

# Berglandmilch eGen

## CODE OF CONDUCT

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for suppliers and clients of Berglandmilch eGen



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# Preamble

This Code of Conduct for ensuring social and environmental standards in the supply chain represents the value basis that forms a binding framework for action for Berglandmilch eGen and its suppliers as well as clients. Our Code of Conduct is intended as a guideline for legally and ethically correct behaviour and therefore applies equally to all of us.

We, i.e. Berglandmilch eGen, pay attention to the implementation of social and environmental minimum standards in ourselves and in our business relations. Our self-image combines applicable legal and company regulations.

Insofar as rules of conduct for individual areas of activity or companies are laid down in separate guidelines, these guidelines apply without restriction alongside the self-image. In cases of doubt, the stricter rule shall be observed.

For reasons of better readability, the simultaneous use of female and male forms of language is dispensed with in the following and the generic masculine is used, whereby both genders are meant equally.



# Social cooperation within the company

## I. No violation of human rights

We are expressly committed to the fundamental principles of the **ILO (International Labour Organization)** and expect our business partners to comply with internationally defined human rights in accordance with the definitions of the International Labour Organization (ILO). The following basic principles of the ILO have to be observed by our business partners:

- ❖ **Prohibition of child labour:** We firmly reject child labour and expect the same from our business partners.
- ❖ **Prohibition of employment before the age of 15 and before the end of compulsory education.**
- ❖ **Prohibition of forced and compulsory labour:** We reject forced labour. No one may be forced to work under threat of punishment or be employed against their will.
- ❖ All employees receive a written **employment contract**.

## 2. Protection from discrimination

We do not tolerate discrimination in employment and occupation and are expressly committed to the fundamental principles of the ILO:

*"Our employees are treated equally without distinction as to race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status, marital status, pregnancy, parenthood, trade union membership, personal limitations, age or otherwise."*

## 3. Safety and health at work

We provide a safe and hygienic working environment and comply with the applicable occupational health and safety laws and standards. Young people and pregnant women in particular shall not be exposed to dangerous, unsafe or unhealthy conditions that jeopardise their development or state of health. Employees shall receive regular training on health and safety at work. We also expect this from contractors.

Our employees are also regularly instructed in safety and health training to avoid safety and health risks in the workplace.

## 4. Working hours and remuneration

We adhere to the respective nationally applicable statutory or industry-standard maximum working hours and expect this from contractual partners. The total remuneration shall cover the cost of living and shall at least correspond to the respective national minimum wages. Payment shall be made regularly and at least monthly. The regular maximum working hours shall be in accordance with legal requirements. It shall be ensured that workers are not required to work more than 48 regular hours per week. Exceptions specified by the ILO are possible. The use of overtime shall remain an exception, be voluntary and be separately remunerated or compensated in leisure time.

## 5. Human rights, labour and social standards in a global context

We expect both our domestic and our foreign business partners to comply with internationally defined human rights as defined by the International Labour Organization (ILO) and to refrain from engaging in human rights abuses.

In the context of global supply chains, human rights violations and environmental damage occur frequently. As an exporting company, we take responsibility for the impact of our business activities and already procure the non-native raw material cocoa from Fairtrade-certified sources.



## 6. Sustainable management

As a producer of food, the protection of nature and the environment is particularly important to us. Sustainable business means generating economic success while safeguarding the livelihood of future generations. Our primary goal is to reconcile economic, ecological and social responsibility. We rely on environmentally compatible, efficient and advanced technologies. We also expect responsible and efficient use of natural resources from our contractual partners throughout the value chain.

Thus, both our own and contractual partners' business activities are checked for significant environmental impacts and effective policies and procedures are established to minimise them. Measures shall be implemented and documented that adequately reduce adverse impacts on the community, natural resources and the environment as a whole.

## 7. Our contribution to environmental protection

We have been using sustainable and regional energy sources for years and continue on the path of sustainable milk processing. Since 2013, for example, we have been purchasing green electricity exclusively from renewable sources. With large investments in alternative, renewable energy sources such as biomass, photovoltaics or geothermal energy, we are gradually replacing natural gas as an energy source with sustainable alternatives. In this way, we not only manage to reduce our CO<sub>2</sub> emissions, but also contribute to the security of food supply for the whole of Austria.

## 8. klimaaktiv project partner

As a klimaaktiv project partner, we have voluntarily committed ourselves to continuously improving energy efficiency in our operations and have already been honoured several times for this commitment.

## 9. Emission reduction targets

We are committed to the Science-Based Targets (SBT) and have set emission reduction targets that are in line with them and result in limiting global warming to 1.5°C.

These targets take into account Scope 1, Scope 2 and Scope 3 emissions according to the Greenhouse Gas Protocol and are as follows:

- ❖ **Scope 1:** Scope 1 emissions will be reduced by 40% by 2030.
- ❖ **Scope 2:** Our Scope 2 emissions are already zero, as Berglandmilch generates its own electrical energy or obtains 100% of its energy from renewable sources.
- ❖ **Scope 3:** Our Scope 3 emissions will be reduced by 25% by 2030.

We have also set ourselves the goal of reducing the carbon footprint of our most important raw material - raw milk - by 25% by 2030.

## 10. Agriculture and dairy farmers

The self-image of our cooperative owners, local dairy farmers, lies in sustainable and natural farming and production methods. For example, Berglandmilch farmers do not use glyphosate, feed their animals 100% GMO-free and palm oil-free, do not use feed from overseas, do not use milk replacers in calf feeding and are committed to the responsible use of antibiotics. Our farmers are also members of the Austrian Animal Health Service. Animal welfare measures that go beyond the legal minimum standard are additionally compensated by us in monetary terms.



# Interaction with third parties:

## Business partners, clients, suppliers

We consider our clients and suppliers to be partners with whom a long-term, fair and honest relationship should be established. Fairness and sincere, respectful behaviour towards clients and suppliers are a matter of course for us.

### 11. Prohibition of corruption and bribery

We do not tolerate any form of corruption, bribery or extortion. As a matter of principle, we separate private interests from business interests and thus avoid conflicts of interest or disadvantages for us and our contractual partners. Business relationships and contacts may therefore neither be used for one's own benefit nor for the benefit of others.

### 12. Fairness in competition

We select our contractual partners solely on the basis of quality, price and suitability of the service. Agreements or exchange of information on prices, supply relationships and their conditions from a competitive point of view are not permitted.

### 13. Antitrust law and competition

Our business partners undertake to conduct business in close interpretation of applicable antitrust and competition law. This includes the requirement that goods and services offered to us are free from anti-competitive agreements, such as price fixing with competitors.

## 14. Product safety

Our claim is to offer our consumers safe and high-quality products of impeccable quality. Products must not have defects or hazardous properties that could affect health. To eliminate the risk of fraud and to produce in accordance with agreed quality and safety standards, we require our business partners to ensure that they operate and maintain an effective quality management system. This shall be done with regard to the responsible and efficient use of natural resources.

## 15. Presents and invitations

With regard to presents and invitations from suppliers, business partners or clients, our employees must comply with the following regulations:

- ❖ Invitations to events (presentations, trade fairs, lectures, etc.) from suppliers to employees are communicated to the superior without exception. Without a positive response to the request, acceptance of an invitation is not desired.
- ❖ Invitations to employees in their free time (dinner invitations, concerts, sporting or cultural events, etc.) are generally undesirable. The superior may - if informed by the employee - also decide positively in exceptional cases.
- ❖ Direct financial commitments from suppliers to employees are strictly prohibited. If such offers are made, the superior must be informed immediately. The supplier in question will be blocked immediately.



# Allocation of donations and sponsorships

## 16. Donations and sponsorships

We consider it as a contribution to social life to support sporting, cultural, social or charitable events. Our sponsoring activities remain within a narrow, defined framework and must under no circumstances contradict the values of Berglandmilch.

Monetary donations of more than € 7,500 to organisations that have more than € 500,000 in annual income must be disclosed under [Partner | Berglandmilch](#).

## 17. Transparent cooperation

We are committed to being transparent and cooperative in all our communications, sponsorship-related activities and any business relationships in general.

In this sense, we are also committed to the Code for Transparent Cooperation according to the Center for Responsible Management. This serves as a framework for cooperation between companies and non-profit organisations (NPO).

The defined guidelines are understood as minimum standards, whereby a distinction is made between four forms of cooperation between companies and NPOs:

- ❖ Unpaid cooperation
- ❖ Donations without consideration

- ❖ Remunerated donations (e.g. sponsorships)
- ❖ Memberships of companies in NPOs or their representatives

# Operational implementation

We as Berglandmilch, as well as our clients, suppliers and partners, operate management systems with which the prescribed environmental and social standards can be introduced, both in our own plants and in those of our suppliers. Compliance is monitored. Employees are informed about and have access to these required standards. A company reporting system for violations is established and employees who make reports may not be disciplined or disadvantaged for doing so. The implementation of the environmental and social standards can be monitored at any time either by Berglandmilch eGen or by a commissioned inspection institute.

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Company stamp

Date and signature