

# Supplier Code of Conduct



# Preface

Our long-term success is dependent on sustainable profitable growth and a healthy planet.

In the light of global climate change, environmental degradation and social challenges, we are doing our part to reduce our impacts while driving positive change and collective action. In keeping with our heritage, we are passionate about crafting nutritious dairy products considering our planet's natural resources and the needs of our people and the communities where we operate.

We believe the key to success is a responsible business model geared to sustainable and profitable growth, which will enable us to generate added value over the long term – particularly in rural regions – and ensure that **together we can create the best dairy moments today and for generations to come.**

To achieve our purpose and make sustainable dairy the norm, we have set ourselves ambitious targets as well as a netZERO 2050 reduction pathway and collaborate with our suppliers and partners in the food and dairy eco-system to promote sustainable practices. These ambitions are at the core of the Emmi sustainability model and integral part of our strategy.

The Emmi Supplier Code of Conduct expresses our commitment to conduct business with integrity and strengthens our efforts in sustainable procurement in partnership with our partners and suppliers allowing us jointly to mitigate risks and build trust among consumers and stakeholders.

The Emmi Code of Conduct and further information on the Emmi sustainability model, our goals and the progress we have made to date, along with the Emmi Sustainability Report, can be found at › [emmi.com/sustainability](https://emmi.com/sustainability)

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# 1 Ethics

## 1.1 Business integrity

- The supplier shall consider business integrity as the basis of business relationships.
- The supplier shall comply with all laws and regulations in the countries in which the supplier practices.
- In countries where there is no relevant law in place the supplier shall apply the standards of this code of conduct.
- The supplier shall conduct business without bribery, corruption, money laundering or any type of fraudulent behaviour.
- The supplier shall comply with all applicable laws and regulations relating to anti-bribery and anti-corruption, including those based on OECD models which apply to Emmi ultimate parent company and its operations globally.
- The supplier shall maintain in place and enforce policies and procedures adequate to ensure such compliance.
- The supplier shall undertake due diligence on appropriate business relationships in relation to fraud and corruption.
- The supplier shall not offer or accept bribes or other unlawful incentives to or from their business partners (including Emmi personnel) or government officials.
- The supplier shall implement an appropriate compliance management system, which facilitates compliance with applicable laws, regulations, and standards.

## 1.2 Conflict of interest

- The supplier shall disclose to Emmi any situation that could constitute a conflict of interest.
- Any case of conflict of interest, whether involving an Emmi employee or not, shall be duly reported to Emmi through the Emmi Whistleblowers Line.
- Emmi prohibits any discrimination, retaliation, or harassment against good-faith whistleblowers.
- The Emmi Whistleblowers Line is open to employees, suppliers and partners of Emmi to report any violations of the Emmi Supplier Code of Conduct: <https://emmi.speakup.report/de-de/whistleblowersline>

## 1.3 Identification of concerns

- The supplier shall encourage and provide means for their employees to report concerns, complaints or potentially unlawful activities in the workplace without threat of reprisal, intimidation or harassment.
- The supplier shall treat any report in a confidential manner, investigate it and take corrective action if needed.
- The supplier shall notify Emmi of legal actions, administrative investigations or prosecutions that may affect its performance in Emmi business or that could potentially adversely affect Emmi's or a customer's reputation.
- The supplier or its employee is encouraged to report suspected wrongdoing, such as fraud, corruption, or any other behaviors contrary to this code of conduct, ethical values or legal obligations (non-compliance concerns) at Emmi through Emmi Whistleblowers Line. Emmi prohibits any discrimination, retaliation or harassment against good-faith whistleblowers. For more information on Emmi, such as fraud, corruption, or any other behaviors contrary to this code of conduct, ethical values or legal obligations (non-compliance concerns) at Emmi Whistleblowers Line.
- The Emmi Whistleblowers Line is open to employees, suppliers and partners of Emmi to report any violations of the Emmi Supplier Code of Conduct: <https://emmi.speakup.report/de-de/whistleblowersline>

## 1.4 Fair competition

- The supplier shall conduct its business in line with fair competition and in accordance with all applicable anti-trust and competition laws.
- The supplier shall comply with national and international trade controls and sanction regimes applicable to its business.

## 1.5 Privacy and intellectual property, data protection

- The supplier shall safeguard and make only appropriate use of confidential information and ensure that all employees' and business partners' privacy and valid intellectual property rights are protected.
- The supplier shall not use the name, brands or products of Emmi and its affiliates in publicity or advertising without prior written consent of Emmi.
- The supplier shall respect the right to privacy of its employees and business partners', in all their manifestations, and undertake not to disclose personal data without the consent of the data subject, except in those cases of legal obligation or compliance with judicial or administrative decisions.

## 2 People and Labor

It is the policy of Emmi that all people who carry out services for Emmi, whether directly as Emmi employees or indirectly as employees of its suppliers, have to be treated with respect and dignity. Any supplier that is willing to work with Emmi shall recognize and support respect for fundamental rights and international labor standards. The supplier shall adopt a stance against discrimination, differential treatment, harassment, inappropriate or unreasonable interference with work performance, whether based on nationality, race, disability or gender, including gender identity or gender expression, sexual, religious or political orientation, ethnic or social background. Further the following rules always apply.

### 2.1 Child labor avoidance

The employment or work of children contrary to ILO convention C138 on minimum working age must be avoided in any case.

### 2.2 Freely chosen employment

Forced employment and labor conditions similar to slavery which violate ILO convention C157 on freely chosen employment are prohibited at Emmi as well as at its suppliers.

- Slavery, servitude, human trafficking and forced labor in the supply chain of Emmi will not be condoned.
- Practices such as withholding personal property, passports, wages, education credentials, employment or other documents for inappropriate reasons are not acceptable.

### 2.3 Freedom of association

- The supplier shall respect the freedom of association of all employees, the right to freely form and join organizations of their choice and to bargain collectively in accordance with ILO convention C87.
- The supplier shall not disadvantage employees who act as workers' representatives so that they can exercise their role without fear of reprisal or discrimination.



## 2.4 Fair working conditions

Emmi expects its suppliers' employees to receive a confirmation letter about their working conditions when required by national legislation.

- Violations against current national legislation and agreed standards for employees' working hours and environment will not be tolerated.
- Salaries for employees from the supply chain should meet or exceed statutory or agreed national industry minimum standards
- Emmi demands appropriate conditions and solutions for dialogue and cooperation with employees and their representatives wherever its suppliers operate, in order to ensure the continuous development of people and companies.

## 2.5 Diversity and inclusion

In accordance with ILO Convention C111, Emmi recognizes job performance based on merit, regardless of gender, ethnic, social, or national background, race, color, religion or belief, sexual orientation, political opinion, age, disability or marital status. Emmi demands this to the same extent from its suppliers.

- Exceptions are condemned in the strongest terms and will not be tolerated under any circumstances.
- Emmi encourages suppliers to provide an inclusive and supportive working environment by exercising diversity when it comes to their employees.

## 2.6 Fair treatment

Physical, sexual, mental, or verbal abuse of employees which violates ILO Convention C190 on fair treatment is strictly prohibited, as is the threat of abuse or any other form of intimidation.

- The supplier shall provide their employees with a workplace free of harsh and inhumane treatment.
- Employees may leave the employer freely provided they comply with advance notice specified by law. They shall be paid on time and in full for the work they have done prior to leaving according to applicable laws.

## 2.7 Local community

To promote responsibility for the communities they operate in, suppliers should listen to the concerns of local residents and provide for healthy and safe living conditions. Emmi encourages the support of local job creation, local sourcing, and infrastructure development.

## 2.8 Competencies and trainings

Emmi expects its suppliers to attract, recruit and retain competent and motivated employees who respect the values of Emmi.. Emmi also expects equal opportunity for its suppliers' employees and investment in their personal and professional development to support its and their own business objectives.

## 3 Health, Safety and Environment

The supplier shall comply with all applicable environmental and safety requirements and to demonstrate continuous improvement in its environmental performance. All operational and management systems, as well as employees, aim to prevent occupational accidents and illnesses.

### 3.1 Occupational health and safety

The supplier shall protect his employees as well as the population/neighbors adequately against chemical, biological and physical risks, and dangers.

- Supplier shall commit to eliminate the risks with technical solutions and to reduce the susceptibility of machines and processes to malfunctions with appropriate maintenance.
- Supplier shall provide suitable protective material, trains the personnel regularly with regard to risks, correct implementation of protective measures and safe execution of work.

### 3.2 General product safety

The supplier shall ensure that all products comply with all safety regulations. The products are labelled accordingly. Safe handling as well as any health, safety or environmental risks are communicated proactively, and appropriate documentation is provided.

### 3.3 Emergency preparedness and business continuity management

The supplier shall ensure that it regularly and comprehensively analyses the business risks and takes appropriate measures to minimize any potential or existing risks. This includes fire protection measures, effective emergency plans as well as regular training of personnel and crisis staff. These measures are intended to avert suffering and damage and to maintain the supply chain.

### 3.4 Waste and emissions

The supplier shall at all times ensure the safe handling and storage of any type of waste. Any activity that may endanger people or the environment shall be adequately managed, measured, and verified. The release of hazardous substances shall be avoided, and waste quantities minimized.

### 3.5 Resource conservation and climate protection

Based on appropriate principles, strategies and goals, the supplier shall ensure that natural resources are used efficiently, protected according to the state of knowledge, and preserved.

- The cycles shall be closed, and the planetary boundaries shall be respected. If damage to natural resources and habitats has occurred as a result of business activities, it shall be appropriately repaired, and the condition restored.
- This also explicitly applies to the emission of greenhouse-active substances. The supplier is committed to a net zero reduction path and takes appropriate measures.
- The supplier shall, within the scope of its possibilities, also actively support the development

of environmentally and climate-friendly solutions as well as the establishment of the circular economy.

- Optimization of processes to reduce the use of materials as well as the associated emissions is a well-established, ongoing process in the company. The supplier shall strive to reduce water consumption and waste. Appropriate initiatives and improvement measures shall be pursued for this purpose.
- The supplier shall be committed to the conservation of biodiversity and soil protection. Negative influences of any kind shall be reduced to the minimum and positive impacts shall be promoted through targeted measures.

## 3.6 Deforestation, conversion, and protection of natural habitats

The supplier shall ensure that no deforestation, land use change or destruction of natural habitats occurs in connection with its operations, including the supply chain. Appropriate principles, globally recognized standards or labels shall apply.

## 3.7 Animal welfare

When carrying live animals, the supplier shall comply with the five freedoms of the World Organisation for Animal Health, OIE, to protect the welfare of the animals.

- Freedom from hunger thirst and malnutrition
- Freedom from fear and distress
- Freedom from physical and thermal discomfort
- Freedom from pain injury and disease
- Freedom to express normal patterns of behavior



# 4 Quality

The supplier shall provide safe and high quality goods and services that fully comply with established laws and regulations. This includes the following matters.

## 4.1 Quality requirements

- The supplier shall comply with recognized food safety standards or contractually agreed quality requirements and standards in order to deliver goods and services that consistently meet the standards of Emmi and its customers, perform as guaranteed and are safe for their intended use.
- The supplier shall immediately remedy any critical issues that may affect food safety, quality of goods and services.
- The supplier shall inform Emmi of any changes to the production or delivery process that have the potential to affect the specification of the goods and services supplied.

## 4.2 Security and anti-counterfeiting measures

- The supplier shall have good security practices throughout their supply chain. Emmi expects its suppliers to support the investigation and prosecution of activities related to counterfeit products.
- The supplier shall ensure the integrity of each delivery to Emmi from origin to destination.
- The supplier shall take the necessary and appropriate measures within its area of responsibility to ensure that Emmi products, its processable components or raw materials and the corresponding know-how do not fall into the hands of counterfeiters, smugglers, thieves or other unauthorized third parties and do not leave the legitimate supply chain.
- The supplier shall immediately analyse its relationship with a third party if they receive or are presented with evidence that they are unintentionally involved in the manufacture or sale of counterfeit products as a result of the third party's actions, including for the export of certain products that are considered counterfeit products in their country of destination.

## 5 Governance and management systems

The supplier shall comply with all applicable international, national and local laws and regulations.

### 5.1 Communication of sustainability criteria in supply chain

The supplier shall implement the sustainability principles set out in this code of conduct in its upstream supply chain.

### 5.2 Risk management, systems, documentation and evaluation

- The supplier shall develop, implement, apply and maintain management systems and controls related to the content of this code of conduct.
- The supplier shall have the necessary documentation to demonstrate compliance with the principles of this code of conduct.
- The supplier shall implement tools to regularly identify, assess and manage risks in all areas covered by this supplier code of conduct.

### 5.3 Right to audit

The supplier shall grant Emmi the right to assess their sustainability performance or any other agreed performance criteria after prior notice with a reasonable period of time to assess the supplier's compliance with the principles of this code of conduct.



Signed for and on behalf of **Emmi Group**



Kai Könecke  
Chief Supply Chain Officer



Ricarda Demarmels  
Chief Financial Officer

Lucerne, June 2022

### **About Emmi**

Emmi is the leading manufacturer of high-quality dairy products in Switzerland. Its roots date back to 1907, when it was founded by dairy farmer cooperatives in the Lucerne region. With its focussed strategy, innovative products and brand concepts established beyond Switzerland, such as Emmi Caffè Latte and Kaltbach cheese, Emmi has grown into an internationally active, listed group (EMMN) with a strong local presence in 15 countries. Emmi's business model is traditionally based on a careful approach to nature, animals and people. In this way, Emmi creates the best dairy moments, today and for generations to come, while also contributing to value creation in rural regions. The company distributes its quality products in around 60 countries and manufactures these at over 30 of its own production sites in nine countries. With more than 9,000 employees, around 70% of whom work outside Switzerland, the Emmi Group generated sales of CHF 3.9 billion in 2021.

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