

DairiConcepts Policy

Document Title: POL 7-3-006 Supplier Code of Conduct

Effective Date: 12/02/2016

Document Owner: Senior Director, Supply Chain

1.0 Purpose

To set forth the principles and standards required of the supply base.

2.0 Application

All DairiConcepts facilities, suppliers and partners.

3.1 Definitions

- None

4.0 Policy

The Supplier Code of Conduct outlines the essential areas of compliance. It is critical for suppliers to abide by all applicable laws, while managing the social, environmental and economic impact of the business.

4.1 Food Safety: Products and services must meet the requirements of all applicable laws, as well as DairiConcepts' quality standards.

4.2 Gifts and Gratuities: Gifts and Gratuities: Suppliers must adhere to the DairiConcepts Gifts and Gratuities Guidelines, as stated in the DairiConcepts Ethics Policy, Conflict of Interest Agreement. DairiConcepts employees may neither give nor receive gifts of significant value, lavish entertainment, or other benefits from potential/current customers, suppliers or competitors.

4.3 Conflict of Interest: Neither party shall exploit the business relationship for personal benefit. No transactions may be entered into that create a conflict of interest. Special care must be taken to avoid even the impression of a conflict of interest.

4.4 Forced Labor: Supplier must not use forced or involuntary labor, whether child, bonded, prison, compulsory or indentured labor. The use of physical punishment, confinement, threats or harassment as a form of discipline or control is prohibited.

4.5 Child Labor: Supplier will not employ child labor, consistent with the principles contained in the International Labor Organization's (ILO) 1998 Declaration on Fundamental Principles and Rights at Work and the ILO Worst Forms of Child Labor Convention No. 182 (1999).

4.6 Discrimination and Harassment: Supplier agrees as follows: To the extent not exempt, Seller shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a) at 29 CFR Part 471, Appendix A. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status, or disability.

4.7 Wages and Benefits: Supplier will provide workers with pay and benefits as required by law, including compliance with minimum wage and overtime requirements.

- 4.8 **Work Hours:** Work schedules and overtime policies must be consistent with local and national law.
- 4.9 **Collective Bargaining and Freedom of Association:** Workers have the right to join or form trade unions and to bargain collectively. Suppliers must respect this right.
- 4.10 **Health and Safety:** Supplier will provide workers with a safe, clean and healthy work environment. Every manufacturing facility must comply with all OSHA standards. All workers must be trained and required to follow safe work practices.
- 4.11 **Environment:** Supplier will comply with all applicable environmental laws. Reasonable standards of care shall be taken to protect the environment and to provide for the health and safety of employees and the communities in which facilities are operated. Prudent steps shall be taken to:
- a.) Minimize waste by reducing, reusing and recycling materials.
 - b.) Encourage conservation of resources and energy
 - c.) Provide training and education in environmental responsibility
 - d.) Support efforts to establish and implement policies to protect the environment and promote sustainability
- 4.12 **Animal Welfare:** Suppliers and their sources shall be committed to assuring standards for animal health and well-being are adhered to including nutritious diets, healthy living conditions and medical care for animals. If the Supplier's source is found not to be complying with proper standards, they are not to remain in the supply chain. Suppliers shall provide verification of compliance to proper animal care standards upon request.
- 4.13 **California Transparency in Supply Chains Act:** We expect suppliers to comply with this Act and to sign a Certification, where applicable. In addition, the materials incorporated into the products supplied to DairiConcepts must comply with the laws regarding slavery/human trafficking in the countries in which they are doing business.
- 4.14 **Anti-Corruption:** Supplier will comply with the United States Foreign Corrupt Practices Act and all applicable laws related to anti-corruption and anti-bribery.
- 4.15 **Confidential Information:** DairiConcepts' business and technical data is considered a valuable corporate asset. Suppliers have an obligation to safeguard confidential information and to prevent unauthorized disclosure. All suppliers must sign a Confidentiality Agreement. It is the supplier's responsibility to notify DairiConcepts if a current Confidentiality Agreement is not in place.
- 4.16 **Compliance:** Supplier must maintain strict adherence to this Code of Conduct. DairiConcepts reserves the right to conduct audits and reviews at any time. If a supplier fails to comply with this Code of Conduct, it is expected to implement corrective action(s) in a timely manner. DairiConcepts reserves the right to terminate any agreement where compliance with this Code of Conduct is not clearly demonstrated.