

Prepared by:
 Depto. Prevención de Riesgos
 Sub Gerencia. Adq. y Servicios
Date: 26/12/2019

Revised by:
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Date: 26/12/2019

Approved by:
 TOROMIRO S.A.
Date: 26/12/2019

Addressed to:
 Suppliers and Service
 Providers
Date: 26/12/2019

TOROMIRO S.A.
Año 2019

I. GENERAL PURPOSES

Suppliers and service providers' policy is intended to improve the production position and the relationship of TOROMIRO S.A. with its closest surrounding circle.

In this Code, the Company has summarized the basic ethical principles and values the suppliers, contractors, subcontractors, and third parties in connection with the company should frame their business conducts.

Specific Purposes

- Establish a code of business conduct for suppliers and service providers including actions to be taken in case of bribery, corruption, and fraud, work schedules, freely chosen employment, salaries and benefits, child labor, free association, safety clauses, use of materials, the environmental impact of the product, and information on how the Code will be monitored and revised.
- Duties and responsibilities of suppliers and service providers.
- Formalities suppliers and service providers must meet to be part of the suppliers/service providers network.

II. STATEMENTS AND COMMITMENT

In accordance with its policies and principles, TOROMIRO S.A. states the following for its suppliers and service providers to become aware of:

Relation building and Respect

- We are a reliable dairy farming operating in an environment-friendly grazing system.
- We promote equality of opportunities and continuous improvement and development to offer labor stability to our collaborators, suppliers, and service providers.
- We look for long-term relationships with our suppliers and service providers, promoting interactions that build our chain of value.
- We gear strategic partnerships with suppliers and service providers who are part of the company by reinforcing and keeping a close mutually-collaborative close relationship.

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III. CODE OF BUSINESS CONDUCT.

1. Suppliers and service providers obligations

Our suppliers must promote and create a healthy work environment by boosting collaboration among all employees for a harmonious operation. The work is based on delivering a safe place with a pleasant labor environment built on the strengthening of human relations grounded on the respectful compliance with the values and ethics guidelines the supplier is to cross-wisely promote among all the members of the company.

Thus, suppliers and service providers are committed to:

- Strictly comply with the applicable labor laws and regulations.
- Punish discriminatory actions either based on sexual, racial, religious, social, politics, gender, association, unionizing, bloodline, ancestry, national or social origin, or marital status condition. Consequently, sexual, labor, and psychological harassment, as well as any arbitrary discrimination acts, are strictly prohibited.
- Look after the physical and emotional wellness of all their employees.
- Care for the individuals and facilities integrity by implementing security equipment, devices, systems, and procedures in the company.
- Establish permanent occupational health and accident prevention programs.
- Protect the environment and become liable for the consequences their company operation may have on the places where they operate.
- Have optimum work conditions in a healthy, safe, and contamination-free workplace.
- Offer competitive compensations, salaries, and benefits to our employees in accordance with the terms pre-established by each supplier aimed at generating personal challenges, recognizing through them the performance and contribution of every employee.
- Provide suitable professional updates and development, creating training opportunities for constant and permanent vocational education.
- Boost and promote open and respectful communication among the company members by providing communication spaces where the feedback is the element that determines the communication flow.



Suppliers and Service Providers Management Policy

Version 1

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- Base work team members' performance appraisal results and promotions on employees' performance and target accomplishment as well as on their skills and competencies.
- Always keep and look after keeping a human and professional relationship with unions and the unions' leaders, creating close and cooperation-based communication whenever the company is required to participate.

2. Labor standards

▪ **Forced labor**

Under no circumstances shall suppliers use or obtain benefits from forced labor. Suppliers shall only employ individuals working at their own and free will.

▪ **Child labor**

It is expressly prohibited for suppliers to use any kind of child labor. Child labor shall be understood as any work that is harmful or detrimental for the mental, physical, social, or moral development of children below 18 years of age or any work that unduly interferes with children's educational needs.

▪ **Working hours and salaries**

Working-day hours and wages shall at least comply with local laws and regulations. Minimum wages, working day duration, and maximum working day duration, working hours per week, and working hours per month regulations are understood to be included in this provision.

▪ **Human Rights**

Human dignity is a supreme value regardless of the individual's age, intellectual capabilities, or state of consciousness. Consequently, Suppliers shall respect the human rights of their employees, officers, contractors, and subcontractors.

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▪ **Bribery, corruption, and fraud**

The supplier or service provider states being against and rules out any circumstances in which the supplier's or service provider's interests may be influenced by or influence the will and/or actions of any persons within their companies or outside their companies with the purpose to obtain any benefits by using unethical practices:

▪ **Robberies**

It will be the supplier/service provider's obligation to report the members of their work teams if they are found committing this offense in TOROMIRO S.A.'s facilities, the industry, or the community.

▪ **Environment and Sustainability**

- The technical and economic offer submitted by the supplier shall consider the compliance with the applicable environmental care and animal welfare regulations.
- The service provider shall execute the work taking all precautions to prevent natural resources contamination and to secure animal welfare conditions.

▪ **Occupational Order, Hygiene, Health and Safety**

TOROMIRO S.A. is aware of the relevance the working conditions have on the integrity and health of its collaborators, contractors, customers, and suppliers, consequently, it is promoting the concept and application of the "SELF CARE" in full compliance with the currently applicable legislation and setting a number of duties and obligations that require the planning of labor-related accidents and diseases preventative activities within a set of consistent measures including all processes and organization of work.

Safety and Health Principles

- **All collaborators and contractors working for Toromiro are bound to know and comply with what is established in the updated versions of our "Handbook on Internal Regulations on Order, Hygiene, and Safety," "Standards, Procedures, and Protocols Manual," and the "Special Regulations for Contractors," and will undertake the responsibility of their safety and their surroundings.**

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- **For a well-done work, Risk and Danger must be controlled.** The actions taken to manage risks and dangers must be systematic and integrated into the usual work; consequently, it shall be the direct supervisor's responsibility.
- **All accidents can be prevented.** More important than a quick response after the event has occurred, safety requires a preemptive behavior from everyone.
- **Study, assess, and communicate** all our collaborators and contractors the results obtained, and the lessons learned when monitoring each activity that contributes to the development of this policy is a key factor to develop a Safety Culture.
- **Order and cleanliness** are fundamental elements to create a safe and comfortable work environment, including all the operations within TOROMIRO S.A. and its suppliers' facilities as well as for all the persons involved in those companies. The above means keeping workplaces organized and clean, reducing the existence of dangerous elements that may generate fire, hit a person, or cause any other kind of labor-related accident.

Assistance to improve social or environmental performance in the supply chain

- **Social scope:**

All our suppliers and service providers are required to comply with all applicable local laws or social security, labor code, and similar regulations. We encourage our strategic partners to develop and implement a policy to protect and offer guarantees and benefits to their collaborators.

- **Environmental scope:**

All our suppliers and service providers are required to comply with all applicable local laws ruling or in connection with environmental issues:

1. Minimize environmental contamination and generate continuous improvement in environmental protection.
2. Establish or use a reasonable environment handling system and prove their commitment to reducing their environmental impact.

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3. Incorporate the environmental practices the company is including in its management as follows:

- Arrange recycling points for waste disposal inside the company.
- Participate in the open recycling workshops offered to collaborators, community, suppliers, and service providers.
- Introduce the company sustainability report to suppliers and service providers in order to motivate them to take environment-care-oriented measures.

IV. ANONYMOUS REPORTING LINE

Ethical and trustworthy business conduct is fundamental for our company. For that reason, we have implemented a key tool to opportunely detect poor or illegal practices through our collaborators and stakeholders (contractors, suppliers, customers, etc.) reporting. Collaborators can anonymously, confidentially, and safely report any potentially irregular facts.

Reports can be made at:

<http://www.manuka.cl/escucha.activa>

or

escucha.activa@manuka.cl