

## **Company Responses to allegations in blog “Political parties undermining landmark forest-protection law have received donations from companies exposed to deforestation”**

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### **BMW**

The BMW Group is committed to halting deforestation and the conversion of natural ecosystems in supply chains. We expect our suppliers to protect natural ecosystems and not to contribute to the changing, deforestation, or damage of natural woodland and other natural ecosystems. Besides that, please note that, in principle, the BMW Group cannot make any statements about the activities of its shareholders.

### **Mercedes-Benz**

We support international regulation against deforestation and its negative impacts on nature, climate, and people. However, we also agree with our automotive and industry associations as well as with the Federal Government of Germany that the EU Deforestation Regulation (EUDR) in its current state is not ready to come into force, since many details are yet to be clarified, and relevant prerequisites are not in place.

Irrespective of the debate on the EUDR, our commitment in the context of deforestation is very clear. It is a requirement of Mercedes-Benz supplier awardings that supply chains for products we source must be free from any form of illegal deforestation and do not contribute to the endangerment or loss of natural forests (high conservation forests). Mercedes-Benz requires its direct suppliers to adhere to its standards with regard to working conditions, human rights, environmental protection, safety, business ethics and compliance and to carry these standards into their upstream value chains and monitor compliance with them. Our suppliers are contractually obliged to take due diligence measures to support, among other things, the protection of natural forests in the deeper supply chain. This requirement is part of the Mercedes-Benz Responsible Sourcing Standards (RSS), which must be signed as a prerequisite for participation in all new contracts. This means that if a potential supplier does not sign our RSS, it cannot even take part in the selection process. We take reports of breaches of these standards very seriously and investigate them.

Wherever possible, the regions of origin of the leather used in our vehicles are based on our principle of "local for local". This means buying close to where we produce. This enables us to achieve local independence, reduce both costs and risks and contribute to sustainability through shorter transportation routes. Hides used in our Mercedes-Benz vehicles therefore come from several European countries - including Germany and Austria - in addition to other countries such as South Africa and the USA. Only a small part of the leather in Mercedes-Benz's supply chains comes from Brazil (approx. 5 %). More than half of these hides are already sourced from closed cycle farms, which

allows complete traceability back to the birth farm of the cattle. In addition, work is being done to create transparency in the deeper supply chains of the other hides. To this end, Mercedes-Benz has signed a Memorandum of Understanding with a local supplier and an international non-governmental organization, in which they commit to working together on solutions for deforestation-free supply chains for leather. The collaboration includes the implementation and verification of tracking systems for the traceability of the refined leather back to its origin. For this purpose, the origin of the hides is documented and checked for violations using satellite images and other data. This procedure is also monitored by third parties. Skins identified as critical are excluded from further processing into products for Mercedes-Benz. The aim is to gradually increase the proportion of these audited hides.

In the context of international sourcing, Mercedes-Benz follows the principle of "empowerment before withdrawal". This means that we do not generally exclude high-risk areas as sources of critical raw materials. Rather, the approach aims to improve the local situation for people and the environment as recommended by NGOs, politicians, and other relevant interest groups. We want to make an active contribution in our supply chains to better protect people and the environment - and not turn away from potential problems. That is why Mercedes-Benz works closely with relevant stakeholders in raw material supply chains.

With regard to donations to political parties or political relevance, Mercedes-Benz carefully reviews all requests and potential projects against our internal guidelines and specifications. This also applies to our overarching donation and sponsorship activities globally. For several years, Mercedes-Benz has not made any donations to political parties, either monetary or non-monetary. This decision was made regardless of current political or economic events.

### **PHW Group**

The political donations you refer to are in no way connected to the EU Deforestation Regulation.

We take all information regarding natural ecosystems and human rights very seriously. At the PHW Group, we have firmly established all the necessary processes within our group of companies in order to meet the stringent requirements of the Supply Chain Due Diligence Act (LkSG), which has been in force in Germany since 2023. We implement our due diligence obligations such as risk management and complaint management system and monitor these through an internal reporting system. We have defined our corporate guidelines in a Declaration of Principles and in a Code of Conduct.

The sustainable sourcing of soy meal in poultry feed has been a high priority for many years. It is part of our holistic sustainability strategy and is subject to a continuous

improvement process. Please refer to pages 41-43 of our current sustainability report for more information on this topic [SUSTAINABILITY REPORT 2023](#). The course for responsible global raw material sourcing was set as early as 2015: MEGA Tierernährung GmbH & Co. KG was the first mixed feed manufacturer worldwide to receive certification for sustainable poultry feed as part of the GMP+ Feed Responsibility Assurance. In addition, MEGA is a member of RTRS (Round Table Responsible Soy) and ProTerra, where it has been involved in the Stakeholder Council for many years.

With regard to deforestation-free supply chains, the PHW Group has had voluntary guidelines in place since the second quarter of 2022 to ensure that our compound feed is free of deforestation with regard to the raw materials soy and palm oil for poultry produced in Germany. Compliance with these guidelines is regularly checked by internal and external audits.

Since January 1st 2024, we as the PHW Group with our feed company MEGA Tierernährung GmbH & Co. KG have also been implementing the QS additional module for the purchase of deforestation-free soy as an industry solution. We have actively participated in the development of this standard. Only soybeans/soy products that meet the requirements of the additional module „QS Soyplus“ may be marketed in the [QS scheme](#). The soy products used by MEGA Tierernährung GmbH & Co. KG are always certified as sustainable and deforestation-free – regardless of their origin and/or cultivation region (e.g. ProTerra, RTRS). When the EUDR comes into force, the PHW Group will, of course, implement and comply with the requirements and obligations contained therein.

In conclusion, we would like to state that we as the PHW Group support the fight against global deforestation and therefore demand binding legal certainty for the EU regulation on deforestation-free products. The EUDR will regulate deforestation-free products for all market participants with regard to critical raw materials in the future. We have already implemented our own initiatives in advance with our feed mills at MEGA Tierernährung GmbH & Co. KG.

### **Raiffeisen Banking Group**

Raiffeisen Banking Group does not make donations to political parties. All of their sponsoring and advertising activities are in line with their strict compliance regulations and within the legal regulations. Furthermore, we want to emphasize that their sponsoring and advertising activities have nothing to do with deforestation acts and serve exclusively for the bank's advertising presence. Due to Austrian banking secrecy, we are not allowed to provide any information about customer relationships.

### **Raiffeisen Ware**

### Links to deforestation:

In the last months, we have been working intensively on preparing our processes for this regulation and we will continue to do so. Unfortunately, in the course of these preparations, we have come across significant implementation issues that could not be answered in particular without updated FAQs and guidelines from the EU and led to project delays.

Obviously, we were not the only ones who had unanswered questions, but also a large number of other companies in various sectors worldwide.

At the beginning of 2024, there were already suggestions for postponements (see e.g. <https://www.comunicaffe.com/the-european-coffee-federation-asks-to-eu-to-delay-the-eudr-implementation/>), which we addressed in our report. We are aware that such suggestions do not constitute a “negotiation” - - here we have to state, that we were clearly not precise enough in the wording of our report.

### Political donations

No payments were made by RWA to ÖVP (Austrian People's Party).

The amounts you mentioned relate to sponsorship agreements with the Austrian Young Farmers' Association, which are offset by concrete services in our core business of agriculture.

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Regarding your comment that the RWA maintains intensive contact with ÖVP politicians, we can only state that in the past ten years, most of the government departments that have a significant impact on our business sector have been headed by ÖVP representatives, such as the Ministry of Agriculture. We find it inappropriate to deduce from this that we exert political influence.

### **Representative of Stefan Quandt (BMW shareholder)**

Political parties do strongly contribute to the functioning of the democratic system in Germany. Their positions reflect the variety of political standpoints, and thus must be rooted in society. That is why Mr. Quandt – as a German citizen and entrepreneur – supports steadily and recurring every year the political work of the Christian Democratic Party. These donations are by themselves without any specific purpose or personal interest. They are published according to the Political Parties Act by the President of the German Bundestag (German Parliament) in the aim to fully inform the public. In supporting a wide range of philanthropic activities and ecological initiatives Mr. Quandt is and will be very aware of environmental issues.

**XXXLutz**

The XXXXLutz company never never never never supports any political party !!!!!!!!  
Anyone who claims this is committing slander and to save our honor we would enforce  
this legally. Please understand this. We respect all journalistic activities as long as it's  
not unfair or legally incorrect.

I understand that it is tempting and has an impact if you can name big companies as  
XXXLutz, but in our case it is not correct. We adhere all laws and regulations 100  
percent.

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Please respect that our company does business honestly, within every law and with  
decency!!!!!!

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**No responses were received from:** Adeg Österreich Handelsaktiengesellschaft, CITTI  
Handels GmbH & Co., METRO Cash & Carry Österreich GmbH, MHA Müller Handels  
GmbH, PISEC GmbH, SPAR Österreichische Warenhandels-AG, Susanne Klatten (BMW  
Shareholder), Österreichische Volkspartei or Christlich Demokratische Union  
Deutschlands.