

Bega Responsible Sourcing Code

A guide for partnering with suppliers.

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1. Introduction

For Bega (Bega Cheese Limited and its subsidiary companies), sustainability is about doing the right thing for the long term. A future where everyone enjoys the benefits of sociability and living well, and where our people, customers, suppliers and all the communities we touch thrive and prosper. And it is this vision that underpins our sustainability strategy with a clear focus on wellbeing, community, and the environment.

The pillars of Bega's environmental sustainability strategy are:

1. Act on climate change
2. Adopt a circular economy
3. Promote responsible sourcing

These priorities were selected through our materiality assessment process and are critically important for the long-term sustainability of our business.

Through responsible sourcing, Bega is committed to upholding human rights in our value chain. We will continue to work with our suppliers to promote decent working conditions in our supply chain and to ensure there are no instances of forced and child labour and modern slavery in the supply chain within and beyond our first-tier suppliers.

Our Ethical Sourcing Policy and Code of Conduct embrace the International Bill of Human Rights UN Global Compact (**UNGC**) core values of human rights, labour standards, the environment as well as anti-corruption and its 10 principles. The International Labour Organisation's (**ILO**) Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights and enact within our value chains.

Bega's Supplier Responsible Sourcing Code, (the **Code**) sets out our expectations of our suppliers, contractors, trading and business partners, and service providers (**Suppliers**). Suppliers are an integral part of our business, helping us become the market leader in complex supply chains by delivering everyday needs of our diverse customers through our networks. It is essential that Suppliers share our values and standards, and act in accordance with this Code. The principles outlined in this Code apply to all third-party Suppliers and employees of Suppliers transacting with, or providing any goods and services to Bega and its owned and controlled subsidiaries, throughout the supply chain, irrespective of geographical location and activity.

Respecting human rights, minimising environmental impacts, providing safe places to work, and ensuring the sustainability of business operations - these issues are at the forefront of our minds when we select and engage with Suppliers. By working together on these issues, we can create strong business relationships and ensure we have a positive impact on the people and communities we work with and depend upon. We believe it will also strengthen both Bega and our partners' businesses by building a sustainable bottom line.

2. Our Focus Areas

We have developed this Code to help drive higher standards in our supply chain. It sets out our supplier sustainability and responsibility aspirations, and the minimum standards we expect of our Suppliers.

Our four focus areas of engagement with our Suppliers are:

- Human Rights
- Business integrity and ethical standards

- Health and Safety
- Environmental impact

3. End-to-end responsibility

We expect our Suppliers to promote the principles in this Code throughout their own supply chain, and to have appropriate processes in place to verify and demonstrate applicable compliance standards. We reserve the right to access and review our Suppliers processes, standards, and records to verify that the expectations outlined within this Code are being met, a review that may be verified through an independent third-party audit.

4. Transparency and Compliance

Suppliers and their suppliers must respect the rights of workers in accordance with relevant national laws, acknowledge the ILO’s conventions and comply with this Code. Our aim is to continually increase the transparency of our upstream value chain and give our customers confidence that their trusted brands are being sourced responsibly and from sustainable sources.

We recognise that not all our Suppliers are at the same level of compliance with the requirements of this Code. However, we expect that all our Suppliers will develop clear plans to achieve compliance and be able to demonstrate continuous improvement and progress.

4.1 Our process

Bega is committed to upholding ethical standards in all its operations, not only with respect to its own employees but also for those engaged in its supply chain. Bega currently utilises hundreds of Suppliers and we introduce new Suppliers on a regular basis to meet business requirements. We have developed a streamlined and consistent process to ensure that Bega is only dealing with Suppliers that meet our minimum standards for fair and safe working conditions, anti-corruption practices, anti-discrimination policies, and environmental compliance. These requirements form part of our Ethical Sourcing Policy which is published on the Bega website. As an essential component of the implementation of the Ethical Sourcing Policy, we have also developed a process for identifying, assessing and managing ethical and social responsibility risks in our supply chain.

This process involves:

- an initial screening based on internal risk profiling;
- a qualification process in which Suppliers with the potential for risk are required to register with the Supplier Ethical Data Exchange (**Sedex**) which includes completion of profile information; and
- independent audits of Suppliers who represent the highest risk. This allows us to focus on the areas of greatest risk and greatest potential benefit and to work co-operatively with our Suppliers to mitigate the risk and maximise the benefits. As part of this process, we are asking Suppliers to register Sedex and complete the Sedex Self-Assessment Questionnaire (**SAQ**).

SEDEX Process:

Action	Due
Bega to supply an invitation (Letter) to the Supplier	Initial Negotiations
Supplier to register on Sedex here	
Set up details of your site(s) of employment (legal ownership); <i>COMPANY> MY COMPANY> CREATE A NEW SITE OF YOUR COMPANY</i>	

Action	Due
Give viewing rights to Bega (ZC1021751) <i>Click on. COMPANY> MY RELATIONSHIPS> INITIATE A RELATIONSHIP> TARGET COMPANY – Bega Cheese Limited (ZC1021751) > CUSTOMER > TYPE OF RELATIONSHIP (DIRECT) > SITE VISIBILITY> SUBMIT</i>	30 days from Letter
Complete a Sedex Self-Assessment Questionnaire on each of your sites; <i>COMPANY> MY COMPANY> SITE OF EMPLOYMENT> SAQ</i>	60 days from date of Letter
If applicable; Bega will request your ethical audit to be uploaded to your account	

5. Business integrity and ethical standards

We want to do business with suppliers who share our values. We act with integrity and demonstrate good citizenship in our business dealings - and we demand the highest standards of conduct from our people. We expect our Suppliers to adopt clear commitments on ethical business in line with our Code of Conduct¹ and Anti-Fraud and Corruption Policy², and we have minimum standards in the following areas:

5.1 Laws, regulations, and trade controls

We expect our Suppliers to comply with applicable laws and regulations. Our Suppliers must comply with trade sanctions and restrictions issued by recognised authorities, including the United Nations, Australia, the European Union, and the United States, which are designed to prevent or limit trading with certain countries or their nationals.

5.2 Bribery and corruption

Our Suppliers must have a zero-tolerance approach to bribery and corruption in any form, everywhere they operate. A bribe is the offer or receipt of anything of value or other advantage to or from any person to encourage someone to do something which is dishonest, illegal or a breach of trust in the performance of their role.

Corruption is the abuse of entrusted power for private gain, which can take many forms that vary from the minor use of influence to institutionalised bribery.

As a minimum, we expect our Suppliers to:

- comply with the Division 70 of the *Criminal Code Act 1995* (Cth) and relevant and applicable laws, regulations, and industry standards;
- never offer or accept anything of value where there is an intention of improperly influencing a business decision, or where the person may not be permitted by their employer or local law to receive it;
- disclose to Bega where they or their associates may have connections with government officials and never bribe government officials of any kind;
- report immediately concerns regarding bribery or corruption to their Bega contact, or confidentially through Bega's Whistle Blower service³.

¹ <https://www.begacheese.com.au/wp-content/uploads/2021/10/Bega-Code-of-Conduct-FINAL-23.07.21.pdf>

² <https://www.begacheese.com.au/wp-content/uploads/2020/12/Anti-Fraud-and-Corruption-Policy-V3-July-2020.pdf>

³ <https://begagroup.com.au/wp-content/uploads/2023/08/Whistleblower-Policy.pdf>

5.3 Tax evasion

Our Suppliers must take a zero-tolerance approach to the criminal evasion of all taxes wherever they operate, and to the knowing facilitation of another's tax evasion. As a minimum, we expect our Suppliers to have reasonable and proportionate procedures in place to prevent the criminal facilitation of tax evasion by their employees or by those they transact with in connection with Bega's business, and to also immediately report any concerns regarding the above to their Bega contact or through Bega's Whistle Blower service.

5.4 Conflicts of interest

Conflicts of interest can arise when an employee's personal, family, financial, political, or other interests interfere or conflict with their loyalty to their employer, or their ability to make the right decisions on behalf of their employer. Our Suppliers should not cause any conflicts of interest for Bega employees and should avoid situations where a conflict of interest may occur. We expect Suppliers to disclose in full any potential conflicts of interest they may have as soon as they have been identified, so that they can be carefully considered, and the right action taken.

5.5 Gifts and entertainment

Giving and receiving gifts and entertainment has a role to play in building external business relationships and generating goodwill. However, gifts and entertainment should never create a feeling of obligation or the impression of an obligation because this could be perceived as a bribe. We expect our suppliers to respect that Bega employees must comply with Bega's Gifts and Entertainment Policy which requires them not to provide or accept excessive or inappropriate entertainment and may only offer or accept non-cash gifts of modest value occasionally.

We expect Suppliers to ensure they have appropriate controls in place so that gifts, sponsorship, or entertainment of government officials are not bribes or perceived as such.

5.6 Competition and anti-trust

We expect our Suppliers to comply with competition and anti-trust laws which apply to their business and to ours.

5.7 Marketing and innovation

Our brands must be advertised and marketed responsibly. Bega is a member of the Australian Association of National Advertisers (**AANA**) and, as such, complies with AANA's advertising codes including the Food & Beverages Advertising Code, Environmental Claims Code and Code of Ethics. Suppliers which are engaged in marketing and promotional activities on Bega's behalf, such as advertising and digital agencies, must also know, understand, and comply with the applicable AANA Codes including those listed above.

5.8 Business records and confidential information

We expect Suppliers to keep accurate and up-to-date records of matters related to their business with Bega, and to demonstrate compliance with applicable laws and regulations. We expect our Suppliers to ensure appropriate technical and organisational security measures to safeguard Bega confidential and personal information, and to meet the requirements of applicable data privacy laws and regulations to ensure there is no disclosure of our confidential information to third parties without our prior authorisation. We also expect them to inform Bega immediately in the event of a potential or actual data breach, or if our information is released to any third party without authorisation.

6. Human Rights

We want to make a positive contribution to human rights and society. We are committed to promoting and respecting human rights throughout our supply chain and expect the same from our Suppliers. We are committed to acting in accordance with the UN Guiding Principles on Business and Human Rights and the international standards set out by the eight core ILO conventions and recommendations.

We expect our Suppliers to act in accordance with these principles and commitments, and we have minimum standards in the following areas:

6.1 Anti-discrimination

Subject to applicable laws, Suppliers are expected not to discriminate against any worker based on age, disability, ethnicity, gender, marital status, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status protected by law, in hiring and other employment practices.

6.2 Anti-harassment

Suppliers are expected to commit to a workplace free from workplace bullying, harassment, victimisation, and abuse. Suppliers are expected not to bully workers or threaten workers with, or subject them to, unlawful or inhumane treatment. This includes, but is not limited to, abuse and harassment which can be verbal, physical, sexual, or psychological.

6.3 Working hours, wages, and benefits

Suppliers must:

1. follow all applicable laws and regulations with respect to wages, working hours and workers compensation insurance;
2. ensure that all workers receive their legally mandated minimum wages, benefits, superannuation, leave entitlements and time off for legally recognised holidays; and
3. pay workers' wages as required under applicable laws in a timely manner and not be expected to use wage deductions as a disciplinary measure. All overtime is expected to be reasonable and paid at the rate and in accordance with the applicable laws.

6.4 Freedom of association and collective bargaining

Suppliers are expected to freely allow workers to associate with others, form and join (or refrain from joining) industrial organisations or associations of their choice and bargain collectively, or engage in any lawful industrial activity without interference, discrimination, retaliation, or harassment.

6.5 Child Labour

Suppliers are not to employ individuals below the age of 16, except if allowed by local law and such exception is consistent with ILO guidelines. Suppliers are required to maintain documentation of everyone's date of birth or have legitimate means of confirming everyone's age.

Suppliers must comply with the laws and regulations related to minimum working age. No employee of any age, including apprentices or vocational students, may be employed in breach of local regulations governing the minimum age for work or the compulsory age for schooling, consistent with ILO Minimum Age Convention No. 138.

Suppliers must ensure that workers under 18 are not allowed to:

- Work in hazardous conditions or those that require handling hazardous materials in an unsafe manner
- Work for more than 8 hours per day
- Work primarily at night
- Work in a manner that unreasonably interferes with vocational education.

6.6 Forced Labour

Suppliers must employ all employees on a voluntary basis and not use any prison, slave, bonded, forced, or indentured labour, or engage in any other forms of compulsory labour, or any other forms of slavery or human trafficking.

- Definitions of (a) slavery and (b) human trafficking shall be consistent with the (a) Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery (1957) and (b) Palermo Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children (2000).
- Suppliers must not require employees to deposit original identification documents, travel documents or any other personal legal documents upon commencing employment with the Supplier.
- Suppliers must ensure that throughout the hiring process and employment period, no deposits (monetary or otherwise) are collected from employees, including temporary, seasonal, and migrant labour and employees provided by agencies, recruiters, or brokers. Employment through private employment agencies shall comply with ILO Private Employment Agencies Convention No. 181. In cases where a fee was collected in violation of this guideline, the Supplier shall promptly pay, as appropriate, all such fees either directly to labour contractors/agencies or other providers of labour, or promptly reimburse the affected worker.
- Suppliers must not force employees to work overtime.
- Suppliers must not delay or withhold the payment of workers' salaries for more than one month on a regular basis.
- Suppliers must not confine or subject employees to restrictions on freedom of movement.
- Suppliers must not use, or source raw materials or products associated with forced labour or human trafficking.
- Suppliers must use only legitimate and reputable recruitment agencies, which are properly licensed to operate under applicable laws.

6.7 Access to remedy

We expect our Suppliers to provide a right to remedy for their employees through an accessible, trusted, and fair grievance process.

6.8 Health and Safety

At Bega, we are committed to providing a healthy and safe workplace for all our employees, contractors and visitors. Bega acknowledges our people are our greatest asset and our duty to protect them from harm is our greatest responsibility. We believe all incidents, injuries and workplace illnesses can be prevented and that everything we do can, and shall, be done safely.

We expect our Suppliers to have the same approach and have in place the following minimum health and safety standards.

6.9 Workplace health and safety management

Suppliers must comply with all applicable laws relating to workplace health and safety in the jurisdictions in which they operate.

Suppliers are expected to:

- Effectively manage workplace health and safety hazards by eliminating or reducing risk as far as reasonably practicable.
- Provide workers with all relevant job-related training and consult with employees in relation to the provision of information and training and maintain records of this.
- Provide adequate safeguards against fire and shall ensure strength, stability and safety of buildings and equipment (including residential accommodation where provided).
- Provide workers with access to workplace amenities and welfare facilities (including first aid support, clean toilet facilities, clean and drinkable water and, if relevant, sanitary facilities for food preparation and storage).
- Ensure that accommodation, where provided, shall be clean, safe, and meet the basic needs of workers.
- Ensure that appropriate personal protective equipment is available, workers are trained in its use, and it is used when and where required.
- Have in place effective safeguards on machinery.
- Assign responsibility for health and safety management to a senior management representative.
- Comply with all relevant laws, Standards and additional requirements Bega may specify related to the safe design, manufacture and supply of equipment or any other items.
- Monitor the health and safety of workers.
- Have in place a continuous improvement approach to safety.

7. Protection of the Environment

Suppliers must comply with all relevant laws and regulations relating to the environment, including any management and reporting obligations. Suppliers are expected to manage the environmental impact of their operations and the preservation of resources by:

- ensuring the safe storage, transportation and disposal of hazardous substances including hazardous waste; and
- work on minimising product packaging and support the use of recycled materials.

7.1 Environmental Policy

We expect our Suppliers to have a clear and publicly available environmental policy statement that addresses the key impacts from their operations and commits to improvement practices for the efficient use of energy, water, and natural resource consumption.

7.2 Reduce environmental impacts

We expect our Suppliers to implement an effective environmental management system that supports identifying risk, measuring, and monitoring performance and driving continual improvements to mitigate or minimise environmental impacts in their operations and manage their natural resources efficiently.

This includes:

- implementing measures to minimise air pollution and GHG emissions;
- ensuring that energy and water is used efficiently;
- putting in place appropriated systems to minimise, handle, store, transport, and dispose of waste in a responsible manner;
- reducing the use of chemicals and excluding the use of chemicals which are hazardous to people's health; and
- maintaining policies and practices that reduce the risk of pollution, loss of biodiversity, deforestation, damage to ecosystems and greenhouse gas emissions.

8. Material Specific Requirements

As a minimum, all Suppliers of agricultural commodities must demonstrate that they have processes to monitor, identify, remedy, and report any use of forced labour and child labour. Bega reserves the right to request independent audits of Suppliers' processes.

9. Whistle-blower

If a Supplier considers that another Supplier has deviated from or breached their obligations under this Code or that a Bega employee has breached the Bega Group Code of Conduct, it is expected to report these concerns to one of the following:

1. in relation to other Suppliers, the relevant department or Procurement team member, or if there is no such appointed person then either the appointed manager under the contract or the primary contact in relation to the goods or services being provided
2. in relation to Bega personnel breaching the Bega Group Code of Conduct or in relation to serious misconduct of Bega personnel, the relevant public body head, or the Independent Broad-based Anti-Corruption Commission
3. in relation to allegations of suspected corruption involving Suppliers or Bega personnel, to the Independent Broad-based Anti-Corruption Commission.

Reports of suspected wrongdoing may be brought to our attention via our fully outsourced independent Whistle-blower service that operates 24 hours a day, 7 days per week. The service provides independence and the option of anonymity.

The service can be contacted in one of four ways:

Phone: 1800 173 918 (within Australia)

Website: www.whistleblower.deloitte.com.au

Email address: whistleblower@deloitte.com.au

Post to: Bega Group – Deloitte Whistle-blower Service, Reply paid 12628, A'Beckett Street, Melbourne. Victoria 8006