



# Policy statement in accordance with the Supply Chain Due Diligence Act

## Foreword by the management

Every year, the Hochwald Group<sup>1</sup> processes more than 2 billion kg of milk into drinking milk, condensed milk, quark, yogurt, cheese and other high-quality dairy products. Based on our self-image, we are prepared to take responsibility: for our employees, for our members, for the quality of our products and for the environment. The foundation for this is formed by our values: respect, fairness, responsibility, transparency and openness. Sustainable management requires social responsibility along the entire value chain. Respect for human rights is a fundamental component of this. This declaration takes up the principles from our Code of Conduct and our Code of Conduct for Business Partners and supplements and specifies them. It enshrines our commitment to respecting human rights.

## Commitment to respect for human rights

We are committed to respecting human rights. In particular, we are guided by the following internationally recognized frameworks:

- UN Guiding Principles on Business and Human Rights (UNGPR)
- United Nations Universal Declaration of Human Rights (UDHR)
- Core labor standards of the International Labor Organization (ILO) with its four basic principles on freedom of association and the right to collective bargaining, the elimination of forced labor and child labor, and the prohibition of discrimination in respect of employment and occupation
- OECD Guidelines for Multinational Enterprises (MNE Guidelines)

All relevant legal positions under the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG) are part of our risk management system.

## Fundamentals and principles

1. Child labor  
We reject all forms of child labor.
2. Forced and compulsory labor and human trafficking  
We reject all forms of forced or compulsory labor, including bonded or involuntary prison labor and human trafficking.
3. Diversity and anti-discrimination  
We respect the personal dignity, privacy and personal rights of every individual. We see diversity as an enrichment and work together regardless of ethnic origin, culture, religion, age, disability, skin color, gender, sexual identity and orientation and world view. We respect

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<sup>1</sup> For the purposes of this policy statement, we define the Hochwald Group as Hochwald Foods GmbH, Hochwald Foods Nederland B.V., Hochwald Foods Whey Ingredients GmbH, Almil AG, Bärenmarke Vertriebsgesellschaft mbH, Hochwald Foods DMCC, Hochwald Foods Services GmbH, Hochwald Foods Molkerei Lüneburg GmbH, Hochwald Foods Asset GmbH, Allgäuer Alpenmilch GmbH, Hochwald Foods Luxembourg S.a.r.l., Schütten & Lemmerholz Handelsgesellschaft mbH



the right of our employees to freely express their opinions within the framework of the existing legal restrictions that are an expression of a democratic society. We value and protect this diversity. Fairness, tolerance and equal opportunities make us successful. We do not tolerate disadvantage or discrimination.

4. Freedom of association

We respect the freedom of association and thus the right of all employees to assemble, organize and join trade unions.

5. Occupational safety and health protection

We ensure safe workplaces - in accordance with the principles of the ILO, among others - and protect the health of our employees

### **Implementation of human rights and environmental due diligence obligations in accordance with the German Supply Chain Due Diligence Act (LkSG)**

To implement our human rights and environmental due diligence obligations in accordance with the LkSG, Hochwald has established a risk management system, which is explained in this policy statement. We see the fulfillment and implementation of our human rights and environmental due diligence obligations as an ongoing process. We are therefore constantly developing our risk management system.

#### ***Responsibilities***

Responsibility for compliance with and implementation of corporate due diligence obligations under the LkSG is anchored in various areas at Hochwald. To monitor our human rights risk management, the Executive Management has appointed a Human Rights Officer and other supply chain responsables in charge for implementing due diligence processes in the areas of Human Resources, Procurement and QESH (Quality, Environment, Safety & Health). The Corporate Legal department provides support as a support unit.

#### ***Risk analysis***

The risk analysis is carried out at least once a year and on an ad hoc basis. It is carried out in a multi-stage procedure in which a variety of quantitative and qualitative data sources are used to assess human rights and environmental risks. In the first step, relevant master data for own business area and for direct suppliers and service providers (e.g., country of origin, product group) are systematically recorded. Indirect suppliers are examined on an ad hoc basis. In the second step, an abstract risk analysis is performed based on country and product group risks. For this purpose, the data is evaluated by an external service provider using an Excel-based risk management tool. The risk analysis is based on over 50 data sources relating to country risks and over 700 data sources relating to product group risks

The third step is primarily concerned with checking the plausibility of the previous prioritization of risks in the abstract risk assessment. In this step, the identified risks are placed in the company-specific context. Hochwald collects further company-specific information on the specific risk position.

This is followed by a concrete risk analysis. For this purpose, the risks are weighted on the basis of the due diligence criteria specified in Section 3 (2) LkSG: Type and scope of business activity, ability to



influence the supplier, expected severity, probability of occurrence and irreversibility of the breach and type of contribution to causation.

The final step is to verify whether further preventive or remedial measures are necessary based on the identified risks. The results of the risk analysis form the basis for the development of existing measures.

For our own business area, an abstract risk in the area of the environment with regard to water consumption was identified in accordance with the legal positions protected under Section 2 (2) of the LkSG. The increased risk identified is attributable to a country-specific cause. The risk was ruled out as part of the plausibility check in accordance with the LkSG.

In the area of direct business partners, potential risks in the areas of water use, air pollution, and freedom of association were identified as part of the abstract risk analysis. These were comprehensibly refuted in the course of further risk assessment and subsequent plausibility checks, for example through existing certificates or the signing of the code of conduct for business partners.

### ***Preventive and measures***

To prevent and minimize human rights and environmental risks in our own business activities and those of our direct business partners, Hochwald has implemented appropriate measures and recorded them in a catalog of measures.

#### In our own business division

Our Code of Conduct summarizes our ethical principles and provides a binding framework for the responsible conduct of all Hochwald Group employees.

Our production sites and administration in Germany and the Netherlands are regularly subjected to independent external audits in accordance with SMETA (Sedex Members Ethical Trade Audit). The SMETA methodology uses the basic code of the Ethical Trading Initiative (ETI) and national legislation as measuring instruments and comprises four modules: 1) health and safety 2) labor standards 3) environment and 4) business ethics.

#### For direct business partners

We use our Code of Conduct for Business Partners to communicate our human rights and environmental requirements to our business partners, among other things. We refer to this in our orders and contracts. An additional contractual assurance through the signed Code of Conduct for Business Partners ensures that suppliers are contractually obliged to meet the company's human rights and environmental expectations.

Our catalog of measures is constantly being developed on the basis of the risk analysis.

### ***Complaints mechanism***

Hochwald has established an anonymous and confidential whistleblower system where all internal and external stakeholders have the opportunity to report their concerns and suspicions of violations of applicable laws, human rights and our compliance principles. The whistleblower system can be accessed via our homepage ([www.hochwald.de](http://www.hochwald.de)). We are supported by an external body with legal expertise. The procedure is explained transparently on our website. Appropriate measures are taken if an infringement is identified.

### ***Effectiveness control***



The effectiveness of our measures to prevent or mitigate negative human rights and environmental impacts is reviewed at least once a year. We review the effectiveness of our measures in our supply chain based on the results of our risk analysis, among other things.

### **Reporting**

The implementation of corporate due diligence obligations in accordance with the LkSG is documented on an ongoing basis. This policy statement is reviewed regularly, taking into account national and international developments, and amended as necessary. Legal reporting obligations are fulfilled in accordance with the applicable requirements.

### **Expectations of employees and business partners**

We communicate our expectations to our employees through our Code of Conduct and this Declaration of Principles.

We expect our business partners to also commit to respecting human rights, to establish appropriate due diligence processes and to pass these expectations on to their suppliers. We have set out our expectations in the Code of Conduct for Business Partners.

### **Outlook**

We see the implementation of our human rights and environmental due diligence obligations as an ongoing process that we are constantly developing. We integrate the results of our annual and ad hoc risk analyses into the relevant business processes.

Thalfang, January 2026

The company management

A handwritten signature in black ink, appearing to read "D. Latka", written over the printed name and title.

Detlef Latka  
Chief Executive Officer  
Hochwald Foods GmbH