

The Simplot Australia Pty Ltd (“**Simplot**”) Supplier Code of Conduct & Ethical Standards sets out the principles that we expect our suppliers and their sub-tier suppliers (“the **Supplier**”) to adhere to when conducting business with Simplot. We refer to these as our Supplier Guidelines.

Acknowledgement of the Guidelines is a **mandatory** pre-requisite in every Simplot contract for supply. The Guidelines are in addition to provisions of any legal agreement or contract between Suppliers and Simplot.

It is the Supplier’s responsibility to disseminate, educate and exercise appropriate diligence in verifying alignment. In each case particular attention should be paid to ensure the practices of temporary labour providers and their workers are also aligned.

1 Introduction

At a minimum Simplot expects their Suppliers to:

- adhere to all applicable laws and regulations in their countries of operation
- strive to meet international and industry Guidelines and best practice
- meet international Guidelines such as the United Nations Global Compact, the Guiding Principles on Business and Human Rights and the Core Conventions of the International Labour Organisation

Simplot is guided by its Three Pillars of Sustainability in all its undertakings. These are:

- Respect for Resources
- Spirit of Innovation and
- Passion for People

To align with these Simplot expects all Suppliers to:

- Protect the environment
- Ensure animal welfare
- Respect human rights
- Prohibit the practice of forced labour, bonded labour, slavery and human trafficking
- Prohibit the practice of child labour in contravention of international Guidelines
- Prohibit the use of unauthorised sub-contracting
- Ensure reasonable working hours and wages
- Allow workers the right to freedom of association and collective bargaining
- Provide safe and healthy working conditions
- Conduct business lawfully and with integrity and
- Operate with appropriate management systems including grievance and remedy procedures

2 Continuous Improvement

Simplot encourages our Suppliers to continuously improve their operations. Simplot will work with Suppliers to uphold the principles in the Guidelines and recognises doing so may require the establishment of baselines, milestones and systems.

Simplot expects its Suppliers to establish goals, milestones and systems to ensure and demonstrate continuous improvement towards compliance with the Simplot Supplier Guidelines of Conduct and the Simplot Supplier Guidelines contained in this document.

Simplot recognises that meeting the Guidelines is a dynamic and ongoing process and encourages Suppliers to be open and transparent about any gaps or difficulties to continually work to improve their operations.

Failure by Suppliers to progress implementation of the Guidelines’ principles within 12 months of signing the Guidelines may impact the Supplier’s business with Simplot.

3 Management Systems

Suppliers are required to adopt a management system that effectively meets the needs of their operation and is able to embed the requirements of the Guidelines into their business practices. These should incorporate the following key elements to effectively meet the requirements:

- Assignment of responsibility to appropriately qualified and/or experienced persons
- Records of up-to-date legislation and licenses, certificates or registrations and relevant insurances
- Commitments with defined targets and implementation plans
- Records demonstrating progress, compliance, gaps and improvements
- Communication within the business to promote an understanding and use of system(s)
- Training appropriate to each role, to provide employees the skills and knowledge to help the business meet its commitments and
- Internal monitoring that the system and its documents are being used

4 Protect the Environment

Simplot requires its Suppliers to respect resources and protect the environment and to pursue continuous improvement in the management of their environmental impact.

In meeting this requirement, suppliers shall:

- Maintain an ongoing program and record of environmental hazards and incidents with corrective action and improvement plans, including:
 - A plan for reducing waste, promoting reuse and recycling
 - A plan for improving efficiency in use of water and energy
 - A plan for reducing air pollution, land pollution and water pollution, where relevant and
 - A chemical plan (including procurement considerations, and the safe management, storage, use and disposal)

5 Ensure animal welfare

Simplot supports the “Five Freedoms for Animals”. Suppliers shall ensure the considerate and humane treatment of animals in line with these principles in all operations dealing with the husbandry of livestock.

In meeting this requirement suppliers shall ensure:

- Freedom from hunger and thirst by ready access to fresh water and a diet to maintain full health and vigor

- Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area
- Freedom from pain, injury or disease by prevention through rapid diagnosis and treatment
- Freedom to express normal behaviour by providing sufficient space, proper facilities and company of the animals own kind
- Freedom from fear and distress by ensuring conditions and treatment which avoid mental suffering
- Conduct appropriate monitoring of employees and temporary labour providers to ensure documentation is accurate and procedures are followed in practice
- Provide workers with clear rosters or documented working hours providing for shift breaks, breaks between shifts and clearly designated responsibilities during shifts
- Maintain records of all employees (including temporary/agency staff) including, as a minimum, age, visa and legal right to work checks, wages paid and
- Provide workers with written employment agreements, in a language they understand, stating that employment is voluntary and they are free to terminate their employment at any time

These requirements are best provided for where the Supplier provides:

- Caring and responsible planning and management
- Skilled, knowledgeable and conscientious staff
- Appropriate environmental design and
- Considerate handling and transport

6 Respect human rights

Suppliers must respect all human rights, including rights associated with labour and promotion of equal opportunity, diversity and anti-discrimination throughout their business activities. No harsh or inhumane treatment will be tolerated.

In meeting this requirement suppliers shall:

- Prevent discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, origin (including national, racial, ethnic, social or geographical origin), religion, age, disability, gender, marital status, sexual orientation or identity, union membership, diseases, political affiliation, social background, and any other personal characteristic or condition that could give rise to discrimination
- Workers or potential workers should not be subject to medical tests or physical exams that could be used in a discriminatory way
- Ensure all individuals are treated with dignity and respect and provide a workplace free from all forms of bullying, harassment and victimisation
- Strictly prohibit physical, verbal and mental abuse or discipline, the threat of these and any other form of intimidation and
- Provide, wherever possible, an employment relationship that does not cause insecurity and social or economic vulnerability to the workers, particularly where any labour-hire or sub-contracting is used

7 Prohibit the practice of forced and bonded labour, slavery, slave-like practices and human trafficking

Suppliers shall not engage in or use forced, bonded, (including debt bondage) or any other involuntary labour, whereby work is performed involuntarily under threat of physical or other penalty, including prison labour. Suppliers must take steps to ensure that their operations are free of slavery, slavery-like practices and human trafficking. All overtime must be voluntary.

In meeting this requirement suppliers shall:

- Not require workers to lodge any unreasonable or undocumented deposits or their identity papers with their employer, and shall be free to leave their employment after reasonable notice;

8 Prohibit the practice of child labour in contravention of international Guidelines

Suppliers must strictly prohibit the use of child labour in line with ILO Convention 138 on the Minimum Age, and Convention 182 on the Elimination of the Worst Forms of Child Labour. These Conventions require that no child below the age of 15 years (or 14 years where applicable) is allowed to work, subject to exceptions allowed by the ILO and national law.

In meeting this requirement, suppliers shall:

- Establish robust age-verification mechanisms as part of recruitment process, which must not be degrading or disrespectful to the worker
- Take action to uncover any child labour and have documented remediation policies and plans in place and followed if child labour is found
- Not engage in any new child labour
- Declare and keep records of any young workers under the age of 18 and
- Demonstrate through documented 'young work risk assessments' or similar, that employment of any young workers is in compliance with local law and that the employment of young people does not compromise their health, safety or moral integrity, or harm physical, mental or emotional development

Exceptionally for instances in the case of family smallholdings, children may help on their family's farm provided that the work is not liable to damage their health, safety, well-being, education or development and that they are supervised by adults and given appropriate training. Working hours and conditions must not be in excess of those Guidelines outlined in ILO Conventions 138 and 182.

9 Prohibit the use of un-authorized sub-contracting

Suppliers shall not use unauthorized sub-contractors and shall declare in writing all sub-contractors prior to their use (including sub-contracting, home-working and any other external processing).

In meeting this requirement, suppliers shall:

- Maintain records of all sub-contractors used, with specific documentation on which product and operation, including location, order quantity and other factors relevant to the purchase order
- Maintain oversight of employment conditions of any labour-hire or contracted labour, including right to work, hours, pay, entitlements and any training requirements and
- Communicate the Guidelines and the Guidelines to sub-contractors and actively monitor their alignment including

documenting policies, systems, areas requiring improvement and progress on those areas

10 Ensure reasonable working hours

Working hours must comply with national laws and/or collective agreements, whichever affords the greater level of protection for workers. All overtime shall be voluntary, used responsibly and paid at a premium rate.

In meeting this requirement, suppliers shall:

- Ensure information regarding working hours and wages is clearly communicated to workers in an appropriate way regarding format and language both during recruitment and for each pay period
- Design shift patterns with explicit reference to local law, industry Guidelines and or collective agreements with particular regard to rest breaks within shifts, rest between shifts and rostered days off work
- Ensure working hours, excluding overtime are not in excess of 48 hours per week on a regular basis, allowing for exceptional cases as outlined in ILO Conventions C001 and C030 and
- Ensure overtime is voluntary and total hours (regular and overtime) are not excessive

11 Ensure reasonable wages

Wages and benefits shall meet at a minimum, national legal Guidelines or industry benchmarks, whichever is higher. Wages should be enough to meet basic needs and provide some discretionary income.

In meeting this requirement, suppliers shall:

- Strive to pay a living wage
- Ensure information regarding working hours and wages is clearly communicated to workers in a way (regarding format and language) they understand during recruitment and for each pay period and
- Not take any deductions from wages as a disciplinary measure, and for any legally required or permissible deductions the worker shall be provided with written explanation

12 Allow workers the right to freedom of association and collective bargaining

Suppliers shall grant their employees the right to Freedom of Association and Collective Bargaining in accordance with all applicable laws and regulations.

In meeting this requirement, suppliers shall:

- Afford workers without distinction, the right to join or form trade unions of their own choosing in a free and democratic way and to bargain collectively
- Not discriminate against union members or representatives in any way
- Where appropriate, endeavour to work with partners (such as Non-Government Organisations (NGO)) to ensure worker rights are respected
- Representatives and members shall have access to carry out their function in the workplace. The company shall not interfere with the establishment, functioning or administration of collective bargaining and

- In the absence of a union body/representation, particularly where restricted by local law, facilitate and not hinder a parallel means of appropriate, independent and free association and negotiation, and allow workers to freely elect their own representatives

13 Provide safe and healthy working conditions

A safe and healthy working environment shall be provided for employees, temporary/agency staff and contractors, relevant to prevailing Guidelines of the industry and any specific hazards. Hazards and risks in the work place shall be identified and action taken to minimize these.

In meeting this requirement, suppliers shall:

- Conduct and record health and safety risk assessments, hazard analyses and resulting controls
- Keep accident and near miss records including action and improvement plans
- Provide clean, safe and sanitary accommodation where relevant
- Establish robust fire safety (prevention and response) systems and practices
- Work to continually improve the safety of employees in the workplace
- Ensure vulnerable workers (new/expectant mothers, young workers, migrant workers) are given specific risk assessments
- Respect the right of workers to exit the premises in the case of imminent danger without seeking permission and to refuse to work with unguarded or unsafe machinery, equipment or tools
- Ensure adequate occupational medical assistance & facilities
- Ensure adequate checks have been conducted to verify the strength, stability and safety of all buildings and equipment used

14 Conduct business lawfully and with integrity

Suppliers shall conduct their business ethically in a legal, honest and transparent manner without any fraudulent practices.

In meeting this requirement suppliers shall:

- Not tolerate bribery, corruption, fraud and coercion
- Documented commitment and policy regarding bribery, corruption, gifts and entertainment
- Clearly communicate policy and requirements to all relevant parties, including suppliers, customers, service providers and sub-contractors and
- Have a transparent system in place for confidentially reporting, investigating and resolving concerns regarding unethical business practice

15 Establish grievance and remedy procedures

Suppliers will provide workers and those with whom the Supplier conducts business with an anonymous avenue to lodge grievances without fear of reprisal, intimidation or harassment and ensure that all concerns are appropriately addressed in a timely manner.

In meeting this requirement, suppliers shall:

- Establish multiple channels of communication to suit a variety of situations, allowing employees to bring issues, complaints or suggestions to management in a way they are comfortable

- Establish a confidential grievance mechanism that allows for the reporting, investigation and resolution of any grievances by employees, contractors and suppliers
- Appoint a designated officer to monitor the grievance mechanism, ensuring decision makers are impartial
- Take appropriate actions in a confidential manner, keeping a record of the issues raised and how they were responded to
- Log and track the grievances and allow employees, and others who have lodged a grievance, to monitor the status of their grievances and
- Provide an appeals system with an independent and impartial person appointed

16 Reporting Violations

The Supplier shall report to Simplot any suspected violations of regulations, laws and/or the Guidelines. Violations should be reported to the Simplot contact person in the Procurement team.

17 Transparency

Simplot expects transparency and truthful provision of information in the course of its relationships with Suppliers, and seeks to provide the same in kind. The provision of false, altered or intentionally misleading records such as incorreccted working hours or worker wages as well as audit fraud, are common challenges across global supply chains. The Guidelines provide an opportunity for Simplot to communicate its position on this and to set clear expectations of Suppliers including consequences where those are intentionally disregarded.

18 Verifying Compliance and Continuous Improvement

The Guidelines draw on internationally recognised and publically available materials including standards, guidelines and additional information, most notably from The International Labour Organisation, Ethical Trade Initiative, Suppliers Ethical Data Exchange, Verite, SA8000, Business Social Compliance Initiative, Global Social Compliance Program, Fair Labour Association, Worldwide Responsible Accredited Production, Initiative Clause Sociale, and the Electronic Industry Citizenship Coalition Guidelines of Conduct.

Simplot commits to working with Suppliers under a model of continuous improvement. Intentional disregard for the provisions of the Guidelines or failure to work toward meeting set targets may directly impact the Supplier’s business relationship with Simplot.

Simplot may verify compliance with the Guidelines through internal or external assessment mechanisms which may include third-party audits.

Declaration:

By signing this document, you (The Supplier) agree to comply with Simplot’s “Supplier Code of Conduct & Ethical Standards” which includes your sub-tier suppliers when conducting business with Simplot.

As stated previously, failure by Suppliers to progress implementation of the Guidelines’ principles within 12 months of signing the Guidelines may impact the Supplier’s business with Simplot.

Signed for and on behalf of the Service Provider:

Name: _____

Position: _____

Date: _____