

## **California Supply Chains Act**

Bel Brands USA supports the goals of the California Transparency in Supply Chains Act of 2010 and strives to set an example of good human rights and labor practices throughout our business activities. Bel Brands USA is the U.S. Subsidiary of Bel Group. Bel is a family Group, which has expanded its operations across five continents. It employs around 11,000 staff throughout the world, from many different professions and backgrounds.

The Bel Code of Good Business Practices was developed in 2012 for use by all Bel staff in their day-to-day professional activities. All internal policies, procedures, and rules must comply with the code. Since 2003, Bel has been a signatory to the United Nations Global Compact. For more than 10 years now, we have therefore recognized that the way in which the Bel Group achieves its results is just as important to us as the results themselves. We firmly believe that it is possible, and indeed essential, to combine strong management and best practices, profitability and integrity, and growth and ethics. The growth of our business is built on this idea, and our future and success depend on it.

As outlined in the Bel Code of Good Business Practices, all employees of the Bel Group are required to comply with the national laws and regulations in force. Where the legislation of a country is even stricter than an ethical rule stipulated in the Code, the national legislation shall prevail. In addition, the Bel Group adheres to the UNO Global Compact and places particular importance on compliance with the principles set out in the Universal Declaration on Human Rights.

Bel Brands USA's actions in the area of human rights include the following:

### **1. Product Supply Chains / Suppliers**

Through the Bel Group Sustainable Purchasing Policy, Bel commits to foster responsible practices in our supply chain. The Group's Sustainable Purchasing policy involves 3 main components: A sustainable Purchasing Charter, a training program for the Bel Group's buyers on responsible purchasing and the evaluation of the Corporate Social Responsibility (CSR) performance of our suppliers.

The Sustainable Purchasing Charter sets out the Group's expectations of its suppliers and is designed to encourage them to make improvements in line with Bel's commitments. Several topics are covered by this Charter: respect for the environment, labor practices and respect for human rights, business ethics, and control of the supply chain of our suppliers with regard to these themes. The Group's buyers have the responsibility of communicating this Charter to our suppliers and ensuring that it is properly applied by means of a set of contractual terms.

## **2. Supplier Audits**

Bel reserves the right to verify our supplier's compliance with the Sustainable Purchasing Policy. The evaluation of the CSR performance of our suppliers has been carried out since 2009 by an independent contractor, EcoVadis®. By means of detailed questionnaires and an expert analysis, each supplier evaluated obtains a score based on criteria concerning the environment, social and ethical issues, and the supply chain. If a supplier fails to achieve a sufficient score, Bel asks the supplier concerned to undertake a corrective action plan. The supplier is then re-assessed at a later date. Since 2011, more than 400 suppliers and sub-contractors – accounting for 57% of the total amount of the Group's purchases (excluding collected milk) – have been evaluated. Bel Group is also evaluated by EcoVadis.

## **3. Human Rights in our Business Activities**

As indicated in the Bel Group Code of Ethics, Bel fully supports the United Nations Global Compact's (UNGC) guiding principles on human rights and labor, and aims to provide an example of good human rights' and labor practices throughout our business activities.

Bel Brands USA developed a written policy Against Human Trafficking in 2012. The company is committed to a work environment that is free from human trafficking, forced labor and unlawful child labor (i.e. human trafficking and slavery). We strongly believe that we are responsible for promoting ethical and lawful employment practices. These practices are also required to be followed by our suppliers, subcontractors or business partners and suppliers worldwide.

Bel has also recently developed Labor Relations Golden Rules. Plans have been developed to begin sharing, training on and deploying these Golden Rules in 2015 and 2016. At Bel, we are convinced that our company's growth relies on the people who work for us, their diversity and their differences.

## **4. Code of Business Conduct**

Since the Company was founded, Bel's business practices have been governed by integrity, honesty, fair dealing and full compliance with all applicable laws. Bel employees worldwide have upheld and lived this commitment in their daily responsibilities ever since, and Bel's culture and reputation remains one of the Company's most important assets.

The Bel Code of Good Business Practices is a set of values, principles and standards of behavior in how we conduct and operate our business. It is a reflection of our Company Values, our commitments internally, and with our outside partners, consumers and stakeholders. The Bel Code of Good Business Practices was developed to help ensure compliance as well as operational and legal security of the Bel Group's business, to ensure a common corporate culture and inspire a sense of responsibilities and establish certain nonnegotiable minimum standards of behavior in key areas, and to develop and protect the Company's image. The Code

includes 7 principles including: Comply with laws and regulations and take into account international standards; protect consumers; respect the environment; protect employees' fundamental rights; prevent conflicts of interest, fraud and corruption; promote fair business relationships; and protect the confidentiality of professional and financial information.

## **5. Employee Training**

The Bel Code of Good Business Practices has been approved by the Fromageries Bel SA Board of Directors. It applies to:

- each of the entities in the Bel Group, including each of its subsidiaries;
- all employees worldwide;
- for all their activities, whether within the Group and between its members or with third party entities (sub-contractors and suppliers, etc.).

Bel Group also wishes to work with partners who share its values. Application by its partners of the principles and rules in the Code of Good Business Practices is therefore an element that guides the decision to initiate and continue any business relationship.

The company is in the process of sharing and distributing the Code to all managers and to make the code accessible to all Bel employees either in printed form or as a link on the Bel Group website and subsidiary intranet sites. Additional learning and development tools will be developed to further train employees in certain functional areas on the Code. We will also share the Code with suppliers and partners, in addition to the Sustainable Purchasing Charter.

A training program was created for the Bel Group's buyers on responsible purchasing and the Sustainable Purchasing Charter. This is a key lever in motivating our teams with regard to this issue. All central and local buyers have therefore been trained, and an e-learning module has also recently been included in the initiative.

As indicated above, Bel Brands USA has developed a written policy Against Human Trafficking. All employees have been trained on this policy. This policy is reviewed with and signed by all new employees, and an overview of the policy is also included in the Bel Brands USA and Bel USA employee handbook.