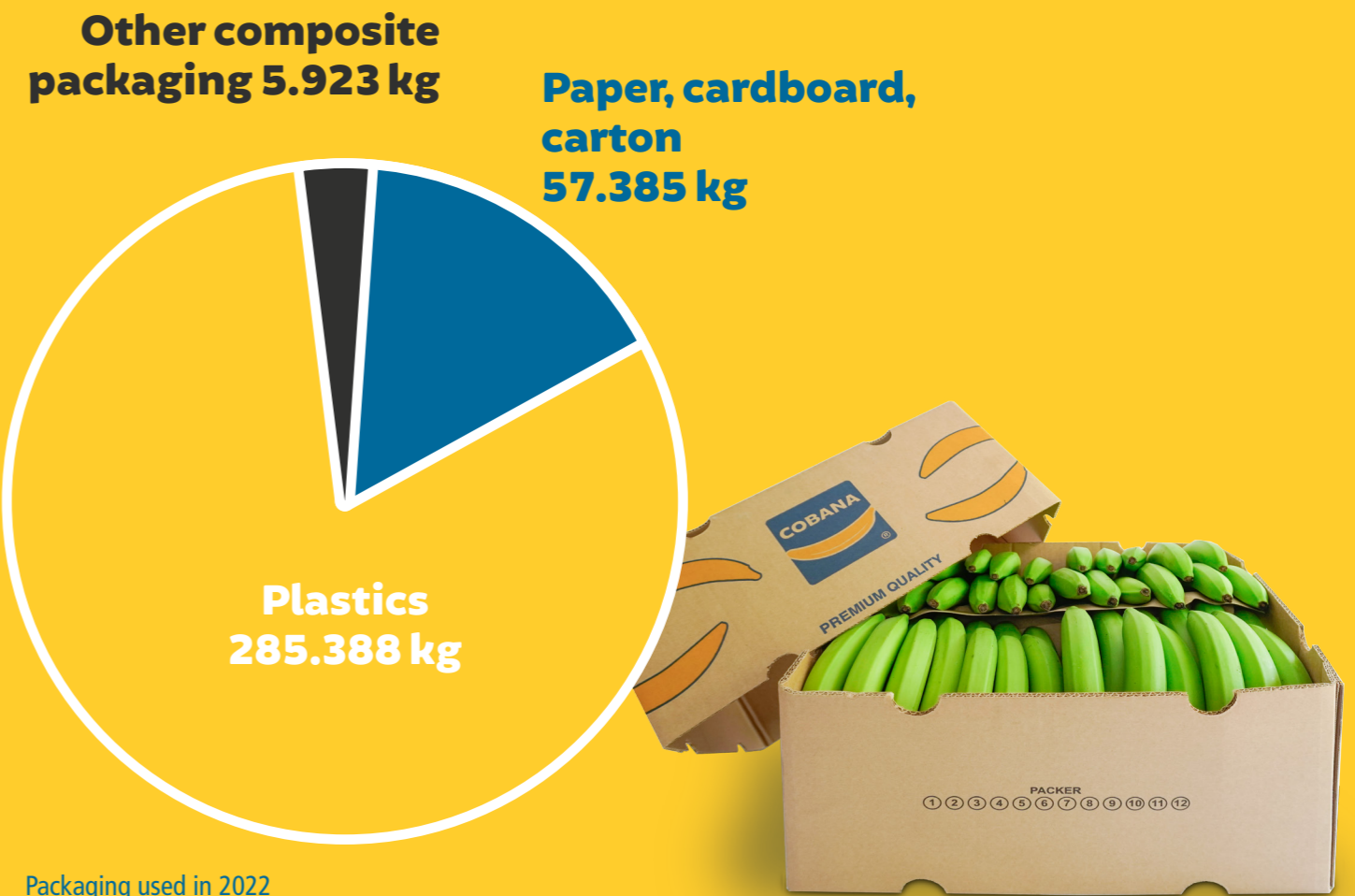
In addition to traceability, the transparency of the supply chain towards external parties is fundamental to us. We engage in various working groups and pilot projects to give our customers an insight into our collaboration with our suppliers. This creates a mutual understanding, which forms the basis for the joint development of solutions in sustainability.

“**Therefore, all of our goods traded are traceable back to the field.**”

11. Sustainable procurement

The supply chain for our products also includes the procurement of packaging. We procure this from external suppliers, and the quantity issued can be measured directly. In 2022, 57,385 kg of paper, cardboard, carton, 285,388 kg of plastics, and 5,923 kg of other composite packaging were used. We pay particular attention to the use of recycled materials when using plastics. For example, the plastics used for packaging grapes are made from recycled PET. In addition, the majority of the paper, cardboard and cartons used come from responsible sources that are labeled with at least the FSC Mix seal. **By 2027, we focus on several of our plastic packaging to contain recycled material or be recyclable or reusable. We are also committed to reducing plastic packaging.**

In addition to the sustainable procurement of materials, COBANA is committed to constantly reducing the amount of disposed food to counteract food waste. For this reason, a fruit whose quality no longer meets the requirements of the German market when it arrives at the European port is passed on to third parties. The type of further processing depends on the respective quality and product group. For example, if most bananas have already ripened during transportation, they can often no longer be sold on the German market. They are therefore, habitually released for the market in other European countries. Other fruits, such as mangoes, avocados, or citrus, which do not meet class 1-quality standards, are sold to a Dutch wholesaler. They are then passed on to companies that process the goods into juice, oil or puree.



12. Determination and reduction of greenhouse gas emissions

According to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol) guidelines, COBANA has calculated its greenhouse gas emissions in Scopes 1 and 2 since 2019 and partially in Scope 3. For 2022, the Scope 3 emissions were calculated in full for the first time. The CO₂-equivalent emissions were determined using consumption data and emission factors. Where available, primary data was used; in the opposite case, secondary data from recognized sources was used. Emission factors from scientifically recognized databases such as ecoinvent and DEFRA were used. In addition, all relevant greenhouse gases according to the IPCC Assessment Report were considered for the calculation of CO₂ equivalents: Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC/HFC), perfluorocarbons (HFC/PFC), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

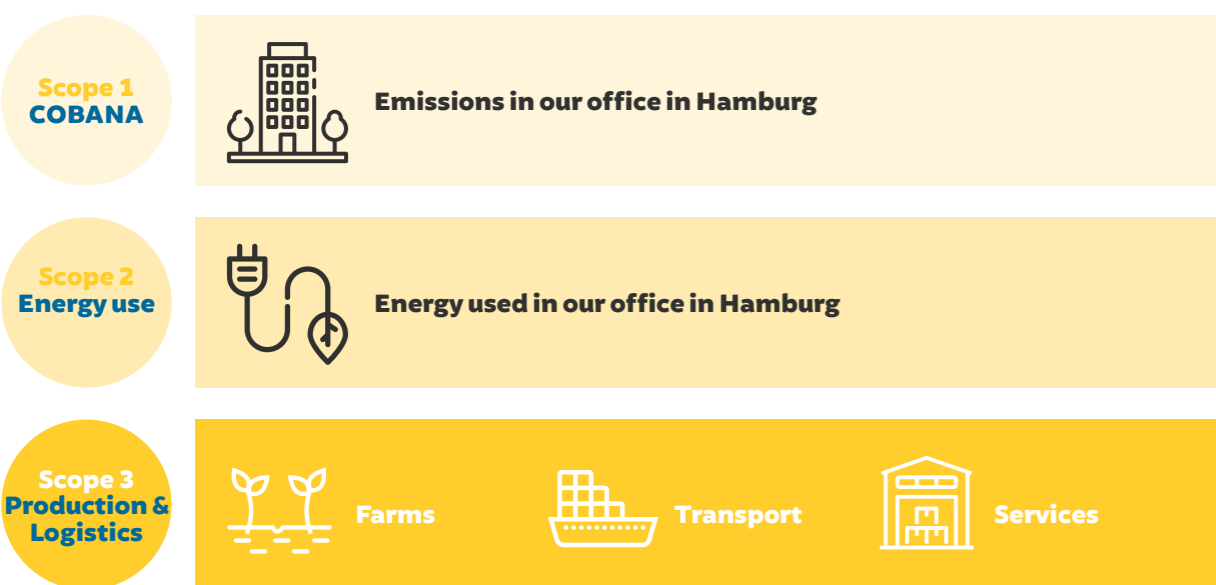
The emissions for electricity (Scope 2) were calculated using market-based and location-based methods. This corresponds to the dual reporting of the GHG Protocol. In the market-based method, if known, the specific emission factors of the purchased electricity were used for the calculation. Otherwise,

the residual mix was used if available; otherwise, the country mix was used. The location-based method was also used. This method uses national average factors for the respective electricity mix. This enables a direct comparison of the own value with the country-specific average.

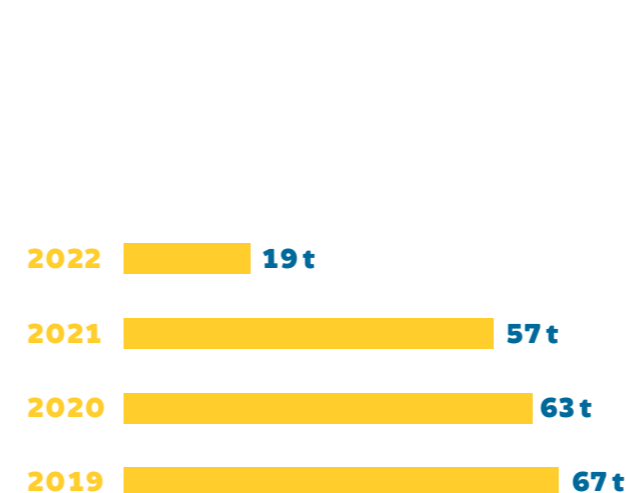
During the calculation in 2022, it became clear that the emissions from Scope 1 and 2 are insignificant compared to Scope 3. **In Scope 1, 15.73 tons of CO₂ equivalents were recorded. Due to the switch to green electricity in 2022, the emissions in Scope 2 amount to only 3.09 tons of CO₂ equivalents. In Scope 3, on the other hand, 94,791.50 tons of CO₂ equivalents were generated.** These mainly consist of incoming logistics (42,583 tons) and production and consumables (38,475 tons) for the fruit. There are also 10,601 tons for outgoing logistics. The remaining emissions are distributed across storage, packaging material, disposal, business travel, employee travel, and fuel and energy-related emissions.

To achieve the 1.5 °C target, the Science Based Target Initiative calculates that 4.2 % of our Scope 1 and 2 emissions must be reduced annually by 2030. COBANA joined the initiative in 2022 and has set itself the target of reducing Scope 1 and 2 emissions by 30,963 kg of CO₂ equivalents by 2030, starting from the base year 2019. Over eleven years (2019-2030), this corresponds to a percentage of 46.2%. For this reason, the company sets its reduction targets every year. In 2022, for example, the entire electricity supply was switched to green electricity, significantly reducing Scope 2 emissions (from 39 tons in 2021 to 3 tons in 2022). This saves 29,376 kg of CO₂ equivalents, which corresponds to 28.24% of the total emissions. Since 2019, the company has thus already saved 61.38% of its emissions in 2022, considering previous savings, such as the reduction in company cars, and exceeded the target of at least 46.2%. Nevertheless, COBANA is not resting on its laurels. Instead, we have resolved to collect **primary data to calculate Scope 3 emissions by 2027 and to define specific reduction targets and associated measures.**

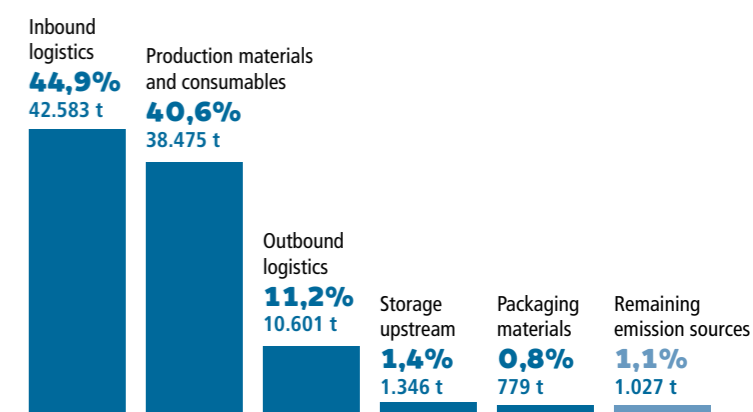
Despite the savings achieved so far, unavoidable emissions are still being emitted. In 2023, we will offset our Scope 1 and 2 emissions from 2022 with a [project to phase out coal in Colombia](#). Specifically, this involves using biomass instead of coal to produce bricks for new buildings in the rapidly growing suburb of Soacha in the capital, Bogotá. Biomass refers to biogenic, non-fossil materials such as branches, leaves, sawdust, wood shavings, or coconut shells. Thanks to their use and the use of efficient ovens, the project saves around 18,470 tons of CO₂ equivalents every year. Thanks to this offsetting project and the continuous reduction of emissions, COBANA actively contributes to climate protection.



Tons of CO₂ equivalents emitted (Scope 1 & 2)



Scope 3 CO₂ emissions



13. Food safety and quality

In addition to sustainable production and supply chains, we also ensure responsible business practices at our site in Hamburg. **When trading in fresh fruit, food safety is COBANA's top priority.** In this context, COBANA is certified according to the International Featured Standard (IFS) Broker. This standard assesses compliance with legal and customer-specific requirements. To this end, it checks whether COBANA has implemented suitable measures in its processes to ensure that suppliers comply with food safety and quality requirements and to monitor their compliance. COBANA has drawn up a quality agreement for this purpose, which has been checked and signed by all suppliers. This ensures that the products supplied comply with legal requirements and contractual specifications. In addition, we only work with transport and service companies certified according to the IFS or the comparable BRC Global Standard (British Retail Consortium) standard or have signed a quality agreement for their area of activity. **In our 2022 IFS audit, we achieved a higher level of certification with a compliance rate of 97.28%.** We aim to maintain this rating in the future.

All employees whose work affects product safety, quality, and legality must have the relevant knowledge. Internal and external training courses are planned and carried out annually. In addition, COBANA has established a traceability system, which has already been defined in a previous chapter.

To guarantee food safety in the long term, COBANA relies on constant checks on the arrival of the goods at European ports. The checks are carried out on two different levels. On the one hand, experienced quality inspectors assess the fruit's appearance and condition, engage various sensory measurements, evaluate the possible storage period, and check the correct labeling.

Secondly, random samples follow a risk plan and are sent to an accredited and QS-recognized food laboratory for chemical and microbiological analyses. In the event of any non-conformity identified here, appropriate corrections and corrective measures are initiated. This ensures that only products that are considered food-safe reach the food retail trade. A crisis test is carried out at least once a year to ensure the procedure functions smoothly in case of an emergency.

We also evaluate our suppliers annually according to various criteria. These include, for example, recognized certifications from the Global Food Safety Initiative (GFSI), laboratory results of the random samples taken, and compliance with our sustainability requirements. Following the assessment, suppliers are classified as A, B, C, and D, with A being the best possible rating. In 2022, over 95% of our suppliers were already categorized in category A or B, while category D was not awarded. We intend to maintain this distribution of supplier ratings in the future.



14. Complaints management

In 2022, COBANA did not record any criminal violations or penalties. **Nevertheless, we have set up various procedures for eliminating detrimental effects, obtaining advice, and reporting concerns.** Firstly, a digital feedback box has been installed on the desktop of all internal employees. **This allows all employees to submit their concerns and complaints about negative impacts due to specific business activities and/or processes, including those of a technical, social, or economic nature. It aligns with the United Nations Guiding Principles on Business and Human Rights (UNGPs).** The concerns reach the company's complaints officer, who receives the information confidentially and initiates the necessary measures.

External persons can leave their [complaints on our webpage](#). As with the internal procedure, an anonymous message can also be left here. This ensures that employees of suppliers and producers at the origin can also submit a complaint. This is intended as an extension to the option of submitting complaints on-site. This is because all suppliers and producers from whom COBANA procures goods ensure that they have set up an intact complaints' mechanism. All submitters of complaints, 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 concern or incident. The top priority is to protect the persons concerned. Therefore, the victim's consent to take further steps is obtained first. This includes identifying all parties involved and initiating cooperation with external parties such as supply chain partners, trade unions, and government agencies. A so-called remediation plan is drawn up jointly. This aims to process the incident in detail and achieve a solution for all parties involved. The complaints officer monitors the implementation of the plan. In addition to creating and implementing the remediation plan, the management team introduces training and awareness-raising measures to ensure everyone's long-term well-being. In addition to this internal procedure, we support a complaints management system along the entire supply chain that is adapted to the respective circumstances to put efficient suggestions for improvement into practice.



15. Anti-corruption

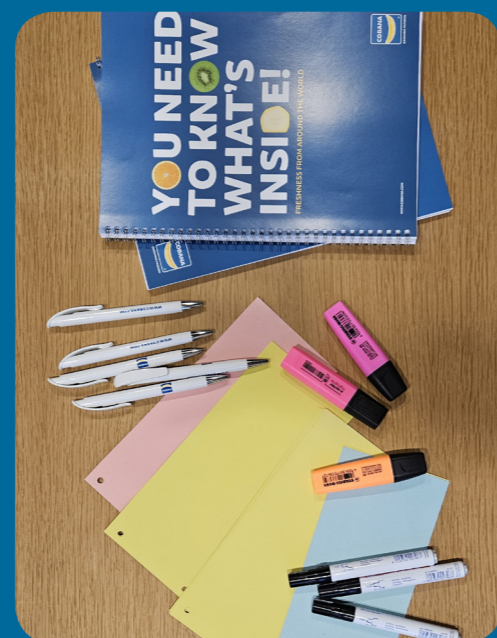
To prevent corruption in our company, we will formalize our internal compliance policy and thus clearly identify our internal guidelines. In addition, all our suppliers must confirm that they have established a functioning anti-corruption procedure.

We have included this point in our quality agreement, which all suppliers have signed. By 2027, we will also increasingly include the topics of corruption and bribery in our COBANA audits.

16. Sustainable action within the company

In addition to the points already mentioned, COBANA attaches great importance to responsible corporate ethics. **As a traditional Hamburg-based company, this includes first and foremost acting in accordance with the values of the so called "Hamburger Kaufmann" (Hamburg merchant).** This includes taking responsibility in commercial dealings, negotiating fairly, and performing services following agreements — it also commits to freedom, social security, respect

for human dignity, and acting against corruption. The conduct of an honorable Hamburg businessperson is always loyal, considers the legitimate interests of others, and reflects the consequences of his actions for the company and its environment, even beyond Germany's borders. This value-driven behavior also applies in problematic times. To keep this promise to our employees, we pay attention to family-friendly working conditions and promote ecological behavior among our employees.



16.1. Health-promoting and family-friendly working conditions

For COBANA, employees are a fundamental resource for successful economic and sustainable action. For this reason, their well-being and health are crucial to the company. To promote this, **the company will set up modern, ergonomic workstations for all employees in 2023.** This includes height-adjustable desks and individually adjustable desk chairs. Moreover, all employees will **receive additional private health insurance to ensure** they are covered over and above their typical insurance coverage. In addition to the health of its employees, **COBANA is committed to continuous professional development.** For this reason, all types of training are

supported, ranging from individual one-day trainings to multi-year part-time courses. Furthermore, all employees receive a regular performance and professional development assessment through annual appraisals. Various working time models are also offered, meaning that all employees, including managers, can work part-time and organize their working hours flexibly. From 2023, all employees will also be able to work from home a few days a month.

16.2. 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 IFS Broker certification. Food safety and sustainability are addressed here, and employees are aware of critical issues. We will intensify this training until 2027 and instruct employees on these topics at least every six months. In addition, employees in the Quality Management and Corporate Responsibility department, in particular, will receive sustainability-related training. This includes, for example, events organized by the German Fruit Trade Association on the topics of "Responsibility in the supply chain," "Carbon footprint," and "Impact buying." In addition to these training courses, the team members engaged in various seminars organized by the consulting firms Climate Partner and EcoVadis. The focus was on holistic topics such as creating a climate strategy.

Besides the theoretical input, COBANA promotes employees' ecological behavior by **covering public transport costs.** This serves as an incentive to use public transport for the daily commute instead of using their own car. Another measure to promote ecological behavior is the installation of motion detectors on office lamps. This prevents lamps from being lit only when a person is nearby. We also place a particular focus on our paper consumption. For example, in 2022, we only purchased printing paper awarded the EU Ecolabel bearing the FSC Mix seal. **By 2027, in addition to the certifications, we will reduce our paper consumption by 80% compared to 2022.**

Moreover, we are already sourcing our 2022 office coffee from a local coffee roastery whose supplier is in direct contact with the coffee producers. The focus here is on social responsibility in production. We, therefore, want to continue to source our coffee in this way in the future. All these measures incentivize the day-to-day implementation of more ecological behavior. **By 2027, we also aim to establish a detailed recycling system in our offices and raise employee awareness.**

GRI Index Matrix

General Disclosures

GRI 2.1	Organizational details	Governance
GRI 2.2	Entities included in the organization's sustainability reporting	Governance
GRI 2.3	Reporting period, frequency and contact point	Reporting period and format
GRI 2.4	Restatements of information	This will only be reported on in the second reporting year.
GRI 2.5	External assurance	Reporting period and format
GRI 2.6	Activities, value chain and other business relationships	Governance - COBANA's value chain
GRI 2.7	Employees	Governance - Employees
GRI 2.8	Workers who are not employees	Governance - Employees
GRI 2.9	Governance structure and composition	Governance - Corporate management
GRI 2.10	Nomination and selection of the highest governance body	Governance - Corporate management
GRI 2.11	Chair of the highest governance body	Governance - Corporate management
GRI 2.12	Role of the highest governance body in overseeing the management of impacts	Governance - Corporate management
GRI 2.13	Delegation of responsibility for managing impacts	Governance - Corporate management
GRI 2.14	Role of the highest governance body in sustainability reporting	Governance - Corporate management
GRI 2.15	Conflicts of interest	Governance - Corporate management
GRI 2.16	Communication of critical concerns	Governance - Corporate management
GRI 2.17	Collective knowledge of the highest governance body	Governance - Corporate management
GRI 2.18	Evaluation of the performance of the highest governance body	Governance - Corporate management
GRI 2.19	Remuneration policies	Governance - Corporate management
GRI 2.20	Process to determine remuneration	Governance - Corporate management
GRI 2.21	Annual total compensation ratio	Governance - Corporate management
GRI 2.22	Statement on sustainable development strategy	Foreword
GRI 2.23	Policy commitments	Internal sustainability management
GRI 2.24	Embedding policy commitments	Internal sustainability management
GRI 2.25	Processes to remediate negative impacts	Complaints management
GRI 2.26	Mechanisms for seeking advice and raising concerns	Complaints management
GRI 2.27	Compliance with laws and regulations	Complaints management
GRI 2.28	Membership associations	Governance - COBANA's value chain
GRI 2.29	Approach to stakeholder engagement	Governance - COBANA's value chain
GRI 2.30	Collective bargaining agreements	Governance - Employees
GRI 3.1	Process to determine material topics	Materiality
GRI 3.2	List of material topics	Materiality
GRI 3.3	Management of material topics	Materiality

GRI 13 Agriculture, Aquaculture and Fishing Sectors

GRI 13.1	Emissions	Determination and reduction of greenhouse gas emissions
GRI 13.2	Climate adaptation and resilience	Climate adaptation and resilience
GRI 13.3	Biodiversity	Resource-conserving production and supply chain
GRI 13.5	Soil health	Resource-conserving production and supply chain
GRI 13.6	Pesticides use	Resource-conserving production and supply chain
GRI 13.7	Water and effluents	Resource-conserving production and supply chain
GRI 13.8	Waste	Sustainable procurement
GRI 13.9	Food security	Food safety and quality
GRI 13.10	Food safety	Food safety and quality
GRI 13.12	Local communities	Decent work
GRI 13.15	Non-discrimination and equal opportunity	Internal sustainability management
GRI 13.16	Forced or compulsory labor	Internal sustainability management
GRI 13.17	Child labor	Internal sustainability management
GRI 13.18	Freedom of association and collective bargaining	Internal sustainability management
GRI 13.19	Occupational health and safety	Sustainable action within the company - Health-promoting and family-friendly working conditions
GRI 13.21	Living income and living wage	Decent work
GRI 13.23	Supply chain traceability	Transparent and traceable supply chains
GRI 13.26	Anti-corruption	Anti-corruption

Further GRI Topic Standards

301	Materials	Sustainable procurement
404	Training and Education	Sustainable action within the company - Health-promoting and family-friendly working conditions
416	Customer Health and Safety	Food safety and quality

GROWING PASSION



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