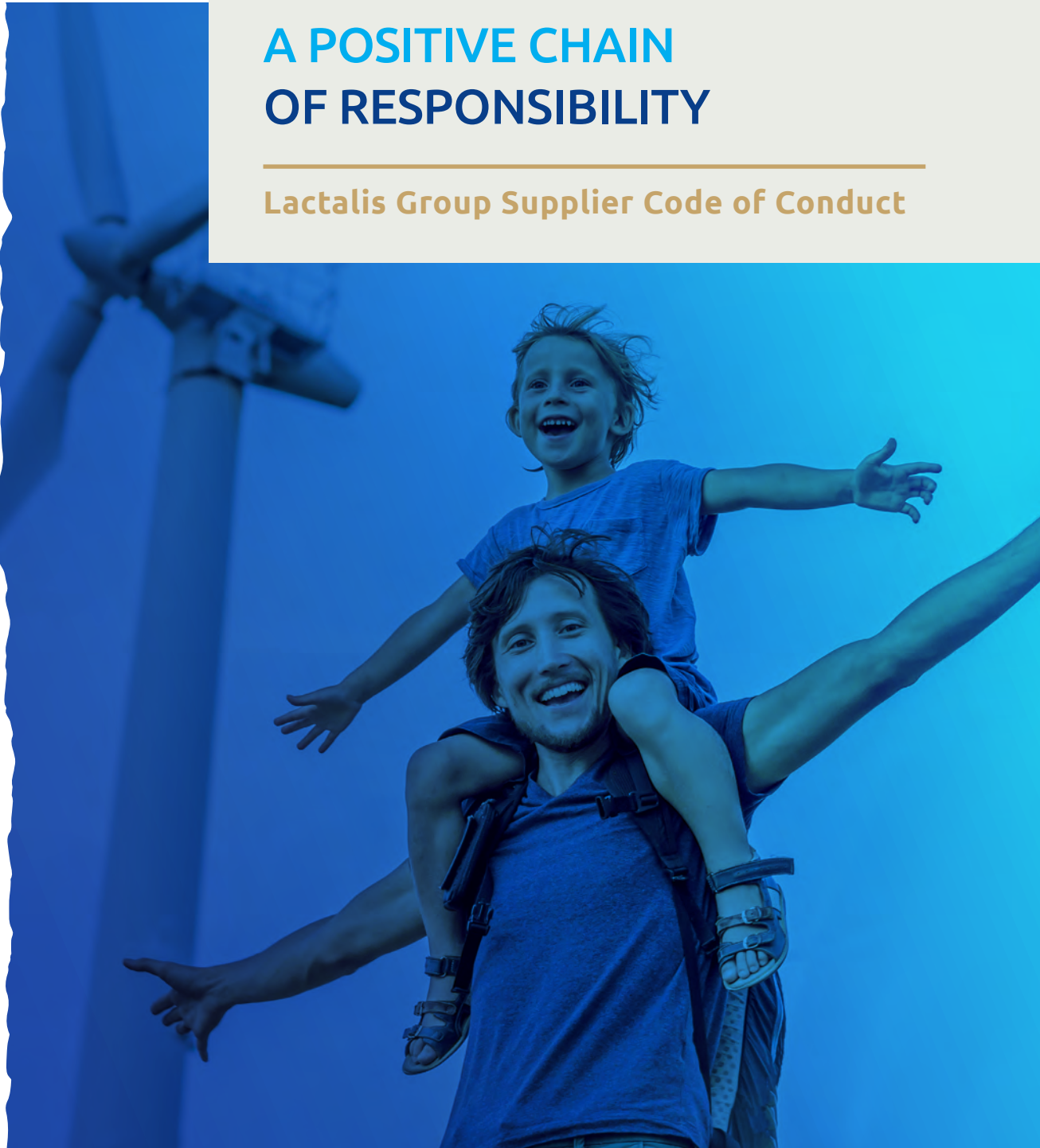




## A POSITIVE CHAIN OF RESPONSIBILITY

Lactalis Group Supplier Code of Conduct



# FOREWORD



At Lactalis, we have embedded Sustainability in our daily activities and business relations. Through our international presence we are facing a wide diversity of contexts, opportunities and constraints, and our Teams strive to maintain a strong local focus when addressing them within a global corporate framework. This hands-on approach ensures that we serve everywhere, in the most sustainable manner, our Group's mission: being "A family business offering healthy and tasty products that bring us closer together".

Today, Climate emergency as well as demographic trends, and the forecast increase in the use of our Planet's scarce resources, is a clear call for us to accelerate the transition of Food Systems. As a responsible company, based on innovative brands leading the way, we want to take our part in this challenge.

We have firstly focused our CSR approach on our operations, setting ourselves ambitious targets like heading for Carbon Net Zero by 2050. Yet, as much of our environmental and social impacts lie over our entire upstream and downstream value chain, it takes an "ecosystem" approach to deliver on our goals and meet the United Nations Sustainable Development Agenda.

To succeed with the right pace, we will need the support of all our stakeholders, including our business partners. We have thus identified our Responsible Sourcing policy as a key lever.

With this Supplier Code of Conduct, we intend to share our vision and ambitions with all our suppliers. Based on integrity, transparency, the respect of Human Rights and responsibility for the communities and environment in which our partnering suppliers operate, it sets the framework for ethical, fair and sustainable business relations.

Our Teams will promote this Code in their daily work with our partners, and we value the ability of all our suppliers, over any purchased good & service, to engage with us in this Sustainability Journey. I am personally convinced that developing our dialogue on sustainable progress plans and innovations will strengthen long-lasting business relations and nurture our common ambition for a profitable and responsible growth.

I have then trust that you will embrace and contribute to this positive chain of responsibility.

A handwritten signature in blue ink, appearing to read 'Françoise'.

**Françoise LANÇON,**  
Chief Purchasing Officer, Lactalis Group

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## PURPOSE AND SCOPE

At Lactalis, we believe that it takes a wider commitment of the whole value chain to deliver on our ambitions for sustainable and healthy products. Building strong, qualitative and long-term relationships with our upstream partners increases our ability to continuously meet consumers and civil society's expectations, demonstrate citizenship, and foster an innovative spirit as well as shared opportunities. In that sense, our approach to Responsible Sourcing is a fundamental backbone of our Corporate Social Responsibility policy.

To do so, the Lactalis Group strives to follow the guidelines of the following international documents:

- The 10 principles of the United Nations Global Compact;
- The United Nations Universal Declaration of Human Rights;
- The International Labour Organization conventions;
- The guiding principles of the OECD applicable to Multinational Enterprises.

We have created this Supplier Code of Conduct to ensure mutual alignment with all our Suppliers on these ambitions, with the exception of the Suppliers of raw milk (direct and indirect volumes) who are not concerned by this document. This Supplier Code of Conduct sets out ways of working and minimum standards that Suppliers must follow in providing goods or services to the Lactalis Group. The Supplier Code of Conduct applies to any Suppliers' employee, agent or subcontractor interacting with the Lactalis Group on Suppliers' behalf all along its value chain. We are committed to report on our Responsible Sourcing activities on a regular basis, internally and externally.

We take special care in building honest, fair and respectful relationship with our Suppliers. We provide equal treatment to all our potential Suppliers, and selection processes are transparent and impartial, based on explicit criteria.

We ensure that our purchasing activities are conducted according to high ethical and professional standards. Our purchasing teams and all employees who are in business relations with Suppliers are regularly trained on such standards.

We are committed to promote the principles set out in this Code of Conduct in our sphere of influence. We invite all our Suppliers and partners to join in and take action. Our Suppliers shall devote the necessary means to ensure that they respect these principles and communicate them to their own Suppliers.

*This Supplier Code of Conduct may be updated periodically, with or without prior notice. It is the Suppliers' responsibility to review possible new amendments and ensure continuous compliance with them. In this Supplier Code of Conduct, the terms "Lactalis", "we", or "our" refer to the Lactalis Group and all its subsidiaries. The term "Suppliers" refers to Lactalis' suppliers providing goods and services, as well as their employees or agents or subcontractors in relationship with the Lactalis Group on their behalf.*

## COMPLIANCE WITH LAWS

As a major player in the dairy sector, the Lactalis Group reaffirms its desire to act at all times in compliance with all applicable laws and regulations in force, where it operates.

The extent of our presence internationally and the growing number of partners and stakeholders with whom we forge business relations, compel us to consider compliance as a factor contributing to the development of the business.

In their relationship with the Lactalis Group, Suppliers shall always comply with all applicable international, national, sub-national, regional and local laws, rules, and regulations in force where they operate.



# BUSINESS CONDUCT AND GOOD PRACTICES

## 1. ANTI-COMPETITIVE BEHAVIOUR

Anti-competitive behaviours, arising from an organisation or its employees, can affect market efficiency and related sustainable growth.

Suppliers shall take preventive measures to avoid any anti-competitive behaviour (including collusion practices and abuse of dominant positions). Should any matter or situation of anti-competitive behaviour arise in the context of their relationship with the Lactalis Group, Suppliers shall immediately disclose them to the Lactalis Group.

## 2. CORRUPTION AND BRIBERY

In an environment characterised by uncertainty and increased risks of all kinds, corruption distorts free competition, hinders economic growth, and can lead to negative social and environmental impacts, also associated with inefficient economic decisions, mis-allocation of investments and undermining the implementation of law.

Suppliers shall commit to respect all anti-corruption and anti-bribery applicable laws where they operate, in their relationship with the Lactalis Group and shall take preventive measures to avoid risks of corruption.

## 3. CONFLICTS OF INTERESTS OR UNDUE ADVANTAGES

In order not to impact business decisions in their relationship with Lactalis Group's procurement employees, all people participating in the decision, and their line management, Suppliers ensure that they do not have any conflict of interest (involving personal or family links or relationships with Lactalis Group procurement employees), and that they will declare any future potential conflict of interest as it may arise during the business relationship with the Lactalis Group. Suppliers shall also ensure that the bilateral professional relations are not subject to any personal financial, loans, borrowings, or placement of personal orders.





Suppliers shall not seek or encourage to obtain favourable decisions through presents and gifts of any nature, or by offering refunds or specific and personal refunds or discounts to their counterparts at Lactalis Group and their families. Only presents of promotional nature and of low value (20 Euros max.) shall be tolerated from Suppliers, with prior agreement from the Lactalis employee's line management. Invitations to business meals, seminars or field trips are only meant to strengthen mutual business relation.

The Lactalis Group does not encourage or solicit them; they are only tolerated within reasonable frequency and prior validation from line management. Suppliers' extravagant invitations are strictly prohibited, and invitations to leisure or entertainment activities require exceptional authorisation from the Lactalis Group employee's line management.

Should any conflicts of interest arise, Suppliers shall immediately disclose them to the Lactalis Group.

## LABOUR PRACTICES AND HUMAN RIGHTS

### 1. HUMAN RIGHTS

The set of internationally recognised human rights is essentially covered by the International Bill of Rights, which includes the United Nations (UN) Declaration (Universal Declaration of Human Rights, 1948), the UN Convention "International Covenant on Civil and Political Rights" (1966), and the UN Convention "International Covenant on Economic, Social, and Cultural Rights" (1966).

Suppliers support, raise awareness on, and respect the enforcement of the International Bill of Rights, through their operations and in their relationship with agents and subcontractors. They ensure and warrant not to become complicit in any human rights violation.

The Lactalis Group expects its Suppliers to respect the resources and the rights of indigenous communities in their supply chains.

### 2. CHILD LABOUR

Child labour is defined as work that "deprives children of their childhood, their potential and their dignity, and that is harmful to their physical or mental development including by interfering with their education. Specifically, it means types of work that are not permitted for children below the relevant minimum age". As such, it shall be considered as a human rights abuse.

In accordance with current laws and with the International Labour Organization (ILO) Conventions, the Lactalis Group strictly prohibits Child labour, as defined above. Suppliers shall commit to respect the minimum age for admission to employment as defined in ILO Conventions 138 and 182, in the framework and guidance provided by ILO's International Programme on the Elimination of Child Labour (IPEC).

### 3. FORCED OR COMPULSORY LABOUR

Suppliers shall ensure that they do not benefit, either directly or indirectly (through agents and subcontractors), from any form of forced or compulsory labour defined as “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily” (ILO Convention 29). Forced labour in prisons, human trafficking for the purpose of forced labour, coercion and harassment in employment, forced labour linked to unpaid or indentured services or exploitative labour contract systems or debt-induced, are strictly prohibited. Suppliers shall perform risk assessment and due diligence to prevent forced or compulsory labour, as well as human trafficking and slavery.

### 4. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Suppliers shall ensure the right of their employees and workers to form, join and run their own associative organisations without prior authorisation or interference by the Suppliers. Suppliers shall also, where applicable, set the conditions and ensure collective bargaining for their employees and workers for determining working conditions and terms of employment or for regulating relations between employers and workers.

### 5. WORKING CONDITIONS AND SOCIAL DIALOGUE

Good working conditions and a genuine social dialogue contribute to generate a positive and sustainable working environment, with efficiency impact on business and minimising operational disruption. They also contribute to set the conditions for employees’ attraction, retention and development through training on additional skills, internal promotion and optimised career path.

Suppliers shall comply with applicable labour laws, and conduct their relationship with their employees and workers within locally appropriate institutional and legal frameworks. Terms of employment shall be freely agreed and well documented.

- **Wages:** Suppliers shall comply with applicable wage laws and abide by local minimum wages rules. When local minimum wage rules are absent, Suppliers should propose compensations and wages considering that they should meet employees’ essential and basic needs as well as dignity.
- **Working time:** Suppliers shall comply with applicable laws concerning working time (including maximum hours and overtime), rest periods, holidays, disciplinary and dismissal practices and maternity protection.
- **Workplace environment:** Suppliers shall comply with applicable laws, concerning the quality of the workplace environment, and all applicable mandatory benefits provided by local and industry laws or regulations.
- **Social dialogue:** Suppliers shall ensure adequate labour management and regular consultation practices with employees and their representatives, and communicate any significant operational change that could substantially affect them. In particular and where applicable, they provide appropriate conditions for collective bargaining regulating relations between employers and workers.



## 6. DIVERSITY, EQUITY AND INCLUSION

Diversity, equal treatments and opportunities, and the promotion of inclusion generate significant benefits for organisations, employees, and society in general.

Suppliers set equal treatments, benefits, training, promotion opportunities and information access to all their employees regardless of gender, age, ethnicity, caste, geographical origin, religion, sexual orientation, civil state or social situation, mental or physical disabilities, or any other personal specificity. Any difference in individual working conditions and treatments shall only be based on employee's skills or local applicable laws and regulations.



## 7. OCCUPATIONAL HEALTH AND SAFETY

Suppliers shall endeavour to provide healthy and safe working conditions to their employees, in compliance with applicable laws and regulations. They shall commit to the prevention of physical and mental harm, work-related illnesses and injuries, through the identification of hazard, the development and implementation of a policy and a management system associated with regular performance evaluation. Good practices also include the consultation and engagement of employees into the development of such programs, as well as employees' related training. Employees' participation in such health and safety policies and programs, as well as derived data, shall not be used in Suppliers' decisions regarding employment, engagement, or favourable or unfavourable treatment of workers.

# QUALITY AND FOOD SAFETY

Lactalis has developed and implemented a Quality and Food Safety policy to ensure the full traceability of delivered products, components and ingredients. This has been materialised through Lactalis Quality and Food Safety charters.

Suppliers shall commit to conducting their operations in compliance, at a minimum, with applicable laws and regulations concerning food quality and safety of delivered products or services, either directly or indirectly through their agents and subcontractors.

Suppliers shall develop and implement policies and food quality and safety management systems associated with regular performance evaluation, on the reference method HACCP (Hazard Analysis Critical Control Point), in each of the following life cycle stages :

- Development of product concept,
- Research and development,
- Certification procedures,
- Manufacturing and production,
- Storage, distribution and supply,
- If any, potential disposal, reuse, donations or recycling.



# ENVIRONMENT

Suppliers shall commit to conducting their operations in compliance, at a minimum, with applicable laws and regulations, ensuring necessary permits and registrations, either directly or indirectly through their agents and subcontractors. They shall seek to foster sustainable practices and induce continuous progress along the whole life cycle of delivered goods or services.

Suppliers shall identify, assess, prevent, mitigate or remediate actual or potential negative environmental impacts in their operations as well as conduct due diligence over their own value chain, including agents and subcontractors.

They shall develop and implement policies and environmental management systems associated with regular performance evaluation, notably applying the precautionary principle. They shall encourage good practices, including internationally recognised environmental certifications.



Such environmental topics include (but are not limited to):

- The reduction of GreenHouse Gas (GHG) emissions throughout operations and value chain (Scope 1, Scope 2, and Scope 3 emissions),
- The prevention of any kind of pollutions and spills (notably of chemical and hazardous materials, particles and emissions other than GHG), as well as disturbances such as noise, dust, and odours,
- The protection of Biodiversity along the value chain. It notably includes Biodiversity on operational sites, protected Habitats, as well as oceans ecosystems, and forests or other High Conservation Value Areas (HCVA),
- The appropriate management of water consumption, withdrawal, discharge and related impacts,
- The promotion of eco-design and circularity of packaging,
- The appropriate management of waste by type and disposal methods, including the transport of hazardous waste,
- Generally speaking, the appropriate management and stewardship of natural shared resources and their consumption or usage, as well as related impacts on local communities, notably through the support to sustainable agricultures.







# ANIMAL WELFARE

Suppliers of animal-based products, across all relevant species and geography, shall commit to conducting their operations in compliance with applicable local and international laws and regulations as well as not to be responsible of any acts of animal cruelty, either directly or indirectly through their agents and subcontractors.

They shall support the internationally recognised Five Freedoms for animal welfare and ensure they are observed and preserved for all animals in their value chains. According to the World Organisation for Animal Health (OIE), "developed in 1965, and widely recognised, the Five Freedoms describe society's expectations for the conditions animals should experience when under human control, namely:

- Freedom from hunger, malnutrition and thirst
- Freedom from fear and distress
- Freedom from heat stress or physical discomfort
- Freedom from pain, injury and disease
- Freedom to express normal patterns of behaviour".

More precisely, they shall pay special attention to the following practices in farming systems and downstream stages:

- Avoidance of close confinement and intensive systems for livestock,
- Provision of effective species-specific environmental enrichment,
- Avoidance of products from farm animals subject to genetic engineering and cloning and/or their progeny or descendants
- Avoidance of growth promoting substances,
- Avoidance of antibiotics for prophylactic use,
- Avoidance of routine mutilations (tail docking, dehorning, disbudding without pain management),
- Avoidance of situations where animals are not subjected to pre-slaughter stunning,
- Long distance live transportation.

Besides, when applicable, Suppliers shall implement policies and action plans to eradicate (at the latest by the end of 2025) the use of shell eggs and egg products from caged systems (also known as "Code 3") in all their finished products or ingredients delivered to the Lactalis Group.

# INFORMATION PROTECTION

Suppliers shall commit to conduct their operations in compliance, at a minimum, with applicable laws and regulations concerning information protection, either directly or indirectly through their agents and subcontractors.

## 1. CONFIDENTIALITY AND INTEGRITY OF INFORMATION

Suppliers shall guarantee the confidentiality of all information received which is the property of the Lactalis Group and comply with regulations related to trade secret. Suppliers shall not use, for their own benefit or anyone else's, nor disclose any Confidential Information, unless given prior written acceptance by the Lactalis Group. Intellectual property rights shall also be protected in the course of duty.

In return, information provided by Suppliers shall be true, fair, complete and not misleading, while preserving the confidentiality expressly requested by Suppliers' agents or subcontractors.

If the Supplier needs to access to Lactalis IT Systems or provides IT solutions, the Supplier shall commit to comply with international standards for IT security and communicate its Information Security Policy to Lactalis.



## 2. DATA PROTECTION

Suppliers shall ensure and warrant compliance with applicable privacy and personal data protection laws and regulations, notably (but not limited to) the EU General Data Protection Regulation (GDPR; EU 2016/679). When their operations imply the collection, storage, process or dissemination of personal data, Suppliers shall prevent any loss of data or breach of privacy regarding identifiable individuals, including any employee, consumer or customer. In case of breach of privacy, Suppliers warrant to take all necessary measures to respect the GDPR or other applicable privacy and personal data protection laws and regulations, and to immediately inform the Lactalis Group DPO via [dpo@fr.lactalis.com](mailto:dpo@fr.lactalis.com).

## 3. CORPORATE IMAGE

The Lactalis Group seeks to preserve its reputation, credibility and image which are closely tied to the quality of its products and services as well as to its brands' assets. Suppliers shall not use any element of the Corporate Image of the Lactalis Group, in any kind of medium, for their own benefit or anyone else's, unless express prior written acceptance by the Lactalis Group.



# MONITORING, ALERTS AND BREACHES

## 1. MONITORING

Suppliers shall maintain available internal procedures, tools, indicators or related documentation to demonstrate their alignment with the Lactalis Supplier Code of Conduct. Suppliers agree to be audited on such compliance and provide all information reasonably requested. In any case, a gap would be identified, suppliers have to commit in good faith to build and implement an effective action plan.

## 2. ALERTS

Suppliers shall promptly report any actual or suspected violation of the Supplier Code of Conduct to the Lactalis Group. This includes violations by any employee, agent or subcontractor.

Suppliers may report any violation of law through the Lactalis Whistleblowing Platform available at <https://www.bkms-system.com/lactalis>

## 3. BREACHES

Although the Lactalis Group promotes the best sourcing practices and incentivises Suppliers to prevent and avoid any non compliance with the above-mentioned principles and standards, incidents may occur in breach of the Lactalis Suppliers Code of Conduct. In such cases, and whenever Suppliers fail to implement efficient and remediation measures, the Lactalis Group reserves the right to disengage them.



**Lactalis Group**

Head offices – 10 rue Adolphe Beck – 53000 LAVAL – FRANCE  
A French limited company (*Société Anonyme à Directoire et Conseil de Surveillance*)  
with share capital of € 140,027,040  
SIREN 331 142 554 – RCS LAVAL

 [company/lactalis/](https://www.linkedin.com/company/lactalis/)  [@groupe\\_lactalis](https://twitter.com/groupe_lactalis)  
[www.lactalis.com](https://www.lactalis.com)

*The targets, associated timelines and scopes mentioned in this document reflect current assumptions. Acquisitions, regulatory changes or other factors may have a major impact on these assumptions. In such cases, Lactalis Group reserves the possibility to review and adjust them accordingly.*

*The version of this document available on the Lactalis Group website shall prevail.*