



Bayernland eG

POLICY STATEMENT

Our commitment to respecting human rights

We, Bayernland eG, are a Bavarian dairy co-operative based in Nuremberg. As a manufacturer of an extensive range of dairy products delivered to over 50 countries, we are conscious of our local and global responsibility towards people, society and the environment.

With this Policy Statement we wish to contribute to a sustainable value chain for our products.

We commit to taking social and ecological responsibility for the protection of human rights

We ensure that our working conditions are designed in accordance with the laws applicable to our industry in a way that is fair and humane. We respect the internationally recognised human rights according to the Universal Declaration of Human Rights adopted by the United Nations and the conventions and recommendations of the International Labour Organisation (ILO) with regard to working and social standards. We pledge to uphold the human rights and environmental standards of the German Supply Chain Due Diligence Act. We particularly repudiate any kind of forced or child labour without exception and expressly commit to the ban on modern slavery or human trafficking.

For human protection and to avoid any unlawful environmental impact, land, forests or bodies of water must never be taken away from people who need these in order to secure their livelihoods where depriving them of the land, forests or bodies of water would constitute a breach of legitimate rights. Harmful changes to the soil, water and air pollution, noise emissions or excessive water consumption are to be eschewed if this damages people's health, considerably impairs the natural basis for food production or prevents access to clean drinking water. The obligations arising from the Basel Convention (on dealing with hazardous substances and wastes), the Minamata Convention (minimisation of the release of mercury) and the Stockholm Convention (focusing on the elimination or restriction of the release of persistent organic pollutants) are particularly to be put into action.

We require social responsibility in our supply chains

Our principles form the basis of our cooperation with our contractual partners. We likewise expect our business partners to respect human rights, pledge to put appropriate due diligence processes in place and pass on these expectations to their own suppliers.

Our due diligence processes

We have taken various measures to ensure humane conditions at our plants and in our supply chains.

Risk analysis

Our supplier risk analysis is conducted annually and when there are any essential changes to our business activities. This analysis is based on internal and external information. In the event of our receiving information, we will act at our direct suppliers and, if we know who the indirect suppliers are, we will also act at these suppliers. Our analysis is based on our product portfolio in general and parti-

cularly on products and raw materials purchased from countries where human rights are more at risk. The results of the analysis are then incorporated into our corporate decision-making processes with regard to the choice of suppliers and product stewardship. We take the necessary measures based on this data and adapt our constant monitoring and evaluation process accordingly.

Preventive and remedial measures

When it comes to implementing sustainability obligations, due diligence processes are an integral part of our organisation. Here, we strive to sensitise our employees to potential risks and the detrimental impact of business activities with regard to people and the environment by providing targeted guidelines, and to maintain awareness around sustainable action by offering training courses. Information on violations can be passed on to us through our reporting and complaints channel.

We also expect our contractual partners to conduct their business dealings in accordance with the internationally recognised human rights and conventions of the ILO and the UN. Our Code of Conduct for suppliers formulates our requirements of our direct suppliers and, indirectly, of the entire supply chain. With this, we wish to create a contractual basis for cooperation with our suppliers to respect humane living and working conditions. We reserve the right to carry out audits at our direct suppliers. Our suppliers should provide us with updated certificates as far as these are available.

If our risk analysis or reporting system shows a possible violation or we receive knowledge in another way that leads us to suspect that humane living and working conditions have been violated at our plants or at a supplier's company, we will look into this immediately. We strive to obtain substantiated knowledge of the alleged violation, while evaluating and processing the facts of the case according to their impact and severity. This includes the requirement that the supplier provides a statement and, if this does not allay the suspicion, submits comprehensive self-disclosure in a detailed questionnaire. An audit can also be carried out at our direct suppliers in relation to an event. Appropriate measures will be taken depending on the severity of the violation, from the request to remove the violation immediately, to legal steps being taken, to the business relationship being terminated.

Complaints procedure

We have set up an operational complaints management system that is accessible from inside and outside the company. The aim of this is to help close up gaps in protection and accountability as well as to avoid potential damage by way of prevention. Employees, people outside the company as well as all those who are potentially affected can use our reporting system to report potential or actual violations of human rights and international treaties confidentially. There is a link to the reporting system on our website. Information can be provided by text message in numerous languages, by voice message and anonymously.

All information is processed as part of a transparent, balanced and assessable process in which confidentiality and anonymity are maintained and the person making the report is protected from discrimination. In accordance with internal regulations, our reporting officer examines the entry independently and objectively to clarify the facts of the case and, in tandem with specialised departments called in, ensures that violations are rectified and that any further violations are prevented.

Responsibility

The executive board at Bayernland eG bears the overall responsibility for due diligence with regard to human rights and the environment. Our human rights officer informs the executive board of the

topics related to human rights at the company and does so regularly – at least once a year – and in relation to events. The report contains information ensuing from the complaints procedure regarding suspicions, results of our risk analysis that are relevant to human rights, and results with regard to the effectiveness of the remedial and preventive measures.

The executive boards of the subsidiaries and the senior management of the HR department take responsibility for coordinating measures to respect human rights and fair working conditions in the respective company. The Sustainability staff unit is responsible for the operative implementation of the due diligence processes in the supply chain that concern human rights. The human rights officer inspects and monitors the measures taken by the sustainability team. In high-risk cases, this officer assumes an advisory role and is involved in the final decision-making process.

Communication, documentation and reporting

In future, in an annual, public report according to the German Supply Chain Due Diligence Act, we will report on our due diligence processes regarding human rights – processes which are to be continually adapted and documented – and the effectiveness of these processes, provide information on significant risks and impacts with regard to human rights that have been identified along our supply chain, and present the preventive and remedial measures we have implemented.

Our goal is for our supply chain to be transparent and subject to humane and environmentally friendly living and working conditions.

Bayernland eG, Nuremberg

www.bayernland.de

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