



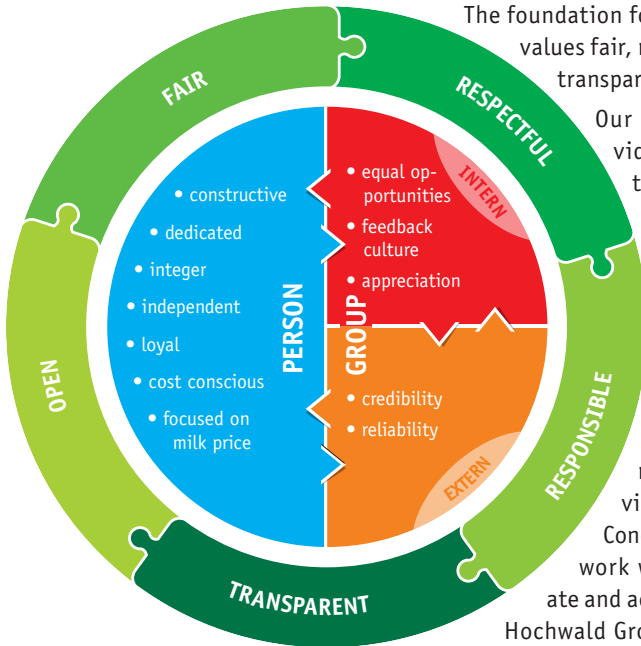
Hochwald Foods



CODE OF CONDUCT | 2021

## PREAMBLE |

The Hochwald Group is structured as a cooperative, and thus differs from other companies on the market. As members of Hochwald Milch eG, our milk suppliers have always been an active part of our company. We work together to achieve sustainable success: economically through appropriate value creation, ecologically by protecting the environment and conserving resources, and socially through successful cooperation.



The foundation for this is formed by our values fair, respectful, responsible, transparent and open.

Our Code of Conduct provides a clear summary of the principles of our business activities, and thus provides us with a binding framework for taking responsibility: legally and in our dealings with people, nature and values. However, no set of rules can clarify all individual cases. The Code of Conduct sets out the framework within which we operate and act – as employees of the Hochwald Group and as members of Hochwald Milch eG.

In addition to the Code of Conduct, common sense and answering questions, such as outlined below, help us to reflect on our actions: „Is it proper what I am doing? Do I have doubts?“ Another question could be: „Am I willing to take responsibility for this decision?“

It is our common goal to provide our customers with high-quality and attractive dairy products for a great range of different consumers, in order to thereby in particular provide our members with secure and satisfactory returns: today and in the future.

  
Detlef Latka

  
Thorsten Oberschmidt

  
Thilo Pomykala

# [ OUR PRINCIPLES ]

## [ WE are FAIR ]

1. We act as a fair competitor on the market
2. We refrain from any form of corruption, bribery and acceptance of benefits
3. We avoid conflicts of interest and disclose them

## [ WE are RESPECTFUL ]

4. We treat people with respect and uphold human rights – we reject all forms of discrimination, child labour, forced and compulsory labour
5. We ensure safe workplaces and protect the health of our employees
6. We value and protect our employees - diversity, tolerance and equal opportunities make us successful
7. We respect freedom of association and thus the right of all workers to assemble, organise and join trade unions

## [ WE are RESPONSIBLE ]

8. We produce high quality and safe food
9. We actively promote food safety culture
10. We treat our environment and resources responsibly
11. We protect personal data and our IT systems
12. We are loyal and reliable in our handling of information and company property

## [ We are TRANSPARENT and OPEN ]

13. We create trust through transparent and open communication

# 1 | We are fair

In our actions and decisions, we comply with the applicable laws, the standards to which we are committed and our own guidelines, as this ensures the future of Hochwald. We do this out of conviction – these standards guarantee an orderly and safe coexistence for all of us.

While managers serve as role models, all employees have a duty to act accordingly.

## 1.1 Fair competition and antitrust law

We act as a fair and responsible competitor on the market. We place our products, our services and the wishes of our customers at the centre of our market presence. We treat our competitors and customers with respect and promote the things we can do: Milk and cheese products of the highest Hochwald quality, based on the needs of our customers. We recognise and exploit the opportunities offered by social developments and orient ourselves to the needs of our customers.

We do not tolerate any influence on competition by means of bribery, fraud, industrial espionage or other unfair means, whether by third parties or employees.

We operate in open markets. With our actions, we allow our customers to make their purchase decisions free from any compulsion. Any agreements regarding prices, price components or conditions, time and scope are strictly prohibited. Any conduct that restricts free competition with and against each other unfairly is rejected.

**Additional information regarding antitrust law is available in the internal guidelines on antitrust law, which are binding for all employees.**

## 1.2 Prevention of corruption

We do not tolerate corruption, bribery or other fraudulent or criminal acts. We convince through quality and performance. We therefore do not engage in any form of bribery, nor grant any benefits that may affect our business. Of course, this also applies to gifts and benefits that are offered to us.

**The company's internal guidelines on corruption prevention provide a precise framework for employees.**

### 1.3 Avoiding conflicts of interest

We work independently and are loyal to our company. If there is a conflict of interest – for example, if personal interests or family members are involved in a particular event – we will disclose it and look for solutions together. We examine on a case-by-case basis whether any additional activities, public offices and shareholdings may restrict loyalty towards Hochwald.

## 2 | We are respectful/ We respect

The labour and human rights and social standards set out in our Code of Conduct are based on the principles of the International Labour Organisation (ILO). In addition, we follow the basic code of the Ethical Trading Initiative (ETI). Compliance with the ETI requirements is ensured at Hochwald through its membership in Sedex (Supplier Ethical Data Exchange) and through regular SMETA auditing of our production sites.

### 2.1 Human Rights

We recognize the United Nations Universal Declaration of Human Rights.

We reject all forms of child labour, forced and compulsory labour, including bonded or involuntary prison labour and human trafficking.

### 2.2 Occupational safety and health protection

Our employees are guarantors of our success. We therefore ensure safe workplaces and protect the health of our employees - in accordance, among other things, with the principles of the International Labour Organisation (ILO). Comprehensive occupational safety and health management, which exceeds the legal requirements, contributes to the sustainable success of Hochwald. Together, we develop preventive strategies and raise awareness for this topic.

We contribute to a safe working environment:

- We follow our safety regulations
- We wear the personal protective equipment required for our work
- Safety-relevant incidents, safety deficiencies and breaches of our safety regulations are reported
- We know the hazards of working with machines and chemicals and know how to work safely with them and what to do in the event of an emergency
- Safety instructions, procedural and work instructions are followed by us

## 2.3 Respect, diversity and equal opportunities

We respect the personal dignity, privacy and personal rights of every individual.

We see diversity as enrichment and work together regardless of ethnic origin, culture, religion, age, disability, skin colour, gender, sexual identity and orientation and ideology.

We respect the right of our employees to express their opinions freely within the limits of the legal restrictions of a democratic society.

We value and protect this diversity. Fairness, tolerance and equal opportunities make us successful. We do not tolerate any disadvantage or discrimination.

At the same time, we are committed to education and training. Young people benefit from this just as much as experienced team members.

## 2.4 Active participation

The right to volunteer, to assemble, to organise and to join trade unions is a valuable asset that we recognise and ensure for our employees.

The open and trustful cooperation with the works councils and the central works council strengthen us as a company.

## 3 | We are responsible

Based on our self-image, we are prepared to take responsibility: for our employees, for our members, for the quality of our products, for the environment and the social inclusion of people. For generations, our members and suppliers have been doing exactly that on their farms. We, as the Hochwald Group, ensure this by intensive dialogue, numerous audits and certifications, as well as through sustainable corporate governance and development.

### 3.1 Food safety and quality

Our lasting economic success is based on the high, consistent quality of our products. Our cooperative milk suppliers, who have undertaken to be audited in accordance with the recognised “QM-Milch” standard, have laid the groundwork for this. We build on that foundation, and ensure the safety and quality of all our products through the continuous improvement of our production processes.

We comply with the relevant regulations and our internal standards on quality, hygiene and food safety. We promote and develop a food safety culture. In addition, we are continuously working on the processes and on our products. We focus on the needs of our customers and are driven to develop new products. This is why the religious and ethical characteristics of our customers are also taken into account, and customer-oriented standards, such as those relating to Halal and Kosher are fulfilled, which we have specifically certified.

We contribute to the safety and quality of our products:

- We are aware of our responsibility in the production and processing of food
- We comply with the relevant regulations, legal requirements and our internal quality, safety and hygiene standards
- When quality and safety concerns arise, we initiate appropriate actions and report them
- We promote and develop a food safety culture

### 3.2 Leading with responsibility

Every employee has a responsibility for the success of Hochwald. Managers serve as role models. It is their task to support the employees in their development, because committed, qualified and responsible team members help us to achieve our goals.

### 3.3 Protection of the environment

The starting point for all our work (or value creation) are natural products. We are therefore actively committed to protecting our environment and resources and also support our members in their efforts.

Our processes and plants are continuously optimized. The aim is to improve energy efficiency and minimize environmental impact. We provide the necessary resources and information.

Our energy management is regularly audited according to international standards, which go beyond the legal requirements.

### 3.4 Protection of data & IT

We collect personal data of our employees, members, suppliers and customers as part of our business activities. This data is only collected to the extent permitted by law and treated as confidential. If required, we obtain consent from the parties concerned.

Please contact the data protection officer in case of doubt as to whether we are allowed to collect, store and process data.

The employees are fully aware of the importance of efficient and secure IT. This is why our employees support all measures aimed at ensuring IT and information security and thus contribute to the success of Hochwald.

We support the ongoing digitalisation of processes constructively, and promote security through responsible behaviour.



### 3.5 Loyal and reliable employees

Our employees are a central element of our success. They are committed to their workplace and protect the company's assets. They handle company property responsibly. In addition to the assets this also includes intangible assets and information. Company and business secrets are treated as confidential by all employees regardless of the hierarchical level. Of course, this also applies to confidential information from our business partners.

We are loyal and reliable:

- We treat corporate property with care
- We only use this for business purposes
- We protect this from loss, damage, theft and misuse
- Business and company secrets that we learn in the course of our activities are treated in the strictest confidence

### 3.6 Social Responsibility

As a company, we are rooted in local regions, and we are aware of our responsibility to society. For this reason, we transparently support associations and institutions, mostly regionally for local people.

## 4 | We are transparent and open

### 4.1 Commitment and advocacy in the cause

We represent the interests of our customers, our members, our milk suppliers and our employees in public. We do this in a transparent and open manner – also towards policymakers – both on national and international level.

## 4.2 Financial reporting

Our financial reporting and accounting represent our business activities transparently and completely. In doing so, we comply with the respective legal provisions and regulations.

## Concluding remarks

The Code of Conduct provides a framework for our conduct as employees of Hochwald. If questions arise in the course of our daily work, or if there are indications of a breach of these rules, we contact an executive or employee representative. In addition, our whistle-blower system is also available.

Our approach includes ensuring that every employee can - and should - contribute to the development of our company. This includes open feedback without fear of negative consequences. All information, questions and complaints are treated confidentially by the contact persons upon request.

The Code of Conduct is binding for all employees of the Hochwald Group and for all members of Hochwald Milch eG. Any breaches will be investigated and evaluated regardless of the position of the person. The appropriate consequences will then be taken.

## Our whistleblowing system

Our employees and all other internal and external stakeholders have the opportunity to raise their concerns and suspicions about violations against our Code of Conduct and our Compliance Principles. A neutral and confidential contact point is available to all for this purpose: Our whistle-blower system. Information can be reported via mailboxes at our production sites or by e-mail to [hinweis@hochwald.de](mailto:hinweis@hochwald.de). All notices will be investigated by us in an appropriate manner. Appropriate action will be taken if a violation is identified.

