

Code of Conduct

MOLKEREI

AMMERLAND

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Preamble

Dear readers,

I am sure all of us have asked ourselves “How do I react correctly to a certain situation?” before making a decision.

This question does not only arise in our personal lives but increasingly has to be answered in corporations and by their employees, even more in these times of globalization and our worldwide activities.

A company's conduct and its public reception starts with the conduct of its employees, how they treat each other, and continues with how we treat our customers, suppliers, authorities, the so-called NGOs (Non-Governmental Organizations) – in short all those we nowadays refer to as stakeholders. Even though not everyone has immediate contact with these stakeholders, we should all be aware of the fact that by being part of our company each and every one of our employees represents the Molkerei Ammerland eG. Thus, we should not just ask “How do I react correctly?”, but “How do I react correctly in certain situations as an employee of the Molkerei Ammerland eG?”

This Code of Conduct provides assistance for making the right choices and shall contribute to promote a conduct that is in line with our moral standards.

The following pages contain the shared values and principles we are committed to and which are the basis for all our business decisions and activities at Molkerei Ammerland eG.

A Code of Conduct will not automatically lead to ethical behavior. It is about making these principles work. I am inviting you to do that. Please take a moment to read our values to become familiar with them and incorporate them into your day-to-day decision making.

Wishing you and everyone at the Molkerei every success in accomplishing our goals.

Best regards

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a circular flourish and a horizontal line.

Ralf Hinrichs
Managing Director
Molkerei Ammerland eG

I. Scope

The Molkerei Ammerland eG Code of Conduct applies to all employees in the company, all subsidiaries with majority shares as well as their abroad branches and to all voluntary workers at the dairy. Also included are all contract workers and temporarily employed workers from external companies.

These guidelines shall ensure that all employees¹⁾ and managers as well as the members of the board and the supervisory board align their conduct with the company policies and base their decision making regarding legal and ethical issues on these principles.

Every person covered in this scope, as well as business partners of the Molkerei Ammerland eG, shall receive a written copy of this Code of Conduct.



The Code of Conduct can also be viewed and downloaded on our webpage <http://www.molkerei-ammerland.de> and on the Intranet.

II. Legislation and Standards

The Molkerei Ammerland eG undertakes to comply with all applicable laws, regulations and guidelines, which are directly or indirectly connected to their business. This also applies to legislation of countries where business partners are based.



Every manager shall be committed to always be informed about current legislation in their field of responsibility.

As global player the Molkerei Ammerland eG values the culture of other countries. We respect these values and ethical standards and observe them in all our business activity.

¹⁾ This text uses gender-neutral expressions for an easier reading experience

III. Business Practice, Market and Competition

Our business practices are based on accuracy, integrity, honesty and fair conduct. We strive to have an open and respectful dialogue with our customers, characterized by courtesy, transparency and objectiveness.

We take a zero tolerance approach towards all unethical business practices and will, on the basis of applicable law, strongly oppose any unlawful behavior.

Our company strategy aims at a lasting competitive advantage from which all our cooperative members will benefit. We support free and fair competition as a central element of our market economy. Our conduct with competitors is always unbiased, fair and in accordance with applicable law. We want to convince our customers with efficiency, performance, product safety and quality.



Every employee should be aware of the fact that their work and performance plays a major role in how competitive we are.

We strongly oppose any form of corruption. Any unlawful benefits or gifts to persons (e.g. to officials or employees of private sector enterprises), granted or made to obtain a personal benefit or advantage in connection with conducting business is strictly prohibited. A personal advantage shall not be requested or accepted from business partners nor shall such an advantage be offered or granted.

A gift or an invitation is often a form of mutual appreciation, but be very careful to not give the impression of accepting or granting a special advantage.

Employees of the Molkerei Ammerland eG are thus not allowed to accept or grant any gifts exceeding a value of 35 Euros per year or accept or grant any financial advantage from or to employees of other companies.



Our law requires companies to record the expenditure, the beneficiary and the occasion for any gift exceeding 10 Euros as official operating expense.

Some cultures handle gift giving differently and not accepting a gift or an invitation, regardless of their value, may seem offensive. This may endanger business relationships and may lead to a disadvantage for the Molkerei Ammerland eG. In such special circumstances it might be appropriate to confer, prior to your decision, with your superior as to which conduct might be appropriate. In any case, the decision has to comply with legislation. Your decision has to be transparent and withstand any future audits. Material or intangible advantages for singular persons acting on behalf of the company are in any case unacceptable.

Regarding invitations that employees extend on behalf of the Molkerei Ammerland eG, particular care has to be taken to ensure that such invitations do not aim at or might be misunderstood as influencing decisions of business partners. On the whole, highest transparency is of utmost importance. The management is committed to compliance with these principles.

Gifts and invitations for and from officials may only be exchanged subject to strict adherence to legal regulation.



Protect yourself and our company by making sure you do not involuntarily commit a crime in connection with gifts and invitations.



Please refer to your superior or our legal department if you are not sure whether a service, payment or financial agreement is in compliance with the law.

Employees handling financial documents and being responsible for the invoicing have to exercise due diligence with regard to archiving these documents in compliance with legal standards.

It is necessary to strictly observe all applicable regulations in this area. The responsible managers will monitor this on a regular basis. All employees in the respective departments are under obligation to be cooperative with appointed internal and external auditors, without the need for any special agreement with your managers.

All communication regarding any business aspects of the Molkerei Ammerland eG always has to comply with confidentiality regulations. Any data or fact communicated must withstand objective auditing.



Some people are not aware that communicating facts or events regarding their job on social media may easily violate legal regulations. Please settle any problems you might have with your colleagues directly and in person. If needed, your superior will support you.

Decisions you make as part of your job at Molkerei Ammerland eG must not be influenced by personal interests or relationships.

Every employee of our company should always try to avoid a conflict of interest between their own interest and those of the dairy. Should any conflict arise despite every precaution taken, the best route is to discuss the matter openly with your superior in order to avoid any damage to our company or yourself. Strict confidentiality will always be observed.

Officials must not use their position to gain any material or immaterial advantages for themselves or others.

IV. Procurement

Any external organization, institution or private person delivering goods or services to the Molkerei Ammerland eG (hereinafter referred to as suppliers) will be viewed and treated as partners. Our behavior toward them will always be respectful, transparent and fair.

From our suppliers we not only expect a high level of quality, reliability and flexibility, but also a conduct based on ethics in accordance with legislation and along this Code of Conduct. We conduct an extensive annual supplier audit. This includes auditing the ethical standards. Should these audits show that a supplier's business conduct does not comply with the "Base Code" of the Ethical Trading Initiative we will cease to do business with them.

V. Employees and Work Conditions

The employees of the Molkerei Ammerland eG do not only play an important part in our value creation, but also in how positively we are perceived from the outside. Mutual respect and appreciation should thus be our utmost values in our day-to-day communications.

We expect not only a high level of competence from our management but also a high level of responsible ethical conduct. Our management is always prepared to listen to employees' questions, comments, concerns or criticism and will help to solve any problems that may arise with an "open door" policy.

We are aware that our high ethical standards can only be put to practice when every single one of our employees contributes to our culture of trust, tolerance and constructive communication.



Respect our diversity and contribute to our success by communicating appreciatively and fair at all times.



Please keep in mind that, with any problem that might arise, we always focus on constructive solutions and not on accusations. Try to view problems as a chance to improve your skills.

Bodily harm or disciplining, the threat or use of physical violence, sexual or other harassment und verbal abuse as well as any kind of intimidation is strictly forbidden. Any violation will be pursued and penalized.

Discrimination of employees or business partners on the grounds of age, sex, appearance, ethnic origin, disability, religion, political or philosophical attitude or union commitment will not be accepted whatsoever. In accordance with legal regulations and collective agreements the Molkerei Ammerland eG pays fair and competitive wages and salaries.

We cooperate on a trustworthy basis with the democratically elected employee representatives and always strive to have productive discussions with results every party benefits from.

We observe legal regulations and collective agreements regarding working time, paid holidays and sick-leaves.

The Molkerei Ammerland eG offers all employees safe and healthy working conditions in accordance with the latest technological standards, which are constantly reviewed and updated. Regular inspections ensure that the high health protection and work safety standards are met. We expect strict compliance with all safety regulations from all our employees to protect their own health and the health of other employees.



Be aware of work safety regulations for your workplace.
Always wear your personal protective clothing for all jobs that require this.

To reach our high economic goals, the Molkerei Ammerland eG has installed an extensive range of resources at all locations which are constantly reviewed and which we continue to develop. We ask every employee to make use of these resources efficiently. Any form of misuse or waste of resources – including working time – lessens our potential and harms our company, our cooperative and thus every single employee.



Be careful with the company's property and help protect resources and equipment from wasting, misuse, theft or damage.

VI. Confidential Information / Data Protection

Protecting the privacy of individuals, company data, intellectual property and data of business partners is a fundamental principle of our work. Every single employee is responsible for data protection in their workplace.



Intellectual property is a valuable asset and extremely important for our company. This includes, apart from the company-related know-how of our employees, recipes, plans, technical- or technological parameters, trademarks and copyrights and details on projects and calculations.

Should you, in connection with your work at the Molkerei Ammerland eG, learn of any information labelled as confidential, it is prohibited to disclose such information to third parties. This includes business partners as well as friends, acquaintances and family.



Any information not publically known is rated as confidential. Please ask your superior if you are not sure how to handle any information you received.

Verbal or written exchange of information, its physical storage, physical or digital archiving must always be treated as strictly confidential and any unauthorised access must be avoided under any circumstances.



Use internal communication systems and our IT-infrastructure always as laid out in the “Policy for the Use of Information Technologies and Communication Media”.



Recordings of any kind and documents not needed anymore containing information relating to the company always have to be destroyed in such a way that third parties cannot retrieve information anymore. This also applies to electronical data storage media. Always make sure that you use a safe disposal method (e.g. by using a shredder).

VII. Responsibility for the Environment and the Climate

The Molkerei Ammerland eG feels responsible for the protection of nature, the environment and the climate and as a cooperative feels especially committed to a sustainable development of our local agriculture.

Apart from being profoundly aware of our social responsibility for the members of our cooperative we are also committed to an environmental-friendly processing of the fresh milk. This is mainly achieved by economical and efficient use of all available resources, especially water and energy, by reducing waste and emissions, wastewater dirt reduction and by increasingly using environmental-friendly packaging.

The Molkerei Ammerland eG introduced a comprehensive Energy Management System in accordance with the DIN EN ISO 50001 standard, which is frequently certified and documented. This system helps us to continually improve our processes' energy efficiency and reduce energy costs and greenhouse gas emissions.

Everyone working for the Molkerei Ammerland eG is asked to fully support our energy- and environment policies.



Help us to continuously improve the effects our company has on the environment by only using energy and resources in amounts really necessary for the respective processes. All responsible managers welcome ideas and suggestions from you.

We choose our suppliers not only on the basis of economic, but also on ecological aspects, apart from considering ethical aspects. We strive to continuously improve our supply chain's processes to achieve a sustainable value.

VIII. Social Environment

As an important employer in our region the Molkerei Ammerland eG likes to contribute to the community. To do that we cooperate closely with communal institutions, associations, societies and communities.

The Molkerei Ammerland eG does not support any political parties or organizations and does not contribute financially at all. Financial and other donations are only made to support sustainable agricultural development, education, family, culture and foreign aid.

IX. Human Rights

The Molkerei Ammerland eG fully supports the Universal Declaration of Human Rights²⁾ as announced at the United Nations General Assembly. Based on that, we strictly oppose any kind of discrimination, respect the freedom of assembly right and do not in any way accept illegal child labor for children under the age of 15 years or forced labor.

X. Implementation of the Code of Conduct

Everyone working for the Molkerei Ammerland eG has to comply with the principles laid out in this Code of Conduct. This results directly from laws, company regulations, corporate policy and the guidelines and guiding principles directly associated with these as well as being a secondary obligation in employment contracts.

Ethical conduct is a firmly established part of our management and is not limited to the documentation of processes. All members of the management take their responsibility as role model in the implementation of the set out principles very seriously. They are available for

²⁾ United Nations Assembly Resolution A/RES/217 A (III)

any questions or comments regarding the Code of Conduct, as are the legal department and the sustainability management.



Should you notice that from your point of view any objectives are not in compliance with the principles of this Code of Conduct, please get in touch with your superior or with the management.

Every employee of the Molkerei Ammerland eG can contact their direct superior or the management should they have any concern or notice an alleged violation of this Code of Conduct.

Employees reporting any concerns in connections with violations of the principles of this Code of Conduct can be certain that no material or immaterial disadvantage will arise from their report.

As laid down in this code, any disagreement should first be discussed in person with all parties involved, where everyone can express their opinion, in order to try and dissolve the disagreement. In some cases it might help to bring in an unbiased person.

Any evidence for deliberate violation of this Code of Conduct will be penalized within the legal provisions.

This Code of Conduct has been adopted by the board of directors at their meeting on 8. Dec. 2016.

MOLKEREI

AMMERLAND

Head office

Oldenburger Landstr. 1a
D-26215 Wiefelstede-Dringenburg
Postfach 11 20

D-26210 Wiefelstede
Fon +49 (0) 4458 9111-0
Fax +49 (0) 4458 1455

Plant Oldenburg

Westerender Weg 24
D-26125 Oldenburg
Fon +49 (0) 441 93391-11
Fax +49 (0) 441 93391-33

www.molkerei-ammerland.de
info@molkerei-ammerland.de