



The Vendor Code of Business Conduct

Doc Number 06.03.16.07.BSMC
Date Issued: September 1, 2013
Supersedes: June 10, 2013
Issued By: Sue Martell
Approved By: Jennifer Robinson, VP-CQA

SECTION 1 – INTRODUCTION

1.1 - About Us

Incorporated in 1899, Bay State Milling Company (BSMC) has over one hundred years of experience producing exceptional quality conventional and organic flours and grain products. In addition, we have global supply chain that allows us to offer a line of specialty grains, grain blends, edible seeds, whole and ground legumes and spices that are marketed under the brands Bakers Elements and Organic Planet.

We are a Company focused on providing nutritious and affordable ingredient solutions for grain-based foods. Our customers range from multinational companies to local independently owned and operated businesses in retail and commercial bakers, in-store bakeries, food manufacturers, foodservice operators, and distributors, bakery, pizza and system distributors. We also serve key segments of the animal food industry.

1.2 – Shared Values

The original Mission from our founder, Bernard J. Rothwell:

“As for our general policy, we are firm believers that there is always room at the top; that there is always demand for a gild-edged article. Our chances of success are vastly increased if we produce a grade of flour that few, if any, competitors can match. It is usually slow work to introduce a fine article of this character for the reason that it costs more to produce it than to produce an inferior or commonplace article. But once secure an opening and its merit is recognized, you hold your trade very much closer than your competitors do.” - 1899

Today’s Mission

BSMC will provide a diverse and growing array of customers with innovative, distinctive and high quality, grain-based ingredient solutions that enhance the prosperity of each. In pursuit of our mission, BSMC will:

- Build trust-based relationships with our customers by delivering on our promises and collaborating with them to anticipate and fulfill their needs.
- Develop strategic supplier relationships that support mutual growth and success with other like-minded entities in the grain value chain.
- Attract and retain employees who are committed to our long-term success and values, and who are both fulfilled and energized by their work.
- Protect, support and invest in the communities and environments in which we operate.
- Generate returns that satisfy our shareholders and allow for continued Company growth

We enjoy partnering with vendors that share our values and growing initiatives toward improving Health, Wellness and “Green” practices.



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1.3 – Environmental and Sustainability Commitment

Sustainability efforts promote the best outcome for the natural environment and the human environment (social and economic). We will strive to adopt strategies that support and contribute toward the stewardship of both. We encourage our Supplier Partners to do the same.

Examples of contributions include:

- Compliance with all regulations and internal policies for the use and disposal of materials
- Minimize or eliminate the use of hazardous materials
- Promote recycling
- Tuition reimbursement programs to help employees flourish
- Promote “giving” efforts both corporately and by facility to help people in need

Business decisions can make an impact on our environment(s); therefore, we are committed to making sensible decisions that allow our business to help sustain our local and global neighbors.

SECTION 2 – THE VENDOR CODE OF BUSINESS CONDUCT

2.1 – The Objective

The implementation of the Vendor Code of Business Conduct (Code), demonstrates our commitment to conducting business in an honest and ethical manor while maintaining compliance with all applicable laws and regulations. The purpose of the Code is to establish minimum standards that we expect our Vendors and their representatives to follow when conducting commerce. It is the Vendor’s responsibility to instruct its representatives accordingly.

2.2 - Fundamentals

BSMC requires a Vendor’s to conduct its business dealings following all relevant laws and regulations; with honesty, integrity, and the highest business and personal ethical standards.

At a minimum, Vendors shall adhere to the following:

- The Public Health Security and Bioterrorism Preparedness and Response Act of 2002 and The FDA Food Safety Modernization Act (FSMA). All food facilities doing business with BSMC must be registered under the Biennial Facility Registration requirements. More information can be found on www.fda.gov.
- Conducting business in the State of California means our supply chain partners must also adhere to requirements of The California Transparency in Supply Chain Act of 2010, effective January 1, 2012. Additional information can be found at www.ca.gov.
- Vendors must be in compliance with the U.S. Foreign Corrupt Practices Act and any related local laws. A copy of the act can be found on www.justice.gov



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- Packaging suppliers must adhere to The Model Toxics in Packaging Legislation for the reduction of heavy metals in packaging materials. For more information see <http://www.toxicsinpackaging.org/statelinks.html>
- Employment practices must conform to The Employment Non-Discrimination Act (ENDA); local labor laws; and child labor laws.
- Vendors must comply with the laws and regulations of the all countries they engage in business activities.
- Vendors will not use forced labor or any practices that involve confinement, threats, physical punishment, and all forms of harassment and abuse.
- Any confidential information shared during the course of the business relationship or obtained through an error may not be shared with anyone unless written authorization has been granted by an officer of the Company.
- Gifts, entertainment or any other hospitality are not needed to conduct business with BSMC. Any such items that are given or received should be not be of a size, value or nature to obligate, appear to obligate or damage the character of the parties involved.
- As a business partner, if a Vendor believes that a BSMC employee or our representative has engaged in illegal or otherwise inappropriate business behavior, they should report the matter to BSMC.
- Vendors shall provide safe and healthy working conditions; fair compensation through wages and benefits; and, consider the number of hours employees work per day.
- At no time can a Vendor use the name Bay State Milling Company, its logos, trademarks, brands, graphics or images without a signed, written agreement.
- Avoid interactions with any BSMC employee that conflicts with, or gives the impression of conflicting with, the employee's ability to perform with the best intentions for BSMC.
- Follow the Transportation and Seal Policy for Inbound Commodities and Food (below):



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Transportation and Seal Policy for Inbound Commodities and Food Ingredients

All conveyances shall be food-grade and meet the FDA regulations and requirements for the safe transportation of the commodity or food ingredient being shipped. Conveyances must be clean. Unlike allergens shall not be stacked or comingled. Non-food grade materials that could cause a contamination issue must not ship with food grade materials. See the Terms and Conditions on the Bay State Milling Company (BSMC) contract or purchase order for more information.

Less than truckload (LTL) shipments must arrive at the dock in a seal or pad-locked truck. The truck must remain sealed or pad locked until a (BSMC) employee is present or the load will be subject to rejection.

All other conveyances shall have properly applied seals on every access point (i.e. hatches, doors, covers, gates etc...) to prevent openings/access to the contents and to protect equipment (hoses, nozzles etc...) that come into direct contact with the contents. Seals must be intact when the conveyance is delivered and a BSMC employee must verify the seal's application, condition and numbers are acceptable prior to unload. Loads that do not meet these requirements are subject to rejection.

Conveyances will not be unloaded without seal numbers reported and verified. Seals must have numbers which are listed on the bill of lading; or, a legible list must accompany the bill of lading, at the time of application. Any demurrage incurred while waiting for the seller to provide seal numbers is the seller's responsibility.

We do not require a specific type of seal; you should consult with your transportation companies to determine the type of seal will meet your needs and our requirement to be intact upon delivery.

2.2 – Agreements

Vendors are not required to forego trade with BSMC competitors or to buy BSMC products in order to become, or continue, as a BSMC Vendor. BSMC minimum standards for Vendors are outlined in the Code. The Code does not supersede any requirements or obligations set forth in other signed agreements or contracts.

Submission of the documents required in our Vendor Approval Process will reflect understanding and acceptance of the obligations set forth in The Vendor Code of Business Conduct.

REVISION HISTORY:

Date	Supersedes	Reason	By
6/10/2013	N/A	New	Sue Martell
September 1, 2013	June 10, 2013	Moved to QSM	Sue Martell