



Bayerische Milchindustrie eG

Supplier Code of Conduct - Guideline for Sustainability

**Our Responsibility towards Employees, Partners, Customers,
Suppliers, and the Environment**

I. Preface

Long-term and sustainable corporate development and operations are fundamental principles at all production sites of Bayerische Milchindustrie eG (BMi) and are reflected in various business areas, including material procurement, energy, and production. Full consideration is given to the three pillars of sustainability: economy, ecology, and social responsibility, with continuous improvements pursued in each. We are committed to complying with applicable laws and promoting a fair, safe and sustainable working environment.

This document describes the standard of behaviour that Bayerische Milchindustrie eG expects from all employees, suppliers and service providers (contractual partners) and sets out the conditions under which all purchased goods should be manufactured and services provided in connection with BMi. For future collaboration, partners agree the following rules as a shared code of conduct, which will serve as the basis for all future deliveries and services.

The partners undertake to fulfil the principles and requirements of the code of conduct. Furthermore, the partner shall use its best endeavours to encourage its suppliers and subcontractors to comply with the principles and standards contained in this Code of Conduct. Partners may establish different codes of conduct with their suppliers, as long as those codes meet or exceed the requirements of this Supplier Code of Conduct.

This code is based on national laws and regulations, as well as international agreements, including the Universal Declaration of Human Rights by the United Nations, International Labor Organization (ILO) labor standards, and the United Nations Global Compact. All partners of BMi are expected to comply with the applicable laws, regulations, and internationally recognized human rights, labour protection, and social standards.

II. Social Responsibility

In terms of working conditions, BMi refers to the Base Code of the Ethical Trading Initiative (ETI Base Code), which is an internationally recognized standard based on ILO conventions.

1. Employment is freely chosen

1.1 No forced labour, servitude, or involuntary prison labour is allowed.

1.2 Workers are not required to lodge “deposit” or their identification documents with their employer and are free to leave their employer after reasonable notice.

2. Freedom of association and the right to collective bargaining are respected

2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

2.2 The employer adopts an open attitude toward union activities.

2.3 Worker representatives are not discriminated against and are permitted to carry out their representative functions.

2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. Working conditions are safe and hygienic

3.1 A safe and hygienic working environment must be provided, taking into account industry standards and specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.

3.3 Health and safety measures must be provided free of charge, including drinking water, appropriate lighting, ventilation, sanitary facilities, and protective equipment.

3.4 If accommodations are provided, they must be clean, safe, and meet workers' basic needs.

3.5 The national labour law regulations must be followed.

4. Child labour shall not be used

4.1 Child labor, as defined by ILO conventions, is prohibited.

4.2 The minimum age for employment must exceed the age for compulsory schooling and must be at least 15 years, unless exemptions apply as recognized by ILO conventions.

4.3 Children and young workers under 18 are not employed at night or under hazardous conditions.

5. Living wages are paid

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment.

5.3 Deductions from wages are only permitted as prescribed by law or by collective agreement and are not used for disciplinary purposes.

6. Working hours are not excessive

6.1 The partner agrees to comply with national working time laws, including rules for overtime, breaks, rest, vacation, paid sick leave, and parental leave.

6.2 Where no legal regulations exist, the international ILO standards apply.

6.3 Overtime work must be voluntary or regulated by contract or collective agreement.

7. No discrimination is practiced

7.1 No discrimination in hiring, compensation, training, promotion, termination, or retirement is based on ethnicity, social background, health, disability, sexual orientation, age, gender, political opinion, religion, or beliefs. Employees are only to be hired on the basis of their qualifications and skills.

8. No harsh or inhumane treatment is allowed

8.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

III. Environmental Responsibility

9. Environmental responsibility

9.1 The partner ensures optimal environmental protection at all stages of production, meeting at least national regulations.

9.2 All required environmental permits and approvals are obtained, maintained, and followed.

9.3 The partner is expected to have strategies to reduce environmental impact and greenhouse gas emissions.

10. Avoidance of environmental risks

10.1 The partner acts according to the precautionary principle, proactively taking measures to minimize environmental risk.

10.2 Chemicals and hazardous materials are managed safely in handling, storage, use, recycling, or disposal.

10.3 Waste is handled per the Basel and Stockholm Conventions, aiming to minimize the release of persistent organic pollutants.

10.4 The requirements of the Minamata Convention must be complied with in the manufacture of mercury-added products, in the use of mercury in manufacturing processes and in the treatment of mercury waste.

11. Resource-efficient production

11.1 Resource consumption, waste generation, and energy use during production are to be minimized, including through recycling and reuse efforts.

12. Climate protection

12.1 The partner aims to reduce environmental impacts and improve its ecological and carbon footprint.

12.2 The partner sets reduction targets and contributes to achieving the goals set at the Paris Climate Conference.

12.3 All partners must endeavour to ensure that primary forests and other areas of special conservation value are not cleared for the production of raw materials..

12.4 Legal deforestation should be offset by reforestation.

13. Animal Welfare

13.1 Compliance with applicable animal welfare laws is essential for partners handling animal products. The 5 Freedoms of Animal Welfare must always be followed.

13.2 Measures should be in place to ensure that animal housing and management systems meet the animals' needs and prevent avoidable pain or suffering.

IV. Ethical Responsibility - Business Ethics

14. Fair competition

14.1 The partner conducts its business, advertising, and competition fairly, respecting competition and antitrust laws.

14.2 No exchange of competitively sensitive information or restriction of competition is allowed.

15. Intellectual property and data protection

15.1 Intellectual property rights must be respected.

15.2 Personal data and confidential information are handled only according to data protection and information security laws.

15.3 Trade secrets and confidential information exchanged during the business relationship are protected.

16. Anti-corruption

16.1 The partner must apply high standards of integrity, with a zero-tolerance policy for bribery, corruption, extortion, and embezzlement.

16.2 Procedures to monitor and enforce anti-corruption standards must be implemented.

17. Food Safety & Quality

17.1 All products and services must meet legal and contractual quality and safety criteria and be safe for their intended use.



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V. Implementation of requirements

Partners must implement internal strategies and procedures to uphold the above standards. If there are indications of a violation within the value chain, the supplier is obliged to immediately take appropriate remedial measures to prevent or end violations or to minimise the extent of the violation. If the supplier discovers that a human or environmental protection good is at risk of being violated or is being violated, it must report this circumstance to us. A Whistleblower channel is available on BMeG's homepage for any violations. [Bayerische Milchindustrie eG | Home \(integrityline.app\)](#)

BMeG regularly analyses human rights and environmental risks in its own business area and at direct suppliers. The supplier therefore undertakes to provide BMeG with the best possible support and to provide information on request that is necessary to carry out the risk analysis.

VI. Final provisions

The partner agrees to comply with BMeG's current Supplier Code of Conduct ([Responsibility - BMeG](#)) and recognizes it as part of the contractual relationship. The content of this code must be communicated to employees, contractors, and subcontractors, with necessary measures taken to meet the requirements.

A violation of this code may ultimately result in the termination of business relationships, including all related supply agreements.

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