



Gourmet Dairy
since 1926

Business Partner Code of Conduct

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1. Foreword

As an internationally active food company, we bear a special responsibility towards people, animals and nature. The basis of our decisions and all entrepreneurial actions is always our commitment to applicable law and to general social and ethical principles.

This Business Partner Code of Conduct (hereinafter "**CoC**") expresses our explicit expectation to all our business partners to recognize and respect applicable national and international legal provisions as well as social and ethical principles. This CoC is based on international conventions such as

- Universal Declaration of Human Rights,
- Conventions of the International Labor Organization (ILO) and
- United Nations Guiding Principles on Business and Human Rights.

In this context, the CoC represents the minimum requirements for our business partners. In any case, national and international legal regulations in all countries in which the respective business partners operate must be observed. If local legal requirements contradict the principles of this CoC, the business partners should seek ways to follow the principles that provide the highest level of protection for people, animals and nature while complying with local laws and regulations.

2. Obligations of the business partners

The business partners guarantee to comply with the following social, environmental and economic obligations of the CoC as minimum requirements and to ensure through suitable and appropriate measures that all employees in their business areas are proactively informed about its content in an understandable manner. Furthermore, they undertake to pass on these minimum requirements within their supply chain and to ensure that their own suppliers and subcontractors comply with the same principles. It is the full responsibility of the business partners to ensure that their own suppliers, service providers and subcontractors comply with these present requirements and that they in turn impose the same requirements on their suppliers and subcontractors throughout the supply chain. This ensures that the minimum requirements of the CoC are observed throughout the supply chain.

The business partners must establish and refer to effective complaint mechanisms for employees, individuals and communities who may be affected by any negative impacts of their operations or refer to our complaint mechanism.

The business partners must be able to demonstrate, if requested by us, that all necessary measures have been taken to ensure compliance with the minimum requirements in their own business area and

that appropriate measures have been taken to ensure that all other business partners involved in the supply chain comply with them.

2.1. Social obligations

2.1.1. Prohibition of child labor

- (1) The business partners commit not to employ, either directly or indirectly, children below the minimum legal age for compulsory education, which shall not be less than 15 years, unless the exceptions recognized by the ILO apply, e.g. exceptions for developing countries under ILO Convention 138.
- (2) If it is determined that children are working directly or indirectly for the business partners, the business partners must immediately find a solution that puts the best interests of the child first.
- (3) The business partners shall not employ young people at night or under conditions that endanger and/or harm their health, safety or physical, mental or social development.

2.1.2 Exclusion of forced labor and modern slavery

- (1) Forced and slave labor, forms of bonded labor, and all other forms of involuntary labor are explicitly prohibited without exception. This also includes the work of prison inmates, unless it is done in accordance with ILO Convention 29.
- (2) The business partners must ensure that all work is done on a voluntary basis and not under threat of penalties or sanctions of any kind. The right of employees to resign and to leave the workplace after completing work must be preserved.
- (3) Neither the property, salary or parts thereof, nor social benefits due by law or contract, nor documents, such as identification documents, of the employees may be retained or withheld.

2.1.3 Health protection and safety at work

- (1) The business partners commit to ensure safe and clean conditions in all business and production facilities, especially with regard to fire protection and the safety of buildings and machinery.
- (2) The business partners commit to take appropriate measures to prevent accidents and damage to health and, if this is not possible, to minimize them, e.g. through clear processes and responsibilities for regulating health protection and safety at work, as well as through emergency plans. Appropriate and effective personal protective equipment shall be provided by the business partners to their employees free of charge.
- (3) Excessive physical or mental fatigue must be prevented by appropriate measures.
- (4) The business partners commit to provide their employees with access to clean sanitary and social facilities and drinking water.

- (5) The business partners must provide regular and documented health, accident prevention and safety training for all their employees and repeat and document this training annually. Upon request, this must be proven accordingly.

2.1.4 Freedom of association

- (1) Employees have the right to join or form trade unions of their choice unimpeded and to conduct collective bargaining independently without prior approval by the business partners.
- (2) The business partners commit to provide access to the workplace for employee representatives so that they can perform their representative function in accordance with international labor standards.
- (3) In cases where freedom of association and the right to collective bargaining are restricted or completely excluded by law, alternative possibilities for independent and free association of employees and collective bargaining must be examined and, if possible, granted.

2.1.5 Prohibition of discrimination

The business partners commit to prevent any form of discrimination, bullying, harassment or abuse of any kind in the employment context, in particular on the basis of nationality, gender, social and ethnic origin, marital status, skin color, health status, disability, age, religion or belief, political conviction, sexual orientation and identity, culture, pregnancy, membership of trade unions or with regard to other reasons.

2.1.6 Fair working conditions, wages and working hours

- (1) Work must be performed on the basis of a recognized employment relationship which complies with national law and practice and international labor standards. In this regard, all employees must be provided with understandable, accurate and complete information in writing about their terms and conditions of employment, including wages, before they enter into an employment relationship.
- (2) The business partners commit to provide their employees with appropriate customary wages, overtime pay, social benefits and paid leave that meet or exceed the minimum legal and/or industry standards and/or collective wage agreements.
- (3) The business partners shall not make any improper wage deductions or any wage deductions not provided for by law. Wage deductions as a disciplinary measure are explicitly prohibited in all cases.
- (4) The business partners commit to prescribing clear behavioral guidelines for private or public security forces when commissioning or using them to protect the company's activities, in order to prevent torture, cruel, inhuman or degrading treatment, injury to life and limb, and interference with the freedom of association and union.

- (5) The business partners shall establish working hours that comply with national laws or applicable industry standards or relevant international standards, depending on which regulatory framework provides greater protection for the health, safety and welfare of workers. In this regard, the rights of all workers to take breaks during working hours shall be guaranteed. After six working days, workers must be granted at least one day off (24h).

2.2 Environmental obligations

- (1) The business partners commit to record the negative environmental impacts caused by their business activities, related to harmful soil contamination, water and air pollution, harmful noise emissions, and excessive energy and water consumption, and to achieve continuous improvement of their environmental performance, in particular through the use of pollutant filters, wastewater treatment plants, etc.
- (2) The business partners commit not to support or benefit from unlawful evictions. The acquisition, development and use of land, forests and waters must be lawful with adequate compensation and must not deprive a person's livelihood.
- (3) The use and consumption of resources, including water and energy, during production and the generation of waste of any kind shall be reduced or avoided, e.g. by changing production and maintenance processes or recycling.
- (4) The business partners guarantee to use mercury only in accordance with the prohibitions of the Minamata Convention and persistent organic pollutants only in accordance with the Stockholm Convention. Waste shall be handled, stored and disposed in an environmentally friendly way. The prohibitions on the export of hazardous waste as defined in the Basel Convention must be observed. The conventions shall be taken into account in the respective current version.
- (5) Chemicals or other materials that pose a hazard when released into the environment should be handled in such a way that safety for humans, animals and nature is ensured when handling, transporting, storing, using, recycling or reusing and disposing of these substances. The use of such substances should be avoided to the greatest possible extent.
- (6) The business partners commit to comply with animal welfare laws and, where relevant to them, to continuously improve animal welfare aspects.
- (7) The business partners commit to exclude negative impacts of their business activities on the continued existence and health of forests and, where this is not possible, to minimize them, e.g. through reforestation programs. Forest clearance is to be avoided.

2.3 Economic obligations

- (1) The business partners commit to comply with all applicable anti-corruption, anti-money laundering and anti-terrorist financing laws as well as with fair and free competition and intellectual property regulations; in particular, they will not collude on prices, customers and territories and will respect third party trademarks, patents and other intellectual property rights.
- (2) The business partners commit to refrain from any form of bribery or corruption, i.e. neither to engage in it nor to actively use it. In this respect, the business partners shall ensure that benefits in the form of gifts, hospitality or invitations are appropriate and are not used in an unfair manner to induce a commercial act or to obtain any other unfair advantage.
- (3) The business partners must comply with all applicable national and international laws on trade sanctions.

3 Audit and legal consequences

3.1 Audit rights

- (1) The business partners commit to tolerate annual as well as ad hoc audits to verify compliance with the CoC at their premises and in their supply chains. The audits may be carried out, among others, by independent service providers selected by us. Audits may be unannounced, but are generally conducted during the business partner's normal business hours. In the event of urgent suspicion of violations as well as identified serious violations, we reserve the right to charge for the costs of the audits.
- (2) The business partners are obliged to grant entry and access to all production sites and information necessary for the inspection. The business partners assure a cooperative collaboration with us and the service providers. During the audit, the legitimate interests of the business partners, in particular with regard to data protection as well as business and trade secrets, shall be adequately taken into account.
- (3) A report shall be prepared on the audits, if necessary together with a plan for remedial measures (e.g. relevant training) and made available to the business partners. These shall be implemented in a timely manner.

3.2 Consequences

- (1) If we discover violations of the minimum requirements of this CoC or applicable law or if our attention is drawn to such violations by third parties, the business partners shall be informed thereof in writing within one month. The business partners shall be granted a reasonable period of time to remedy the situation.

- (2) If the business partners become aware of violations in their own premises or in their supply chains, they are obligated to inform us immediately, to coordinate appropriate remedial measures with us and to implement them in a timely manner.
- (3) After the expiry of the period set for remedy without result, we have the right to terminate the business relationship or individual contracts subject to a notice period of three months to the end of the month. The right to claim damages remains unaffected by this.
- (4) Any intentional as well as serious violation of this CoC represent substantial breaches of duty by the business partners. This entitles us to terminate the entire business relationship without notice or to withdraw from individual agreements and contracts or to terminate them without notice. The right to claim damages remains unaffected by this.