

**0. Introduction**

**0.1 Content** The following describes and explains the ethical standards of frischli Milchwerke GmbH and their application.

**0.2 Why?** The corporate objectives of frischli Milchwerke GmbH ought to be met by the employees within the scope of their own fields of activity.

frischli is committed to the model of a social market economy. To frischli, the market economy model provides the greatest efficiency in steering supply and demand, requirements and the production of scarce factors.

Functioning markets depend on the following basic setting:

Social restrictions of market functions are necessary because the outcome of efficiency in market distribution is not always (socially) fair.

In order to steer the nature and the mode of functioning of the market a political framework is required. Moreover, external effects have to be internalised through politically set but reasonable prices.

A functioning market embodies a high informative status for both sides of the market.

Ethical standards set by the company for itself and its staff are another restrictive element.

Within the bounds of this setting, the market works with efficiency.

This setting calls for standards that  
 - are as simply structured as possible and  
 - that leave the market an adequate scope for manoeuvre

Within these boundaries thus defined, we are willing to meet our commitments.

*In doing so, frischli is expressly committed to the UN Guiding Principles for Business and Human Rights.*

**1. Human Rights** **Human rights** Within its own sphere of responsibility, frischli backs and guarantees compliance with the internationally recognised human rights. Our commitment is based on the European Convention on Human Rights.

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**2. Working Standards**

<b>Freedom of association</b>	frischli respects the right of its employees to freedom of association within the respectively valid laws and regulations.
<b>Forced labour</b>	frischli rejects each and every form of forced labour.
<b>Child labour</b>	frischli abides by the rules of the United Nations governing human rights and children's rights. In particular, frischli undertakes to abide by the Minimum Age Convention and the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.
<b>Violence and harassment</b>	Violence at the workplace including threats, threatening behaviour, intimidation, physical attacks and suchlike will not be tolerated.  Any form of sexual harassment, whether by soliciting sexual favours or other undesirable sexual contact will not be tolerated.
<b>Hierarchical authority</b>	Hierarchical authority is not to be exercised for the purpose of engaging in relationships. The various managers bear specific responsibility in this respect.
<b>Discrimination</b>	frischli undertakes to combat each and every form of discrimination in accordance with the respective regulations and laws.  This particularly applies to the discrimination of employees on the grounds of gender, race, disablement, ethnic or cultural origins, religion or outlook, age or sexual bias.
<b>Role model function</b>	The superior should be a role model for other employees and superiors in his behaviour.  Superiors should be aware of their role model function.  He should be able to explain and communicate his behaviour and decisions.
<b>Occupational health and safety</b>	frischli guarantees occupational health and safety at the workplace subject to national regulations. In its own sphere of engagement, frischli gives its support to measures aimed at improving the working environment.
<b>Improvement Suggestions</b>	Suggestions for improvement from employees are openly accepted and evaluated. Employees promptly receive evaluated feedback on their suggestions. Such suggestions are generally implemented within a reasonable period of time.

### **Availability**

frischli makes it clear that the reply to e-mails during leisure time is at the most carried out voluntarily and in an individual case. There is no entitlement to the observation of incoming e-mails and the processing of enquiries during leisure time.

Excluded from this are regulations with on-call duty or agreements for an individual case.

The decision about a reply during leisure time therefore lies with the individual and is not requested by frischli except in emergencies. There is no obligation to observe incoming e-mails during leisure time.

## **3. Sustainability**

### **Sustainability**

Sustainability means to us economizing to meet the current needs without depriving future generations of their livelihood. To achieve this dynamic equilibrium of resources a long-term orientated thinking and acting is required. Sustainability includes the 4 dimensions ecology, economy, social issues and animal welfare.

Environmental protection is a focal part of corporate development by which we seek to maintain the competitiveness of our company and at the same time stand by our responsibilities towards society.

Our company undertakes to act responsibly and with care in handling natural resources. We will force the development and the application of environmentally compatible technologies in all areas of our company and specifically in our products.

Compliance with high environmental standards based on the respective legal regulations and the requirements of ISO 14000 constitutes an integral part of our corporate policy governing environmental protection.

We expect our staff to engage in their respective working environments towards sustaining the natural resources in the company.

Sustainability to us means a development which meets the needs of the current generation without limiting the options for future generations.

Sustainable development seeks a balance between economic, social and ecological targets. Production and products have to be secure and designed with low-loss. We want to advance the compliance and further development of animal welfare within the whole production chain for the foodstuffs produced by us. This includes the survey of the status for animal welfare at our milk suppliers.

Therefore sustainable development also means ongoing communication, research and learning. For us, sustainable development is a complex feedback loop which requires a long-term outlook and adjustments.

And for us sustainability also implies documenting and reviewing the relevant strategies of the company.

**4. Competition**

**Competition protection**

frischli enacts its business activities in compliance with and subject to due respect for the laws governing fair and free competition.

frischli rejects each and every action that leads to restriction of fair and free competition.

This outlook admits the procurement of freely accessible information regarding volumes and prices on the market, the market shares of individual suppliers, and market strategies, if these are acquired by third parties. This information needs to be publicly available.

**Corruption**

In our contacts with business partners (customers, suppliers) and state institutions, the interests of the company and the private interests of employees are strictly segregated for all parties.

Actions and (purchase) decisions shall be taken free from any irrelevant considerations and personal interests.

**Bribery  
 Officials  
 Business partners**

Personal privileges equivalent to money may be neither offered, promised, granted nor approved in return for preferential treatment in business relations.

**Acceptance of personal privileges**

Likewise no personal privileges of value may be requested or accepted by employees in their contacts with business partners.

**Hospitality  
 Gifts**

Third-party bribery and the acceptance of personal privileges shall on principle not include gifts and invitations, which are extended in the course of regular business-related hospitality, normal conventions and as expression of courtesy.

If in doubt, the manager should be informed who will take an explicit decision.

**5. Other**

**Laws**

We abide by the law. Within the scope of the possibilities available to us, we check compliance with the law.

If reassessment of facts leads to a violation of the law, this conduct is discontinued.

In the interest of practicability, clarity and the reduction of compliance efforts, we advocate simple regulations in the law.

<b>Tax Law</b>	<p>We want to meet the statutory taxes completely and on time. For this purpose we will introduce a TAX Compliance System.</p> <p>At the same time, we advocate simple, clear tax regulations in the laws that can be determined with little effort.</p>
<b>Compliance with contracts</b>	<p>Contracts are agreements reached by at least two parties. Contracts have to be diligently observed. They should contain what you want and can comply with.</p> <p>Contracts are to be abided by.</p>
<b>Confidentiality</b>	<p>All employees of frischli undertake to respect operational and business-related secrets.</p> <p>Classified information and confidential documents may not be forwarded to third parties or otherwise rendered accessible to others, unless prior permission to do so has been granted or the information is available anyway in the public domain.</p>
<b>Unauthorised access</b>	<p>Any unauthorised access to internal information may be detrimental to the company.</p> <p>For this reason, we take all necessary precautions to ensure that our in-house data and information is protected during data transmission and storage as well as in its compilation, administration and safekeeping.</p>
<b>Conflict of interests</b>	<p>The employees of frischli undertake to segregate their private interests from those of the company and at all times to act in loyalty towards frischli, averting any form of conflict of interests. Conflicting interests may, for example, evolve in the following situations:</p> <ul style="list-style-type: none"> <li>– the private interests of a member of staff are contradictory to those of frischli</li> <li>– an employee engages in contracts with a close relative</li> <li>– an employee engages as freelance consultant for suppliers, customers or competitors.</li> </ul>
<b>Careful handling of resources</b>	<p>We expect every employee to treat company property responsibly and thriftily, in particular operational resources, such as equipment, goods, office material etc., and to only ever use it for company-related purposes.</p>
<b>Tasks</b>	<p>Tasks are agreed between the client and the contractor. They are formulated in a measurable way. The general conditions are explained by the client.</p>
<b>Culture of meetings and discussions</b>	<p>The employees themselves contribute to ensuring that meetings are brief and productive. The following applies so that this is possible: Punctuality, adherence to a time schedule, open discussion of contents, concentrated assistance within the framework of requirements of the meeting. Mobile phone calls will</p>

not be accepted during the meeting. The employee will take other precautionary measures for the availability (e.g. going out, SMS, call-back later).

**Project culture** Projects should run efficiently, i.e. their defined objectives should be completed in time with the provision of the necessary resources.

**Fraud and theft** The purloin of any frischli property is not permitted under any circumstances whatsoever and will at any rate have serious consequences.

**Public declarations** Declarations or information about the company will only be made by persons authorised to do so. Non-authorised persons will always refer media enquiries or enquiries from other persons outside the company to Management.

**Business partners** These standards apply to our company and also to relations with business partners.

If we suspect that our business partners are failing to comply with our ethical standards, we will take measures to ensure that this is remedied and that our business partners also abide by our code of ethics.

**6. Implemen-  
tation**

**Awareness** We ensure that all our employees are familiar with this code of ethics and we expect their compliance with it.

Management is accessible to all employees in an advisory and supportive capacity in the interest(s) of compliance with this ethical code.

**Support** We rely on the support of all employees in compliance with the code of ethics and encourage employees to give notification of any breaches.

On principle notifications of this nature are to be made to the manager of the respective employee or to the personnel department of the respective company.

Each employee shall also be able to address Management directly or to contact the ethics-representative via email under **[ethik\\_beauftragter@frischli.de](mailto:ethik_beauftragter@frischli.de)**.

**Freedom from detriment** frischli ensures that no employee suffers any detriment from providing information of such breaches.

**Whistle-blower-Guideline** *In line with the guideline, frischli has set up corresponding procedures for reports.*

**Reaction to breaches** frischli ensures that each request is evaluated within a reasonable time and that the requestor receives a statement.

frischli will eliminate any breaches as swiftly as possible and as far as necessary pursue the matter by all means available.

**Conflicting standards** In the event of conflicting standards, these must be addressed in all clarity.

We seek to learn from such conflicts of standards in the interest(s) of improving our standards and developing ways to ensure better compliance and implementation.

**Suppliers** frischli will duly inform its direct suppliers of these ethical principles and nurture compliance with them as far as possible, requesting its suppliers to also abide by this code.

**Compliance Officer** The appointed Compliance Officer in respect of this code of ethics will be the Management Spokesman.

The responsibilities of the Compliance Officer cover the development of these standards, the recording and elimination of breaches, documentation, and as necessary, the individual compliance audits checking the adherence to and functionality of the standards, as well as the presentation of the system.