

# Policy statement on the human rights strategy of the Hochland Group



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## Preamble by the Executive Board

Hochland is a company in the dairy industry and is one of the largest cheese manufacturers in Europe. We do our best every day to inspire people with our products. We take responsibility for people and the environment - what we do, we also do with our children and grandchildren in mind.

Tradition and innovation come together in the food industry. It brings with it specific challenges in terms of human rights and environmental aspects. As the Executive Board of the Hochland Group, we bear a special responsibility in the context of this business activity and see it as our duty to pursue sustainable and ethical business practices along the value chain.

This policy statement serves to clarify our position and commitment in these areas and to emphasise our obligation to always act in the best interests of our shareholders, employees, partners, suppliers and consumers. We will work continuously to further improve our standards and policies.

Through this human rights strategy, the Hochland Group reaffirms its commitment to respecting human rights and protecting our environment. It applies without restriction to all companies of the Hochland Group



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## Description of the due diligence process

### Risk Management

To ensure that we fulfil our human rights and environmental obligations, we have implemented a structured risk management system at the Hochland Group to monitor our own business units and suppliers. As a further measure, a "Human Rights Office" has been set up, which serves as a central authority for human rights issues. This office is made up of the Purchasing, Compliance and Human Resources departments. The Human Rights Office is responsible for monitoring risk management and the practical implementation of corresponding measures and reports directly to the Executive Board of Hochland SE. To ensure the effectiveness of its work, the Human Rights Office is provided with all the necessary resources. In addition, the Human Rights Office is supported by an international project team consisting of contact persons in the affiliated companies of Hochland SE. This decentralised process organisation ensures that the specialist areas required for compliance with due diligence obligations and processes are appropriately involved.

### Implementation of the risk analysis

Mit Hilfe einer Softwarelösung, die Datenaggregation und -verarbeitung kombiniert, führen wir regelmäßig, jedoch mindestens einmal jährlich eine umfassende Risikoanalyse für unsere eigenen Geschäftsbereiche und Standorte sowie unsere unmittelbaren Zulieferer durch. Die Risikoanalyse kann sich anlassbezogenen und bei substantiiertem Kenntnis auf einen oder mehrere mittelbare Zulieferer erstrecken. Diese Software ermöglicht es uns, sowohl interne als auch externe Feedbacks von Stakeholdern zu berücksichtigen und eine ganzheitliche Perspektive auf mögliche Risiken zu erhalten. In der Risikoanalyse werden Länder-, Standort- und Industriedaten automatisch berücksichtigt.

### Preventive measures in our own business area

Within our business division, we use targeted training, process optimisation and monitoring mechanisms to minimise human rights and environmental risks. Detailed documentation of the measures taken is provided in our annual report on the fulfilment of our due diligence obligations.

### Preventive measures for direct suppliers

We measure our direct suppliers and business partners against our self-imposed values and compliance with human rights and environmental protection standards. If our risk analysis reveals any relevant findings, we provide them with risk-based training at appropriate intervals. This process also includes direct dialogue between our purchasing teams and suppliers. Detailed documentation of the measures taken is included in our annual report on the fulfilment of our due diligence obligations.

### Annual review of the effectiveness of the prevention measures

We analyse the effectiveness of our measures in the Human Rights Office on an annual basis and make any necessary adjustments.

### Corrective measures

If violations of our human rights and environmental protection standards are identified, measures are taken immediately. If remedial measures are required, we describe these in our report on the fulfilment of our due diligence obligations.

### Complaint procedure

The complaints procedure is implemented in the Hochland whistleblowing system "TELL US!" and is accessible to all employees of the Hochland Group, suppliers and other business partners as well as other stakeholders. [Home - BKMS System \(bkms-system.com\)](https://www.bkms-system.com)

### Documentation and reporting

All measures, findings and violations are carefully documented and published in an annual report on the fulfilment of our due diligence obligations.

## Findings from the risk analysis / Priority human rights and environmental risks

The risk analysis carried out has shown that typical human rights risks and environmental risks can occur in the context of our business activities. Risks to people, animals and the environment are prioritised and are the focus of our prevention and monitoring measures.

In detail, the potential risks identified in the abstract risk analysis include those described below. We describe the results of the concrete risk analysis and the measures derived from it in our annual report on the fulfilment of our due diligence obligations. This report will be available on our website for the first time for the 2024 financial year in April 2025.

### Human rights risks

- **Labour rights:** In the dairy industry, labour rights can be at risk, particularly with regard to working conditions, wages and occupational safety for employees in dairy plants and in the supply chain. Many farms rely on seasonal labour or migrant workers. In some cases, this can lead to inadequate working conditions, unfair wages or even exploitation. Despite the technical nature of the work, some employees may not be paid the wages customary in the industry. Work in farms and dairies can be physically demanding and involves risks such as handling machinery, chemicals or lifting heavy loads. Processing plants are associated with specific risks, including handling hot liquids, sharp instruments, slippery floors and heavy machinery. Inadequate training or safety equipment can increase the risk of injury. Long working hours, irregular shifts and high production pressure can lead to health problems and burnout.
- **Discrimination:** Discrimination based on gender, origin, religion or other characteristics can occur in the industry and jeopardise the rights of employees.
- **Land use:** This refers to cases in which access to or use of land is disputed, particularly if it is communal land or if land is reallocated for industrial milk production.
- **Right to freedom of association and collective bargaining:** In the value chain, there may be restrictions or repression against trade unions or labour representatives.

### Environmental risks

- **Water consumption:** Milk production and processing requires considerable amounts of water for animal husbandry and cleaning processes, for example. Excessive water consumption can lead to water scarcity and environmental impacts. In areas where water is scarce, this can lead to conflicts with local communities competing for access to this vital resource.
- **Wastewater and waste:** The disposal of wastewater and waste products from dairy operations can cause environmental impacts if not treated or disposed of appropriately. Cleaning processes require the use of chemicals, and improper handling can be harmful to both employees and the environment.
- **Pollution from fertilisers and pesticides:** The use of chemicals in agriculture can lead to water and soil pollution.
- **Land use and ecosystems:** The expansion of dairy operations can lead to ecosystem degradation. Conversion of natural areas into agricultural land can lead to a loss of biodiversity.
- **Animal welfare:** Animal husbandry in the dairy industry can pose animal welfare risks if animals are not properly cared for and treated.
- **Greenhouse gas emissions (CO<sub>2</sub>e):** Animal milk production is a significant source of methane emissions, a relevant greenhouse gas that contributes to climate change. Energy consumption from fossil fuels and refrigerants play a role in the processing and production of dairy products. Further CO<sub>2</sub>e are generated in the logistics chain for dairy products and the transport of raw materials.
- **Packaging waste:** Packaging primarily ensures product protection and safety. However, high consumption of non-recyclable or difficult-to-recycle materials leads to increased waste.

Consideration of these environmental risks is essential to further develop the sustainability of the entire dairy industry and to respond to the growing demands of consumers, regulators and other stakeholders.

The Hochland Group recognises these risks and is committed to taking action to minimise these risks, ensure respect for human rights and continuously reduce environmental impacts. We work with our suppliers, stakeholders and industry to address these challenges and promote sustainable solutions.

#### [Expectation on employees and supplier](#)

All employees and suppliers are required to know and comply with the Hochland Group's [Code of Conduct](#).

We expect our employees and suppliers to commit to the following principles:

- Compliance with human rights and environmental protection standards in all business activities.
- Active participation in training and education programmes in the area of human rights and environmental protection issues.
- Immediately reporting concerns or suspected cases of human rights abuses or environmental impacts.
- Working with Hochland to achieve our shared goals in the area of human rights and environmental protection strategy.

The Hochland Group firmly believes that compliance with these principles and the consistent implementation of our human rights strategy will make a positive contribution to the promotion of human rights and the protection of the environment. We are aware of our responsibility and will work continuously to further improve our standards and measures.

Through this human rights strategy, the Hochland Group reaffirms its commitment to respecting human rights and protecting our environment in its own business and along the supply chain.

This policy statement was adopted by the Executive Board of the Hochland Group in January 2024 and will be updated annually and as required.