

**SUPPLIER
CORPORATE
RESPONSIBILITY
POLICY**



July 2019

SUPPLIER CORPORATE RESPONSIBILITY POLICY

Saputo Dairy UK works collaboratively with suppliers (“the Suppliers”) to ensure compliance with its Supplier Corporate Responsibility Policy (“Policy”).

This Policy is designed to extend Saputo Dairy UK’s Values across a diverse and extensive Supplier base, whilst recognising that our Suppliers operate in many different cultural environments. This Policy sets out the minimum standards expected by Saputo Dairy UK of our suppliers.

Ownership

The Saputo Dairy UK Procurement Director is the owner of this policy and has operational responsibility for its implementation.

Communication

Saputo Dairy UK will communicate and promote the Policy both internally and externally to relevant stakeholders.

Corporate Responsibility key commitments

Saputo Dairy UK expects our Suppliers to make the following key commitments:

- To trade with their own suppliers in a manner which is consistent with the principles of this Policy (such requirement shall apply equally to all companies within supplier groups including their subsidiaries).
- To adhere to ethical, social and minimum labour standards and comply as a minimum with the relevant national legal standards or industry benchmark standards, whichever are the higher.
- To commit to the environment and recognise the need to minimise their environmental impact.

- To implement management and monitoring systems to monitor their performance against their commitments and, where required, to implement corrective action.
- To conduct their business with honesty and integrity and to implement a global zero tolerance policy towards bribery and corruption.

Ethical & social standards

Saputo Dairy UK recognises that its commercial and corporate activities have lots of potential consequences for its stakeholders – those individuals or groups who are affected directly or indirectly by Saputo Dairy UK's activities and achievements.

As a socially responsible company, Saputo Dairy UK expects Suppliers to:

- Ensure that all products manufactured and sourced by the Supplier are produced under working conditions that are hygienic and safe.
- Ensure that all workers are treated with full consideration of their basic human rights.
- Act in an ethical and transparent manner and as a minimum comply with all applicable laws of the countries in which they operate.
- Confirm in writing to Saputo Dairy UK that this Policy or an equivalent or one of a higher standard has been or will be implemented (and by when it will be implemented).

Saputo Dairy UK will work collaboratively with our Suppliers in support of the implementation of and adherence to this Policy, which may include joint audits and site visits to assess performance against this Policy.

Minimum labour standards

Saputo Dairy UK's Suppliers shall comply with the following minimum labour standards:

No forced, bonded or involuntary labour shall be used.

- All employment with Suppliers shall be freely chosen.
- Staff shall not be required to lodge deposits or identity papers.
- Staff shall be free to leave a Supplier after reasonable notice.

Minimum Age of Employment.

- Unless the applicable local minimum age for work or mandatory schooling specifies a higher age, or the International Labour Organisation ("ILO") exemption for developing countries applies, or applicable national regulation enacted in accordance with ILO conventions applies, Suppliers shall not recruit or employ children under the age of 15 years of age.
- Children and young persons under 18 shall not be employed at night or required to undertake potentially hazardous activities or activities potentially injurious to their health and development.

All workers have the right to join a trade union of their choosing.

- Suppliers shall allow employees the freedom to join a union (or collective bargaining group acting for them) or allow them to decline if they choose to.
- Suppliers shall comply with all applicable laws on freedom of association and collective bargaining.

Working conditions are safe and hygienic.

- Suppliers shall take all appropriate measures to prevent accidents and minimise potential hazards.
- Workers shall receive regular health and safety training.
- Workers shall have unrestricted access to toilet facilities and drinking water.
- Suppliers shall have a published health and safety policy.

Working hours and remuneration are reasonable and comparable to other companies within the industry, and regular employment is provided.

- Workers' pay rates shall comply with national legal standards as a minimum.
- Workers shall not be forced to work in excess of 48 hours per week on a regular basis and shall be provided with at least 1 day off per week. All overtime shall be voluntary.
- Workers shall be given clarity as to their terms and conditions of employment which shall detail the respective obligations of the employee and employer under the employment relationship, rates of pay, working hours, grievance and disciplinary procedures, holiday entitlement, absence and sick pay rules and notice periods for termination of employment.
- No deductions shall be made from wages as a disciplinary measure.
- Labour-only contracting, sub-contracting and fixed term contracts shall not be used as a means to avoid obligations under labour or social security laws.

No discrimination

- There shall be no discrimination in pay, hiring, compensation, access to training, promotion, termination of employment or retirement on the grounds of race, nationality, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
- Opportunities for personal and career development shall be equally available to all
- employees.

No harassment, threats, abuse or intimidation.

- Suppliers shall not use or permit the use of harassment, threats, abuse or intimidation.
- Without limitation, physical, verbal and sexual threats, abuse, harassment and intimidation are expressly prohibited.

Modern Slavery Act

Modern slavery is a criminal offence and a violation of fundamental human rights. It can take various forms, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain:

Slavery: Exercising powers of ownership over a person.

Servitude: The obligation to provide services is imposed by the use of coercion.

Forced or compulsory labour: Work or services are extracted from a person under the menace of any penalty and for which the person has not offered themselves voluntarily.

Human trafficking: Arranging or facilitating the travel of another person with a view to their exploitation.

- Saputo Dairy UK has a zero-tolerance approach to Modern Slavery. We are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure Modern Slavery is not taking place anywhere in our own business or in any of our supply chains.
- Saputo Dairy UK is committed to ensuring transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015.
- Saputo Dairy UK expects the same high standards outlined above from all of our suppliers, regardless of whether they are required to produce a Transparency Statement themselves.
- All suppliers to Saputo Dairy UK are expected to:
 - Ensure they are familiar with the Modern Slavery Act and the requirements therein.
 - Take steps to identify, understand and manage risks of Modern Slavery in their own operations and in their supply chains.
 - Demand the same high standards outlined under this Policy from their own suppliers.

- Notify Saputo Dairy UK immediately if they become aware of or suspect any Modern Slavery within their operations or supply chains.

Commitment to the Environment

Saputo Dairy UK is committed to showing respect for the environment. The minimum standards expected by Saputo Dairy UK of its Suppliers are:

- To seek to prevent pollution.
- To minimise any adverse environmental impact to the local and global environment.
- To comply with all applicable environmental legislation and other related requirements.
- Continually to improve environmental performance by monitoring significant effects on the environment and by setting targets for improvement.
- To seek to apply the principle of sustainable development, meeting the needs of the present without compromising future generations.
- To use resources efficiently and to minimise waste production, applying the principles of reduction, reuse and recycling.

Suppliers to Saputo Dairy UK must be willing to work collaboratively to drive down the environmental impact of our operations.

Management Systems, Monitoring, Continuous Improvement and Corrective Action

Suppliers to Saputo Dairy UK are expected to maintain management systems that measure, improve and communicate to interested parties the environmental, occupational health and safety and labour performance of the Supplier's operations in a systematic way.

Suppliers are expected to maintain management systems in these areas that include:

- Policy – a written statement of the Supplier’s commitments and objectives for its environmental, health and safety and labour practices.
- Performance objectives with implementation plans and measures – written performance objectives, targets and implementation plans, as decided and adopted by the Supplier, with a plan for assessing the Supplier’s performance against those objectives.
- Assigned representatives – identified representative[s] responsible for implementation of the Supplier’s environmental, health and safety and labour programmes.

Suppliers’ implementation of this Policy may be assessed through monitoring and independent verification. Saputo Dairy UK will work with its Suppliers in applying a continuous improvement approach.

Suppliers are expected to identify and correct any activities that fall below the standards required in this Policy.

Suppliers shall immediately report to Saputo Dairy UK any serious breaches of the Policy, together with a proposed schedule to correct the breaches, which will be subject to Saputo Dairy UK’s approval.

Where serious breaches persist, Saputo Dairy UK will consider termination of the business relationship with the Supplier concerned.

Global Zero Tolerance Policy towards Bribery and Corruption

Suppliers shall:

- Comply with all applicable anti-bribery laws for their territory including, but not limited to, any and all statutes, statutory instruments, bye-laws, orders, directives, treaties, decrees and laws (including any common law, judgment, demand, order or decision of any court, regulator or tribunal) which relate to anti-bribery and/or anti-corruption (“Anti-Bribery Laws”).

- Not do, or omit to do, any act that would cause or lead Saputo Dairy UK to be in breach of any Anti-Bribery Laws.
- Promptly report to Saputo Dairy UK any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of its obligations to Saputo Dairy UK.
- Have and shall maintain in place its own policies and adequate procedures to ensure compliance with all applicable Anti-Bribery Laws and will enforce them where appropriate.