



CODE OF CONDUCT

Version 2.0/2023

Pfanner Holding AG
Alte Landstraße 10
A - 6923 Lauterach

PRELIMINARY REMARKS

PFANNER is committed – as also stated in its corporate philosophy – to fairness and sustainability in dealing with its business partners and the environment. A fair and honest way of dealing with one another is based on the compliance with statutory regulations to which PFANNER commits in its Legal Compliance Codex. In this connection, the moral values concerning the corporate ethics were codified which form the basis for all business activities and decisions in the PFANNER Group¹.

As an aid for interpretation and for specifying these moral values, the Management has prepared this Code of Conduct. As an integral component of the corporate culture, this Code of Conduct applies to and has to be observed by all employees in the Group. It defines the most important principles and is the foundation for a proper moral, ethical and legal conduct. PFANNER is aware of the fact that the legal framework conditions and the cultural requirements in the global market may vary. When applying the Code, country-specific particularities are therefore to be taken into account, however, without bypassing the fundamental rules of conduct.

The Code of Conduct presented here is an internal document, which is nevertheless also suited to convey our principles and rules of conduct to our business partners. Any immediate derivation of rights or claims is excluded.

The Code of Conduct is checked for validity on an ongoing basis and, where required, it is updated by way of a resolution of the Board of Directors of PFANNER Holding AG.

Lauterach, March 2023

The Board of Directors:

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¹ The PFANNER Code of Conduct applies to both PFANNER Holding AG and all subsidiaries, including any minority participations in companies with regard to which a company of the PFANNER Group exercises corporate governance.

INTEGRITY AND ETHICS IN BUSINESS

PFANNER is always striving to conduct all business transactions and perform all activities according to the legal provisions in force. Furthermore, particular importance is attached to ethically correct manners amongst employees, business partners, competitors and authorities. This is the only way to face challenges in a demanding and quickly changing business environment and to develop a good cooperation with all business partners in the long term.

1. Compliance with the Laws and with other legal Provisions

PFANNER is committed to complying with the national legislation and the international legal provisions as well as with any external and internal regulations. In addition, the Code of Conduct presented here defines standards that go beyond merely legal provisions and deal with the in-house understanding of moral and ethical manners.

All supervisory bodies and employees are obliged to continuously keep themselves updated about both the legal provisions applicable to their area of responsibility and the internal guidelines; in cases of doubt, they should contact the competent bodies (see Section Conduct in the Event of any Violations). Our managerial staff is responsible that no violation of law occurs in their area of responsibility which could have been prevented by way of reasonable supervision and organisation.

“We have the courage to tell the truth – even in critical situations.”

2. Anti Corruption

In general, corruption refers to abuse of power to one’s own advantage. This is often associated with the payment of bribes or the giving or accepting of gifts in order to effect an intended – frequently illegal – behaviour with the presentee.

We do not tolerate any form of corruption or bribery. All employees are strictly prohibited from offering or accepting, directly and indirectly, benefits if this is intended to influence business transactions in an inadmissible manner or if even the mere appearance of such purpose could arise. In accordance with our Legal Compliance Codex, gifts of minor value (€ 100.00 per annual quarter and business partner) – which, however, must not be associated with any consideration – are an exception. Invitations may only be extended or accepted, insofar as they meet the principle of baseness and are not attached to any other conditions. In any way, we decline gifts or invitations if this results in a conflict of interest for the employee concerned. Offering or accepting money or benefits with monetary value is always prohibited.

“[...] Pfanner is opposed to any form of corruption or bribery.”

The rules for making and accepting gifts and on handling invitations that are binding upon all employees and bodies are set forth in the guideline on gifts and invitations in our Legal Compliance Codex. In the event of uncertainty as to whether or not, for example, a gift or an invitation may be accepted, our Compliance Officer has to examine the facts.

3. Money Laundering

In particular, money laundering means the smuggling (e.g. by way of exchange or transfer) of funds or other assets originating from a criminal offence into the regular financial and economic cycle.

Our employees, either alone or in cooperation with third parties, are prohibited from taking any measures that violate national or international money laundering regulations. In cases of doubt regarding the admissibility of financial transactions, which concern the transfer of cash funds in particular, the respective superior or the Compliance Officer shall be informed in good time.

For instance, evidence as to the existence of money laundering results from unusual cash payments, payments that are made by a third party and not by the actual contract partner as well as from commission payments to a third party for the negotiation of transactions.

4. Appreciation towards Business Partners and Honesty in Business

For PFANNER, mutual trust as well as honest and respectful dealing with business partners, marked by appreciation and respect, are the basis for a good cooperation and long-term business relationships. In this connection, clear and honest communication in all business areas and an open corporate culture, which promotes these values and behavioural patterns, are essential.

“Pfanner commits to honesty in business.”

We treat business partners in the same way in which we would like to be treated. Working together in a spirit of partnership, highest appreciation and honesty form the fundamental values that we always keep up in business relationships. In this respect, our open as well as considerate and friendly corporate climate creates the ideal environment in which these social manners are put into practice by all employees amongst one another and in dealing with customers, suppliers and partners. Such an environment fosters open communication. Thus, our employees are able to raise any concerns without having to fear negative consequences.

“Suppliers, customers and institutions of any kind, which also include public institutions and those working with Pfanner, are seen as partners with whom we deal in the spirit of a mutual partnership.”

More specifically, honest and open communication also refers to the fact as to whether or not the accounting and reporting of the companies of the PFANNER Group is up-to-date and accurate. In this respect, the laws and accounting standards that apply to the respective countries are to be taken into account in order to ensure transparent financial reporting.

5. Fair Competition

PFANNER is committed to fair competition and endeavours to follow the applicable national and international competition laws. Competitive advantages by means of unfair, aggressive or misleading business practices are not welcome. As a rule, any arrangements or practices that restrict or distort competition or trade are prohibited.

Price agreements or other agreements between competitors that might adversely affect other market participants and contradict the provisions under cartel law are not an option for us. We explicitly argue against the spreading of false information about our competitors and their products as well as any type of unlawful procurement of information.

“Proceeds are generated by the quality and the reasonable price of the products and not by illegitimately obtaining advantages in the market. [...]”

Examples for prohibited practices are the sharing of markets, territories or customers between individual competitors as well as the boycotting or discrimination of specific customers or suppliers, unless this is legitimately and objectively justified.

6. Confidentiality

PFANNER guarantees strictest confidentiality in relation to confidential information of which we have become aware as part of our business transactions. The obligation to maintain confidentiality refers to both our own and third party business secrets and must be observed in all channels of communication, both externally and in-house. This applies to confidential information arising from continuing business relationships and from those business relationships that have already been terminated. Furthermore, the relevant confidentiality provisions of the respective employment contracts apply. The obligation to maintain confidentiality continues to apply following the termination of the employment relationship.

We consider confidentiality in business to be a significant basis for mutual trust. We keep our and our business partners' business and trade secrets safe and, in-house, only entrust them to those who require them for their work. We store confidential documents in a way that they cannot be inspected by any unauthorised person. All public statements and press releases that affect the interests of the PFANNER Group or individual subsidiaries are exclusively made by the members of the Board of Directors or the communication officers.

“Pfanner is committed to the reliability and protection of business and trade secrets, whether it concerns its own or those of customers or suppliers.”

SOCIAL RESPONSIBILITY

PFANNER is aware of its social responsibility and therefore attaches great importance to sustainable conduct. Management decisions are not only made based on economic factors but also by taking into consideration social and environmental concerns. The ten principles of the United Nations Global Compact provide a guideline for responsible behaviour for companies; these principles set forth policies from the areas of human and labour rights, environmental protection and anti-corruption for the day-to-day practice in companies. PFANNER commits to comply with these principles and the associated guidelines for action.

1. Human Rights

Based on the UN Charter for Human Rights, the European Convention of Human Rights and the UN Global Compact (particularly Principles 1 and 2), PFANNER undertakes to fully respect and protect basic human rights and needs as well as human dignity. PFANNER also expects from its business partners that they completely adhere to these conventions.

People must not be discriminated against or harassed because of their race, their social origin, their gender, language, religion, political opinion or any other distinguishing features prohibited by law. Discriminatory practices are unlawful, contradict the basic human rights and oppose our moral values concerning the corporate ethics. In particular, our managerial staff is obliged to acquaint themselves with the legal regulations and is required to comply with them.

“Pfaner is against any form of exploitation of human beings and against child labour. This excludes any cooperation with companies that ignore human rights and human dignity.”

“Pfaner is opposed to any discrimination and harassment of any kind.”

2. Labour Rights

PFANNER fully respects and observes the fundamental labour rights; this also applies to countries where the statutory requirements do not, or not fully, take them into account. In particular, labour rights include the core labour standards defined by the International Labour Organisation (ILO) such as the freedom of association and the collective bargaining rights, the principle of non-discrimination at work and the abolition of forced and child labour.

By complying with the Principles 3 to 6 of the UN Global Compact, which prescribe standards of action with regard to the labour standards, we adhere to these fundamental labour rights without compromise. Ensuring that any kind of forced labour is avoided, we do not employ anyone against their will or under penalty of any kind of punishment. We do not employ any prisoners and/or employees of organisations where the employees cannot choose and act freely.

We oppose any form of child labour and do not hire any employees under the minimum age of 15. Employing young people as from the age of 15 is subject to the currently valid legal provisions.

We do not tolerate any discrimination on the job due to prohibited distinguishing features. In order to ensure equal treatment, as a rule, we abide by the principal of equal opportunities. The job opportunities that are available to employees within our company are based on their professional qualifications, individual abilities, their professional experience and their personal commitment for PFANNER.

We fully acknowledge the employees' right that applies in the respective country in terms of the freedom of association and the collective bargaining rights. Therefore, all our employees have the right to organise themselves in groups and associations.

3. Working Conditions

Qualified and motivated employees are the essential factors for PFANNER's success. Therefore, PFANNER creates for all employees not only working conditions that should support them in their work and protect them against possible harmful influences but also working conditions that motivate them and give them recognition for the work they have accomplished. Beyond the statutory framework conditions of an employment relationship, PFANNER attaches great importance to respect every employee as an individual human being.

Fairness and transparency with regard to the employee's rights form another principle of our working conditions. Regardless of the type and duration of work, every employee receives a written employment agreement (employment contract or a less extensive written statement of employment particulars), which regulates the essential rights and duties concerning the employment relationship. It is ensured by way of this written document that our employees are able to safeguard their rights and that nobody is taken advantage of.

“Pfaner sees every employee as a human being and not as a production factor whose daily acting determines the success of the Group. Only people who see the purpose of their work and identify with their job are able to do a great job. Mutual interaction is marked by appreciation and respect.”

We do not pay our employees below the relevant minimum wage limit and pay attention to a performance-based and socially fair remuneration. The remuneration is paid monthly on time and the employee is notified by the payroll accounting of the settled values in the form of a receipt. This shall create transparency with regard to the remuneration.

We employ qualified employees and consider it to be our responsibility to promote these employees. Hence, we offer to every employee on a continuous basis training and further training programs in the field of personal development and for the acquisition and improvement of professional qualifications.

“We encourage and challenge committed employees who give inspiring impulses and adopt an entrepreneurial approach by way of targeted training and further training.”

4. Data Protection and Data Security

The electronic and rapid exchange of information is an important element in the business success of the PFANNER Group. The electronic communication has its advantages but there are also risks in connection with the protection of privacy and data protection. To reduce the risks, effective measures are to be taken to protect the data and safeguard the protection of privacy. In order to make the employees aware of their responsibility, their rights and duties with regard to electronic communication and to create transparency in relation to the provisions concerning the protection of their personal data, PFANNER concludes an internet and email user agreement with every employee.

We only collect, process and use personal data insofar as this is permitted by law or the person concerned has given their consent. The use of data has to be transparent for the person affected; their right to access and possibly block or delete the data shall be safeguarded. Furthermore, personal data is safely stored by means of adequate organisational and technical measures. Our employees are responsible for the proper handling of access data. In particular, it is prohibited to pass on access data to employees or third parties.

5. Occupational Health and Safety

Safety at work is an essential principle for PFANNER. In order to avoid health hazards, it is vital that the currently valid occupational health and safety regulations are observed.

The implementation of provisions is continuously monitored and improved by way of training and internal control systems. Besides, we have to ensure that each and every individual is aware of the statutory obligations and adheres to the relevant regulations and work instructions. In this respect, managerial staff has an important model function.

Illegal consumption of drugs or alcohol is strictly prohibited at the work place. For the purpose of occupational health and safety, our employees are obliged to report any suspected or witnessed case of consumption of drugs or alcohol to their superior or to the Compliance Officer. With the exception of the marked areas, smoking is basically not permitted on our premises.

6. Quality

It is a self-commitment of PFANNER towards its business partners to manufacture high-quality products and to provide the best possible service and information. Through this, PFANNER wants to contribute to a healthy and correct diet.

“By means of creativity and innovative strength, we achieve a healthy and enjoyable experience.”

We always endeavour to continuously improve our processes and quality. This is done by involving our employees and in close cooperation with our partners such as suppliers, customers, authorities and associations. Qualified employees and their continuous training, in combination with the latest and innovative technical solutions and systematic checks, form the basis for meeting national and international provisions.

We guarantee that our customers receive impeccable food safety, hygiene and high-quality products. We achieve this by ensuring that our products meet all the relevant specifications at every stage of the production process.

“We set standards in administration, distribution and production by means of careful work, perfect hygiene and state-of-the-art technologies.”

ENVIRONMENTAL PROTECTION

PFANNER is aware of the environmental impact of its business operations and actively assumes responsibility for the environment. Beyond the requirements set by existing laws, PFANNER is continuously working to improve processes and procedures in order to further reduce the environmental impact. In this context, too, the principles of the UN Global Compact are applicable.

1. Consumption of Resources, Waste and Waste Water Management

Any environmental impact that arises due to the manufacture or distribution of our products is to be minimised by making efficient use of the energy and the natural resources and by correctly disposing of the waste. Resources are used economically, sustainably, carefully and with environmental awareness.

All employees are encouraged to protect the natural resources. As part of our business operations, we always strive to minimise the environmental impact by using environmentally friendly technologies, by saving material as well as by avoiding, reducing and recycling waste. Waste has to be disposed of according to the statutory regulations. Should third parties be involved for this purpose, it is to be ensured that they also comply with the environmental regulations and other guidelines set by us.

PFANNER also expects from its suppliers that they share the commitment to environmental protection and sustainability by meeting or exceeding the corresponding environmental laws and requirements and by promoting a reasonable energy, water and waste management in order to minimise the environmental degradation.

2. Sustainability

Conducting our business according to sustainable, economic, ecological and social criteria is for PFANNER an integral element of its corporate culture. In particular, safeguarding long-term profitability of the Group to be able to assume social responsibility is of crucial importance.

As part of the business operations, we attach importance to the fact that any negative impact on the environment and the society is avoided. Thus, we make a lasting contribution that we can continue to have economic success in an ecologically clean environment and that a healthy environment for us to work and live is preserved.

“Pfanner commits to protect the environment and carefully use the natural resources and thus ensures that the products and manufacturing processes are consistent with the conditions of sustainable development.”

“We continue to develop in harmony with society, pay attention to sustainability and the conservation of natural resources and maintain an atmosphere of respect in dealing with our competitors.”

CONTROL MECHANISMS REGARDING THE COMPLIANCE WITH THE PRINCIPLES

With regard to all actions and decisions, PFANNER commits to take into account the legal provisions applicable in the legal system to be applied in each case (laws, regulations, guidelines, etc.) and the principles, moral values concerning the corporate ethics and internal guidelines set forth in the Legal Compliance Codex.

1. Compliance Management System

To monitor and enforce a conduct of the supervisory bodies, managerial staff and employees that is in compliance with laws and regulations, PFANNER has introduced a Compliance Management System (CMS). The goal is to early identify, manage and avoid risks in this connection.

The Compliance Officer monitors the CMS and the ongoing measures. They examine the compliance with all regulations and laws on a spot check basis and coordinate the control activities, define the focus of audits and maintain the system.

2. Conduct in the Event of any Violations

All employees are encouraged and obliged to make a prompt report should they discover or suspect any irregularities and in the event of any violations of laws or of the Code of Conduct. The following options are available for this purpose:

- ❖ Inform the direct superior, or
- ❖ Inform the Management of the respective Group company, or
- ❖ Inform the Compliance Officer of the PFANNER Group or the HR Department of the respective Group company, or
- ❖ Provide information via the web-based Whistleblower Portal which can be used by both employees and external parties wanting to submit a report (on an anonymous basis).

We follow up all information provided with reasonable care and, where required, initiate the corresponding measures. PFANNER guarantees that the information provided is treated as confidential and that the whistleblower is protected.

The failure to comply with the principles contained in the Code of Conduct may adversely affect our reputation and our ability to compete and may possibly result in consequences under labour law and/or disciplinary action.

3. Whistleblower Portal

To reveal any misconduct such as bribery, theft or also any violations of the internal principles of conduct or the Code of Conduct presented here, PFANNER makes available a Whistleblower Portal at www.pfanner.com. Employees, business partners and customers who detect possible violations of laws, standards and principles of conduct, may report this (on an anonymous basis) via the homepage or contact the Compliance Officer.

CONTACT PERSON

In order to ensure the compliance with the rules and principles set forth in this Code of Conduct, clear communication and quick notification regarding any concerns is required. Both employees and third parties who are not part of the company may raise their doubts regarding the compliance with the principles or any information concerning violations witnessed via legal@pfanner.com. Any questions and ideas with regard to the Code of Conduct may also be sent to this email address and, using this address, employees have the opportunity to ask specific questions for which the Code of Conduct cannot provide a satisfying reply. As an alternative, reports regarding any possible failure to observe the principles defined in the Code of Conduct may be submitted on an anonymous basis via the online Whistleblower Portal. All information provided is verified as quickly as possible and corresponding measures are possibly initiated.

Should any principle set forth in this Code of Conduct conflict with country-specific regulations, it may be necessary that the rules set out here are adjusted accordingly. In any case, the intended purpose of the respective rule and its main content need to be maintained. In the event of any such modification of one of the principles becoming necessary, a legal examination of the facts and an approval of the Board of Directors are required.

REFERENCES

Universal Declaration of Human Rights
<http://www.un.org/en/documents/udhr/>

European Convention on Human Rights
<http://human-rights-convention.org/>

Core Labour Standards of the International Labour Organisation (ILO)
<http://www.ilo.org>

The Ten (10) Principles of the United Nations Global Compact
<http://www.unglobalcompact.org>

OECD Guidelines for Multinational Enterprises
<http://www.oecd.org>

Business Principles for Countering Bribery (Transparency International)
<http://www.transparency.org>

Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC
<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32015L0849>