


Procurement	
Ethical Sourcing Policy	
January 2020	

Bega Cheese Limited is an Australian dairy and food company that recognises the need to observe the highest standards of corporate practice and business conduct in our interactions with our employees, customers, suppliers, business partners, the community and in the environment in which we operate.

We can only achieve this by acting ethically and responsibly. In turn, we expect our suppliers and business partners to be guided by our Ethical Sourcing Policy and reflect this in their supply chain.

Our Commitment

Bega Cheese is committed to upholding the human rights of our employees and the rights of all workers in our supply chain. To support this commitment, Bega Cheese will implement and maintain an effective Ethical Sourcing Policy that integrates our social and environmental responsibilities. We understand that when people are treated with respect, work in decent conditions and earn fair rates of pay, both they and their companies benefit from increased engagement and productivity. Ultimately, our customers and consumers also benefit from better quality, better value products and from having their ethical sourcing expectations met. This is fundamental to our long-term business sustainability and growth.

This Ethical Sourcing Policy is aligned with our commitment to the United Nations Sustainable Development Goals. Our policy is informed by the Ten Principles of the UN Global Compact and the International Labour Organisation (ILO) Declaration of Fundamental Principles and Rights at Work.

Scope

This policy applies to all stages of our supply chain.

It is the supplier's responsibility to achieve, maintain and demonstrate compliance to the Bega Cheese Ethical Sourcing Policy, and ensure ethical sourcing practices in their own supply chains.

Where possible, Bega Cheese will support our suppliers to ensure compliance with this policy. We reserve the right to act if required, which may involve cancelling contracts or ceasing to deal with suppliers if they do not comply with this Ethical Sourcing Policy.

Suppliers must complete an annual ethical sourcing self-assessment questionnaire (SAQ) and Bega Cheese may, at its discretion, require an independent compliance audit of the supplier.

Requirements

The Bega Cheese Ethical Sourcing Policy sets the minimum standard required to be met as a supplier of goods and services. In addition, suppliers are required to meet all local, country of operation and international laws regarding labour standards, health and safety, and the environment.

We expect our suppliers to adopt a similar approach in dealing with their own suppliers.

Suppliers

Bega Cheese expects that our suppliers shall support socially responsible working conditions by:

1. Supporting and respecting the protection of internationally proclaimed human rights.
2. Ensuring they are not complicit in human rights abuses.
3. Providing a safe and hygienic working environment that is without risk to health, taking into consideration knowledge of the relevant industry and specific hazards.
4. Not using any type of forced, bonded or indentured labour.
5. Adhering to all applicable laws regarding working hours, wages, social security payments and overtime payments.
6. Not using child labour, whereby 'child labour' is defined as any work by a child or young person, which does not comply with the provisions of the relevant ILO standards, and any work that is likely to interfere with that person's education, or be harmful to that person's health or mental, spiritual, moral or social development.
7. Upholding the freedom of association and the effective recognition of the right to collective bargaining – and where these rights are restricted under law, suppliers will not hinder the development of parallel means for independent and free association and bargaining.
8. Providing a workplace free from harassment, including sexual, verbal, and physical behaviour that creates an offensive, hostile or intimidating environment.
9. Not discriminating based on a person's race, sex, age, nationality, marital status, religion, ethnic origin or any other legally protected status.
10. Not using corporal punishment or other forms of mental or physical coercion as a form of discipline.

Bega Cheese expects that our suppliers shall ensure responsible environmental management by:

1. Complying with environmental laws, obligations, permits and licences that protect the environment, prevent pollution and continuously improve environmental performance.
2. Identifying and documenting key environmental impacts, implementing policies and improvement plans, targets and controls to minimise the effect on the environment with respect to:
 - land management and sustainable farming practices
 - climate change, reducing energy intensity and greenhouse gas emissions, and sourcing renewable energy
 - water sustainability and reducing water intensity
 - diverting waste from landfill and increasing recycling and reuse rates
 - supporting the 2025 Australian National Packaging Targets, and
 - other key impacts relevant to the supplier identifying pollution risks from potential incidents and creating mitigation plans to prevent adverse environmental impacts.
3. Implementing a purchasing policy and, where practical, sourcing materials and services which minimise or eliminate the impact on the environment and promote the use of recycled materials and sustainable practices with their suppliers.

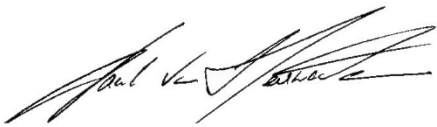
Bega Cheese expects that our suppliers shall conduct their business relationships with integrity through:

1. Engaging ethically in all transactions and providing transparent documentation and records.
2. Not participating in bribes, favours, benefits or other similar unlawful or improper payments, in cash or in kind, whether given to obtain business or otherwise.
3. Protecting whistle-blower confidentiality and prohibiting retaliation against workers who report workplace grievances.

Bega Cheese Limited

Bega Cheese Limited and its subsidiaries will:

1. Implement the Bega Cheese Ethical Sourcing Policy.
2. Provide training and assessment programs for applicable employees based on roles and responsibilities.
3. Ensure the responsibilities of this policy are understood by the Bega Cheese leadership team.
4. Communicate the requirements of this policy and the expectation for our suppliers to comply.
5. Systematically review compliance and report non-conformances in our supply chain.
6. Monitor regulatory changes, court decisions or other issues impacting the Bega Ethical Sourcing Policy to ensure it remains relevant.
7. Continually work with our suppliers across the Bega Cheese Group supply chain to implement and sustain the requirements of this policy.



Paul van Heerwaarden
Chief Executive Officer
Bega Cheese Limited



Antonietta Timms
Executive GM, Operational Excellence
Bega Cheese Limited