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Supplier & Co-Manufacturer Expectations

Quality, Food Safety & Regulatory Compliance

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(1) INTRODUCTION:

At John B. Sanfilippo & Son, Inc. (JBSS), we inspire trust by making safe food. The safety and quality of our products are of the highest importance to us– as are the trust and confidence of our consumers and customers. We recognize that the safety of our products is the foundation on which the success of our business is built. Safe food is at the core of our heritage and is ingrained in our culture. One of the ways we achieve this is by ensuring the strength of our food safety and quality systems. We expect that our suppliers and co-manufacturers share this commitment and for that purpose we have developed the JBSS Supplier/Co-manufacturing Quality Expectations (SCQE) Manual.

The SCQE Manual is available at JBSS by contacting a JBSS Procurement Representative or by visiting the JBSS Quality homepage (https://jbssinc.com/about-us/quality/). The SCQE outlined here are intended to help current and prospective new suppliers of ingredients, packaging materials and co-manufacturers to ensure that their own food safety and quality systems meet JBSS and Industry standards. These expectations have been developed by JBSS after a review of product defects, quality audits of manufacturing sites and a study of product retrievals throughout the food industry. This review led to the identification of programs, if executed properly, which help to prevent food safety incidents, product retrievals, consumer complaints, rework, and plant downtime, and produce high quality, safe products. All suppliers and co-manufacturing sites are required to be approved by JBSS prior to use. Approved manufacturing locations producing for JBSS must meet the expectations in this manual.

The *JBSS SCQE Manual* contains elements that we believe are essential for the effective management of Food Safety, Quality and Food Defense. These are JBSS requirements. They are not intended to alter or eliminate any requirements that may be set in any contract, specification, or government regulation. Any questions about these standards should be addressed by contacting the appropriate JBSS Representative. By accepting any purchase order from JBSS, the Supplier acknowledges its acceptance of these expectations and its intention to comply with these requirements.

Definitions:

Terms	Definitions
Suppliers	All vendors including Raw and RTE Ingredient Suppliers, Warehousemen, Intermediaries, and Co-Manufacturers as defined below.
RTE Ingredients	Edible ingredients that are ready to eat without further processing to control microbiological hazards.
Warehouseman	Third parties that store JBSS finished goods
Raw Ingredients	Edible ingredients that require further processing to control microbiological hazards.
Intermediaries	Brokers, distributors, and traders through whom JBSS purchases ingredients from third parties with whom JBSS has no contractual relationship.
Contract Manufacturers	Third parties with whom JBSS contracts to process JBSS owned ingredients in whole or in part. Co-Manufacturers would include those who perform pasteurization and PPO service.
Food Contact Packaging	Packaging materials that will have direct contact with RTE food products.
Non-Contact Packaging	Packaging materials that will not have direct contact with RTE food products.

Intermediate steps for raw commodity handling (e.g., blanchers, warehouse storage, accumulators, buying points) are not considered contract manufacturers.

Contract Manufacturing

Contract manufacturers are defined as facilities that are contracted by JBSS to produce, process, pack and/or store part of or all of one or more products included in the sites SQF scope of certification.

JBSS contract manufacturers are held to the same food safety and quality standard as our suppliers. As such, the term "supplier" used throughout this document is applicable to co-manufacturers. Contract Manufacturers will be risk assessed to determine applicable sections.

Brokers, Distributors and Traders
In cases where materials are being procured through brokers, distributors, and traders the following requirements must be followed:

- Only buy from JBSS approved manufacturing Locations. Supplier manufacturing locations must be disclosed to the JBSS Procurement Representative to assure that materials are only sourced from-locations meeting JBSS requirements for quality and food safety.
- The broker/distributor/trader has responsibility to ensure that supplier complies with these requirements.
- The broker/distributor/trader must notify JBSS of any manufacturing location changes. New sites must be approved prior to issuing a PO.
- The broker/distributor/trader must demonstrate that traceability of materials to manufacturing location level is maintained.
- The broker/distributor/trader is responsible to ensure suppliers comply with JBSS COA and documentation requirements.

(1.1) Confidentiality

The contracts between JBSS and the supplier will govern confidentiality of information shared by either company. All supplier personnel should take care not to disclose supplier confidential information to JBSS, unless there is a contract in place providing such disclosure. Auditors shall not be asked or required to sign confidentiality agreements as a prerequisite to gain access for audits prior to or at any time during a quality audit.

Auditors checking compliance to JBSS SQE requirements will not audit or inspect financial data, sales data, or pricing data unless it relates to JBSS. Auditors will not inspect personnel data, other than records relating to qualifications or training of technical and professional personnel performing functions pertinent to the audit.

(1.2) Notification of Significant Events (MANDATORY CONTACT)

Communication in the supply chain is critical when events occur that could affect food safety, quality, or processing. The supplier must establish procedures to ensure JBSS is immediately notified of these occurrences. The supplier shall notify a JBSS Procurement Representative immediately of any, but not limited to, the following:

- Product quality defect or process control deviation which could lead to a recall or withdrawal of a JBSS finished product.
- Discovery of potentially defective or adulterated ingredients or packaging materials associated with product in distribution.
- Inadvertent release from Hold of any material produced for JBSS.
- Regulatory Authority investigations, testing, sampling, reporting, or other contact or action with the potential to affect material produced for JBSS. JBSS does not need to be notified of routine inspections, unless the inspection reveals that material produced for JBSS may not be in compliance with applicable law.
- Supplier suspects that a non-conformance (specification, Regulatory, etc.) exists in products already shipped to JBSS.
- Supplier identifies product tampering or threat of tampering.
- Event or substance that could threaten product security.
- Notification by law enforcement or other authorities of a potential product safety or security event.
- Changes in allergen profile or nutritional information in material produced for JBSS.
- Changes to supplier's processes and/or facilities.
- Inability to deliver materials that meet specifications.
- If any of the JBSS supplier sites loses any certification (e.g. GFSI, AIB, Kosher, HALAL, Organic, GE etc.).

The supplier must notify JBSS with a phone call with a live person **and** by email. A voicemail, even coupled with an email, is not adequate. JBSS Procurement Representative shall be the primary contact for any contact or notification required by this document.

(1.3) Receiving Requirements

Materials will only be received by JBSS from approved suppliers. In no event shall materials from a supplier location, other than that agreed upon, be delivered unless previously authorized by JBSS.

- Ingredients (excluding nuts) shall have at least 50% of total shelf life remaining upon receipt. Exceptions will require Procurement and Quality approval prior to arrival.
- When required by JBSS, Certificate of Analysis (COA) must precede or accompany each lot of material. COA and other documents must contain at a minimum:
  - Supplier Business Name
  - Manufactured location address
  - Commercial and/or technical name for product
  - Lot number(s) or Date of Manufacture
  - Lab Name and location
  - Testing results
  - PO number

- Ideally, each material delivery to JBSS should contain only one batch/lot number, however, each shipment may contain a maximum of **THREE** different lots, unless previously approved by Procurement. All lot codes and their respective quantities must be clearly stated in the documentation submitted together with the shipment. If mixed lot pallets are utilized, the supplier shall clearly identify the pallet as a MIXED LOT on all four sides of the pallet.
- Materials should be delivered with clean slip sheets between the material and the pallet.

Non-conforming Materials

When a delivery, either in part or whole, is evaluated to be unacceptable, the supplier will be contacted and could result in one or more of the following options, depending on the circumstances:

- Return of the product to the supplier (costs to be paid by the supplier).
- Supplier sending a representative to examine the batch, sorting, and uplifting non-conforming items.
- Supplier paying for the costs incurred by JBSS in the sorting of the batch (in which case costs would be agreed in advance between JBSS and the supplier).

In the case of a proven defective article causing a cost to JBSS, JBSS retains the right to obtain compensation.

(2) QUALITY SYSTEM CONTROLS

The supplier shall have implemented a written Quality Management System (QMS) to ensure that the material produced conforms to specified requirements. At a minimum, the Quality System shall ensure compliance with the JBSS SCQE, the agreed upon specification for the specific product, and all applicable Regulatory requirements of the production country and the destination to which the products will be delivered. The Quality System shall clearly set out the source of each food safety and quality requirement. The Quality System shall also set forth the specific personnel responsible for compliance with each requirement through use of an organizational chart. The supplier shall review the Quality System on a regularly scheduled basis to verify that it remains adequate to comply with all requirements.

The supplier shall maintain records sufficient to show effective implementation of the Quality System. The Quality System will clearly identify the records that must be maintained to show effective implementation, and controls needed for identification, storage, protection, retrieval, retention, and disposition of records.

- The records be kept as original records, true copies, or electronic records.
- That records contain the actual values and observations obtained during monitoring.
- That records be accurate, indelible, and legible.
- That records be created at same time activity being documented occurs, i.e., real time and be detailed as needed to provide a history.
- That the records include (1) the name and location of the plant or facility; (2) the date and time of the activity documented; (3) the signature or initials of the person performing the activity; and (4) where appropriate, the identity of the product and the production code.

For ingredients delivered to JBSS that were produced or will be sold in the United States and Canada, records shall be retained for at least two years. In addition to the requirements set out above, the supplier's Quality System shall specifically include controls to ensure the following:

- Outsourcing: Any outsourced process that affects material or ingredients produced for JBSS shall meet the same requirements and be managed by the supplier.
- Special certifications: If JBSS specifications require certifications such as Organic, Kosher, non-GE or Halal, the Manufacturing Location must be certified by an appropriate certifying body.
- No cloned animal products: No milk, meat, or other ingredients derived from cloned animals shall be used to make JBSS materials.
- Irradiation: Suppliers of irradiated raw materials and products must comply with Regulations for these products both in the local country and the country of use. For all irradiated materials, a certificate of process is required.
- Proposition 65: Suppliers providing material containing a chemical or chemicals listed by the State of California pursuant to the Health and Safety Code Section 25249.5 et. sec. (commonly called "Proposition 65") shall notify JBSS in writing of the material name, listed chemical(s) involved, expected concentrations, and the warning statement the supplier provides with the material. If the material is not expected to contain such chemicals at a concentration requiring a warning, suppliers should provide a statement to that effect.

(2.1) JBSS Audit/Inspection Requirements

All Manufacturing Locations producing ingredients for JBSS must be approved by JBSS. The same applies to new suppliers of food contact package materials and package materials with ingredient statements printed. Approval requires documentation relevant to the ingredient being procured as well as an audit (JBSS and/or 3rd Party).

Suppliers must permit JBSS or its representatives to audit any establishment manufacturing or storing ingredients or packaging for JBSS. The audit /inspection requirements are prioritized based upon supplier and ingredient risk profiles.

General audit requirements

Separate audits are required for each manufacturing location that produces material for JBSS. The supplier shall inform JBSS if they plan to change the manufacturing location of the materials supplied to JBSS to allow time to assess whether a JBSS audit is needed. The supplier shall notify the JBSS representative of any ingredient which is produced or processed in a plant not entirely owned or operated by the supplier.

The JBSS audit/inspection shall extend to all pertinent areas, including production and storage, deemed necessary to evaluate whether the material produced for JBSS meets requirements and specifications. The audit/inspection may include, but is not limited to, equipment, finished and unfinished materials, containers, labeling, records, processes, and controls. The supplier must implement all corrective actions identified in the JBSS audit within the time frame agreed on in the audit corrective action plan.

Global Food Safety Initiative (GFSI) Certification

As a company we continue to move towards more industry-accepted certifications, and to this end, it is expected that all domestic RTE ingredient suppliers will obtain Global Food Safety Initiative (GFSI) certification. Current certifications accepted for ingredients can be found at www.mygfsi.com.

(2.2) Regulatory Audits

The supplier shall have written procedures and designated, trained personnel to manage inspections by, and interactions with, Regulatory Authorities. Procedures shall address how the supplier will follow up and obtain closure of any issues arising from such inspections or contacts. The supplier shall maintain, at the facility, records of all Regulatory inspections and contacts, including any reports issued by inspectors, facility responses, and corrective actions taken, for a period according to local Regulatory requirements.

In the event, a Regulatory Authority samples material produced for JBSS, the supplier shall contact JBSS Procurement Representative for instruction. Refer to Section 1.2, Notification of Significant Events.

(2.3) Food Defense Plan

All suppliers to JBSS shall have developed and implemented a Food Defense / Intentional Adulteration plan that meets the requirements set forth by FDA in 21CFR121. The requirements include but are not limited to:

- Plan shall be developed by a FDQI (Food Defense Qualified Individual).
- Vulnerability assessment that evaluates all processing steps with an FDA approved method (Key Activity Types [KAT], three fundamental elements, or hybrid).
- Appropriate mitigation strategies and monitoring.

(2.4) Food Fraud

The supplier shall have a food fraud program that addresses economically motivated adulteration (EMA) and product misbranding. Suppliers shall assess the risk for their ingredients and take appropriate steps to prevent issues that may impact product safety or quality. A food fraud program should include a vulnerability assessment and food fraud mitigation strategies to prevent food fraud in the supply chain. Examples of types of EMA include:

Dilution: mixing an ingredient of high value with an ingredient of lower value.
Substitution: replacing an ingredient or part of the product of high value with another ingredient of lower value.
Concealment: hiding low quality food ingredients or product.
Unapproved enhancements: adding unknown and undeclared materials to food products to enhance their quality attributes.
Mislabeling/misbranding: placing false claims on packaging or economic gain.
Counterfeiting (IPR): copying the brand name, packing concept, recipe, processing method, certifications, etc. of food products for economic gain.
Grey Market Production/Overrun/Theft/Diversion: products sold by a manufacturer or their authorized agent outside the terms of the agreement between the reseller/distributor and the manufacturer.

Any acts of food fraud by a supplier or Co-manufacturer as listed above may result in disqualification as a JBSS supplier.

(2.5) Controls for Testing: Laboratory

If internally managed laboratories are used for testing, programs shall be based on generally recognized methods or test methods that have been approved by JBSS for their intended use. The personnel responsible for conducting testing and/or monitoring have all necessary information and training to be able execute their responsibilities with respect to materials produced for JBSS.

All supplier plant laboratories and laboratory personnel shall comply with Good Laboratory Practice requirements including, but not limited to, the following:

- The supplier shall implement a procedure to identify samples submitted to the laboratory to ensure traceability from the sample to the reporting of a result.
- Laboratory chemicals with high toxicity, bacterial positive control cultures and solvents not in immediate use must be secured and locked, with access restricted to authorized personnel. A secured laboratory (access controlled, locked when not occupied, and periodic inventory) is adequate for the storage of chemicals used on a routine basis.

- Laboratory materials shall be restricted to use in the laboratory, except as needed for sampling or other appropriate use activities. Unexplained additions and withdrawals must be immediately investigated and reported to appropriate law enforcement and public health authorities.
- Procedures must be in place for positive control, tracking and disposition of sensitive materials.

Laboratory requirements for pathogen testing

Pathogen testing of ingredients or environment shall only be performed by accredited laboratories using ISO standards. The requirements for internal lab include but are not limited to:

1. The laboratory design and practices must prevent cross-contamination of pathogens.
2. At a minimum, signs must be posted to indicate that the area is restricted.
3. Relative air pressure of the pathogen laboratory shall be negative to the adjacent rooms.
4. The air in microbiology laboratories shall be filtered by a F8 (MERV 14-15) filter.
5. Any potentially infectious material shall be sterilized prior to disposal.
6. Annual participation in proficiency sample program (ISO 43 accredited) to demonstrate capability.
7. The methods used shall be AOAC validated.

(2.6) Controls For Testing: Measuring and Monitoring Equipment

The supplier shall have implemented a written process to inspect, test, and calibrate measuring and monitoring equipment. The process shall ensure the precision and accuracy of the equipment such that measurement capability is consistent with the measurement requirements. Calibration procedures for each piece of measuring and monitoring equipment, including equipment used to control, measure, or monitor critical control points/process preventive controls (CCPs/PCs) and equipment used for laboratory testing, shall include the following information:

- Whether the equipment is used to control, measure, or monitor CCPs/PCs.
- Minimum required accuracy or allowable tolerance for the device.
- Corrective actions to be taken when the results of a calibration are out of specified limits.

The supplier shall establish and maintain a master list of all measuring and monitoring equipment that can affect food safety and/or product quality to be controlled by the program including:

- Name of the equipment and a unique identifier.
- Location of the equipment.
- Calibration frequency (*Note*: Equipment used to measure a CCP/PC shall be calibrated at least once per year, or more frequently, based on equipment history)
- The method of calibration.
- What the equipment is used for.
- Personnel responsible for the activity.

Critical Measurement Equipment must be calibrated at or near the process parameter. Calibration shall be against known and valid standards which are traceable to international or national measurement standards. Where no such standards exist, the method of establishing and maintaining the standard for calibration shall be documented. Calibration shall be performed under suitable environmental conditions, based on stability, purpose and degree of usage of such equipment. Calibration checks shall be documented including date, personnel initials and actual comparison results, and calibration results indicating the degree of inaccuracy and any adjustments made to bring the equipment back into calibration.

Product that may have been affected due to equipment being out of calibration shall be evaluated. If the equipment is used to monitor or measure a CCP/PC, an assessment shall be carried out to determine any potential food safety risk with regard to product tested during the period when the equipment was possibly out of calibration.

(2.7) Corrective Action/Preventive Action (CAPA)

All programs mandated by this *SQE Manual* require that Corrective and/or Preventive Actions be taken in the event of non-conformances. The supplier shall have an effective CAPA program tracking such actions to ensure that non-conformances in any program are addressed in an appropriate and timely manner. The CAPA program shall include procedures for analysis of effectiveness of corrective actions for, at a minimum, each of the following:

- Out of specification process or product.
- Products found to deviate from critical limits/parameters of a CCP/PC.
- Customer/Consumer feedback, including complaints.
- Issues arising from internal audits, external audits, and Regulatory inspections/contacts.
- Product withdrawal, recall or retrieval.

An effective CAPA program shall include the following steps:

- Issue is defined: elements to include in description (what, where, who, when and extent).
- Documented root cause analysis (i.e., 5 Why tool, fishbone diagram).
- Short-term mitigations and long-term corrective actions.
- Implementation Plan and Action register identifying task to be completed, task owner, scheduled and actual completion date.
- Verification of effectiveness with documented evidence and timing.
- Periodic review of CAPA program by the management team.

The CAPA program shall address proper means of managing incoming customer contacts to enable an accurate, appropriate, and timely response.

(3) FACILITY CONTROLS

(3.1) Good Manufacturing Practices (GMPs)

All persons entering the Supplier facility (plant personnel, visitors, and outside contractors) shall be trained and comply with GMP requirements. GMPs shall be based on 21CFR Part 110 and 117 (FSMA) and the Codex Alimentarius Commission's recommendations for general principles of food hygiene and comply with Local or National Regulatory requirements. GMPs must be in writing and available to all personnel. Supplier shall review and update GMP requirements on a periodic basis.
A supplier shall maintain hygienic GMPs by requiring, at a minimum, the following practices:

- Any person affected by disease considered to be communicable shall not work in an area whereby food contamination may occur. This would include, but not be limited to, persons affected with severe colds, boils, infected sores, etc.
- Individuals working in the manufacturing area must wear clean outer garments in a manner that will protect against the contamination of food, food contact surfaces, or food packaging materials.
- Wear appropriate hair and beard nets. Beard nets shall be worn whenever there is facial hair present of if a moustache extends below the limps and/or extends beyond the width of the mouth.
- Rings (other than plain wedding bands), watches, earrings, necklaces, or other jewelry (including ornaments or piercing in exposed body areas such as the tongue and/or nose) must not be worn in GMP areas. Plain wedding bands are permitted to be worn by employees who do not handle or work in the proximity of exposed product.
- Hand washing is required before starting work and before returning to the workstation after performing other functions (e.g., after eating, drinking, or smoking, handling contaminated material or sanitation materials, or after using the restroom).
- Lunches/food must be stored and consumed in designated areas only.

Storage of Materials

- All items shall be stored to avoid direct contact with the floor or walking surfaces (e.g., on pallets, slip sheets or racks).
- The storage area shall be designed to allow maintenance and cleaning, prevent contamination, and minimize deterioration.
- Product, ingredients, and rework must be adequately protected and stored in a sanitary manner.
- Ingredients must be adequately protected and stored in a sanitary manner in their original, labeled container, or in another authorized sanitary container that is clearly marked for the use of the specific ingredient (e.g., sanitary pails or tote bins). Ingredient identification and lot number/traceability must be maintained. Containers must be properly closed/sealed/covered.
- Rework product shall be adequately covered/protected, and traceability of rework shall be maintained.

Packaging Materials must be adequately protected and stored in a sanitary manner.

- Material shall be covered to prevent contamination (e.g., closures, films).
- Packaging material must be removed from the area during wet cleaning.

(3.2) Personnel Training

The supplier shall ensure that all employees, including temporary/contract employees, receive appropriate training for their job functions and shall maintain records of training. Training shall be provided to new employees before starting work in production. Refresher training on these topics shall be **provided at least annually**. The supplier shall maintain records of personnel education, training, skills, and experience. The supplier shall also periodically evaluate the effectiveness of its training programs. The supplier shall provide visitors and contractors with site specific training programs, as necessary, prior to performing activities which may affect product safety or quality.

(3.3) Plant Structure

The Manufacturing Location shall be of adequate design and construction to ensure production of safe and high-quality materials. The facility, including utility fixtures, shall be designed to prevent potential contamination sources from affecting the purchased materials. The plant structure shall provide adequate physical separation to prevent any cross contamination (e.g. raw and processed, allergen and non-allergen). Facility grounds must be maintained to address food defense considerations. The Location and

design of waste bins, toilets and hand washing, drying and sanitizing facilities shall be adequate to comply with GMPs. The supplier shall ensure that the facility is satisfactorily maintained.

Plant Design and Construction

- The internal and external structure shall be free of cracks, holes, openings, and pest entry or nesting areas.
- All exterior doors shall be self-closing and must form an adequate seal when closed. Loading docks shall be protected to prevent pest entry. Entrance of air shall be limited by vestibules or air curtains as appropriate.
- Windows present in production areas that can be opened must be adequately screened. All vents and fans shall also be adequately screened/filtered.
- Doors, windows, and other openings shall prevent access by unauthorized people.
- The plant structure must be designed to physically separate raw and processed zones, as necessary. Where raw and processed zones are utilized, traffic patterns between zones must be controlled.
- Floors, walls, ceilings, overheads and drains shall be cleanable and constructed to resist deterioration from product or cleaning chemicals.

Personnel facilities

- The location and number of hand washing, drying and sanitizing facilities provided shall be adequate for the location and number of employees in the facility.
- Warm water, soap, hand dryers or disposable towels and waste bin must be available at hand washing stations.
- Separate sinks and cleaning stations must be provided for hand washing, equipment cleaning, and the disposal of wastewater.
- The location and number of toilet facilities shall be adequate, and each facility must include hand washing facilities.
- Toilets and shower facilities shall not have direct entrances to food production areas.

(3.4) Utilities Management

The Supplier shall have implemented programs to ensure safe environmental air, compressed air, water, steam, and centralized hydraulic systems. The Supplier shall control access points for the above referenced Utility Services, as well as electricity, heating, and ventilation. Access may be controlled by any means deemed effective, such as locked facilities which only authorized employees can open.

Environmental Air

- Air quality shall be monitored, trended, and reviewed by appropriate personnel, as necessary to ensure suitable microbiological quality. Corrective action shall be taken for out of standard results.
- The integrity of air filters shall be checked as part of regular preventive maintenance.
- Exterior air intake ports shall be examined periodically for physical integrity.
- Air for a production area shall not be sourced from an unprocessed product area (raw).

Compressed Air

- Compressed air for general applications, to include ingredient, product contact, non-product contact, and packaging, shall be dry, oil free and filtered to remove foreign particles.
- Air quality shall be monitored, trended, and reviewed by appropriate personnel, as necessary to ensure suitable microbiological quality. Corrective action shall be taken for out of standard results.
- Compressors that provide air for direct or indirect product contact shall be of oil free design
- When used in contact with RTE ingredients, their packaging, or product contact surfaces (e.g., during cleaning), compressed air shall be filtered at the point of use and dried to prevent condensation within the pipelines.

Water

- The potable water supply system (including ice that contacts the product) shall meet all applicable local, national, and international regulatory requirements.
- The site shall have effective programs to control water microbiological quality and to verify that water meets specified requirements. Microbiological tests shall be performed periodically and reviewed by appropriate personnel to demonstrate adequacy. Corrective action shall be initiated and documented for out of standard results.
- Water used as an ingredient, processing aid, reclaim water, hand wash water, for brine solutions, and as sanitation final rinse shall meet specified quality and microbiological requirements relevant to the product.
- Programs shall be risk-based and appropriate based on the source of water (well, surface, or municipal sources).

Steam

- Steam shall be of the appropriate quality and purity to meet process and usage needs.
- Culinary Steam or Clean Steam is suitable for direct product contact and can be directly injected into the product without a subsequent rinse or primary packaging if filtered and delivered through stainless steel pipework that meets AISI 304 and 316 specifications.
- Culinary, Clean and Process steam condensate quality shall be routinely evaluated for turbidity, off flavors and particulates at a frequency to demonstrate sufficient control
- Where process steam is used for product contact applications it must be delivered from a boiler system treated with approved food grade chemicals

(3.5) Equipment Design & Validation

The supplier shall ensure that equipment design is adequate for production of food products. Each new installation or modification to existing equipment design shall undergo a documented Sanitary Design Review by a cross-functional team (e.g., quality, sanitation, production, maintenance) in the design phase and commissioning phase of the project. The review shall evaluate the design against applicable industry sanitary design standards.

Piping and Duct Work/Insulation

- Where pipes and ducts must be insulated to prevent product from being contaminated by condensate, the insulation must be cleanable, or coated to be cleanable, and maintained in good repair.

Food Contact Surfaces

- Food contact surfaces shall be made of stainless steel or other suitable food contact materials. The product contact surfaces must be smooth, and continuously welded.
- Use of nuts and bolts in product contact zones shall be avoided where possible.

(3.6) Equipment Maintenance

The supplier shall ensure that equipment and tools used for production are suitable for the purpose intended and in good repair. The supplier shall have implemented a written program for preventive and corrective maintenance that is up to date and includes:

- All devices used to monitor and/or control food safety hazards.
- A list of food handling equipment.
- Procedures detailing the maintenance required for each piece of equipment, including requirements for release back into production and frequency of maintenance.
- Measures to ensure that, after maintenance activities (e.g., drilling, cutting, polishing and welding) have occurred, the equipment and facilities are clean, sanitized, and in good repair prior to release for production.
- Appropriate measures to protect products during repair or maintenance activities.
- Procedures for isolating maintenance work areas from active production lines.
- A description of required maintenance records.

The program shall be tailored to the specific products or facilities. Priority shall be given to maintenance of pieces of equipment that may affect food safety, quality, or employee safety. Preventive maintenance frequency shall be adjusted in accordance with equipment history and the outcome of the last intervention. Equipment repairs are intended to be permanent and must be performed using proper materials. Temporary fixes that may adversely impact the food safety or quality of a product must be dated, documented, and replaced in a timely manner by permanent repairs.

(3.7) Sanitation

The supplier shall have implemented a written Sanitation program that ensures cleanliness of the food manufacturing environment, equipment and tools, and non-manufacturing areas. The program shall address:

- Sanitation schedules, procedures, methods, and frequencies.
- Cleaning of sanitation equipment and tools.
- Chemicals to be used and how they are to be used including chemical concentrations, contact time, temperatures, frequencies, and rinsing procedures.
- Verification of sanitation effectiveness.
- Recordkeeping, record review, and corrective action plans.

The following elements shall be considered when designing the Sanitation program:

- Type of cleaning process:
    - Dry cleaning: method used to clean equipment that does not involve the direct use of water. Examples: scraping, brushing, vacuums, and equipment wipe down with damp disposable wipes.

  - Wet cleaning: method used to clean equipment to a microbiological level that involves the direct use of water and chemicals. Examples: rinsing, foaming, bucket, and brush.
- Equipment idle time: Situations when prolonged equipment downtime can lead to microbiological growth. Plants should have a program that defines the maximum idle time that can occur prior to inspection, sanitizing, or full re-clean being required.
- Protocols with controls for extending production runs beyond established Sanitation cycle times.
- Adequate product protection when Sanitation activities occur adjacent to operating production areas.
- Clean–In Place/Cleaning Out of Place (CIP/COP).
- Post-cleaning or pre-start up inspections to confirm that equipment is clean, properly assembled, free from chemical residues and sanitized prior to use.

(3.8) Pest Management

The supplier shall have implemented a written pest management program to monitor and control pest activity in the facility and the surrounding area effectively. The pest management program shall include:

- Inspection procedures and frequencies for plant infrastructure, pests, and all pest devices that demonstrate control.
- Required documentation of pest activity log and analysis of records for trends in activity.
- Documented corrective actions for increased trends /activity.
- Training requirements.
- A dated map showing the Location of pest control devices, such as indoor rodent traps, glue boards, insect light traps, outdoor bait stations, and pheromone traps.
- Records of application of pesticides and inventory.

Wherever feasible and practical, non-pesticide pest management practices or alternative methods and tools shall be employed for controlling pests (e.g., strategies of exclusion and trapping of pests). If pesticides are used, the supplier shall ensure that they are used in accordance with local regulations and those pesticide's residues do not exceed limits established by the law of both the location of the facility and the location where JBSS will receive the material. The supplier shall ensure that appropriate measures are taken to prevent pesticides from contaminating food products. Pest control activities shall be performed by certified pest control contractors or personnel with equivalent training.

Insect Light Traps (ILT) / Pheromone Traps

ILTs shall be utilized as surveillance devices to monitor flying insect activity. They are not considered a control method. Light bulbs from the insect light traps must be kept clean and be replaced regularly (minimum annually) to ensure maximum efficiency. The insect light traps shall be installed in the receiving or warehouse areas close to entrances but shall be located so as not to attract insects into the building. It is recommended that the trap contents be evaluated monthly, and pheromone traps be inspected bi-weekly.

(3.9) Hygienic Zoning

All suppliers that manufacture JBSS materials shall have a Hygienic Zoning program designed to reduce the potential for environmental microbial cross contamination of materials and products from the environment or other materials. Hygienic Zoning refers to the division of areas of the facility based on barriers, cleaning procedures, employee practices and control of movement of people, equipment, and materials necessary to protect products from potential microbiological hazards originating from the Manufacturing environment and its surroundings. Hygienic Zoning programs shall focus on ensuring that appropriate controls exist to protect product, raw materials, and packaging during their movement from one area to another in a facility, and to protect the production environment where exposed product and materials might become contaminated from higher risk areas of the Manufacturing Location. A Hygienic Zoning program shall consist of three parts:

1. Hygienic Zoning assessment:

The supplier shall carry out a risk assessment to identify potential sources of cross-contamination between production areas and/or products (e.g., product handling areas, storage areas, production areas, raw materials) and document them on a map of the Manufacturing Location. This assessment shall be reviewed and updated in the event of changes to plant layout and the introduction of new lines or processes.

2. Identification and implementation of controls to address risks and prevent cross contamination

The supplier may need to introduce or adjust controls such as physical measures or barriers, traffic management, utility controls, GMP measures, and Sanitation controls.

3. Evaluation and verification of the Hygienic Zoning program

The supplier shall periodically evaluate the effectiveness and compliance of zoning requirements. This may include, but is not limited to, environmental testing including pathogen testing, GMP audits, and routine pre-operational and operational inspections. Physical measures/barriers, Traffic Control, Infrastructure, Utility Controls and GMP measures should all be considered during the risk assessment for the zoning program.

(3.10) Pathogen Environmental Monitoring

Where deemed necessary based on the microbiological risk assessment and regulatory requirements (e.g. FDA FSMA), a robust pathogen environmental monitoring program shall be implemented. The program should be based on the zoning principles. Definitions of each zone is described in the table below.

Zone 1	Product Contact Area	Product contact, area vertically above product contact surface up to the ceiling, and all surfaces from which liquids or particulates may drain, diffuse, or be drawn into the product or onto a product contact surface.
Zone 2	Non-Product Contact Area	Non-product contact surfaces that are in proximity or adjacent to food and food-contact surfaces. This may include exterior of equipment, framework, equipment housing, carts staged near production lines, operator control buttons and switches, weight scales, panels, tools, hoses, and drains that are in close proximately to Zone 1.
Zone 3	Non-Product Contact Area	Non-food-contact surfaces that are in the production or processing areas but are more remote. Includes floors, walls, ceilings, drains, and other equipment (e.g. carts, lifts, pallet jacks)
Zone 4	Non-Product Contact Area	Non-product contact surfaces outside the process/packaging areas. Includes employee welfare areas (e.g. break rooms, locker rooms, and offices) and non-manufacturing areas (e.g. finished product warehouse, maintenance shop, and trash compactor room).

Areas to swab: The pathogen environmental monitoring swabbing sites shall include Zone 2, 3, and 4 areas. Limited swabbing can be done in raw areas based on risk assessment.

Areas not to swab: Zone 1 product contact surfaces should not be swabbed for pathogens unless dictated by regulatory requirements and appropriate controls (e.g. entire production lot of product is on hold until testing results are received and appropriate full sanitation breaks between production runs) are in place.

When to swab: Samples are to be taken no sooner than 3 to 4 hours into the production run. Vary the times that swabs are taken during the production run (e.g. different shifts, different days). If an area is cleaned by sanitation, wait a minimum of 3 to 4 hours before swabbing that area.

Swabbing technique: Use a standardized and aseptic technique for swabbing. Use aseptic technique, swab an area within arm's reach to cover as much surface area as possible.

Frequency: At least once a month (preferably weekly) on a rotation.

Number of swabs: The number of swabs taken depend on the size of the facility and the complexity of the manufacturing (product exposure) with a minimum of 5 swabs per line. More swabs should be taken in Zone 2 and 3 than Zone 4.

What to test for: Swabs shall be tested for the pathogens of concern (*Listeria* spp. and *Salmonella* spp.). In some cases, other pathogens (e.g. *E. coli*, *Cronobacter*) may need to be tested based on the product and regulatory requirements.

Specification limits: Specification limits shall be established (e.g. expected results for pathogens are Negative).

Shipping swab samples: Swab samples should be appropriately labeled. Keep swabs refrigerated until shipping to the testing laboratory. Optimal time between swab sample collection and testing is 24 to 48 hours. Samples shall be sent to an accredited laboratory (e.g. ISO 17025, A2LA) using appropriate standard approved methods (e.g. FDA BAM, AOAC, ISO).

Corrective actions: Presumptive (suspect positive) and positive results shall be investigated immediately. Corrective actions shall be documented for any positive results. Some examples of corrective actions include vector swabbing, cleaning/sanitation, and re-swabbing. The action taken should be equal to the seriousness of the finding. If positive results are obtained, the swab must be repeated at least with 3 re-swabs of negative results to ensure the corrective action has been effective.

(4) PRODUCTION PROCESS CONTROLS

(4.1) Specification and Compliance Contract

The supplier shall ensure that the agreed upon specification(s) are implemented at the Manufacturing Location and that appropriate plant personnel have access to the latest specifications for materials supplied to JBSS. Supplier will be notified of the specifications and/or updated specifications when available. Supplier shall ensure delivery of the specifications and updated specifications to Supplier's Manufacturing Locations, production facilities and appropriate plant personnel.

In cases where JBSS requires pathogen analysis, each lot must be sampled, and the samples must be collected across the lot according to a statistical sampling plan (ICMSF, FDA BAM) that represents the lot. If target pathogen(s) are detected in the lot, prompt corrective action steps shall be taken and JBSS shall be immediately notified. Certificates of Analysis (COA) are required for all received materials and must be provided to JBSS prior to acceptance of the material at JBSS locations. If a pathogen test is required for the COA based on JBSS request or specification, the test must be performed by an ISO standard accredited laboratory (see *Section 2.5 – Testing Controls: Laboratory Requirements*). JBSS reserves the right to sample each delivery and to determine the appropriate disposition. The COA from the laboratory or a supplier generated COA, must be provided to JBSS and shall include the following information as a minimum:

- Approved laboratory name, address of Location performing any pathogen testing.
- Supplier name, address, phone number, and contact person.
- Address of the Manufacturing plant where the material was produced.
- Material name, lot code, production date and JBSS identification number. (if available)
- Specification number (or purchase agreement) and issue date.
- Test and analysis results for each lot, preferably including JBSS specification target and range.
- Parameter being tested, test method, sample size and date of test.

Certificate of Analysis should be written in local language of the receiving JBSS plant.

(4.2) Food Safety Plans and Hazard Analysis and Critical Control Points (HACCP)

The supplier's products shall be designed, produced, and distributed using Food Safety principles to minimize food safety risks systematically. The supplier shall have implemented a written Food Safety Plan/HACCP plan for all materials produced for JBSS. Hazards should be identified, associated risks assessed, Critical Control Points/ Preventive Controls (CCPs/PCs) identified and defined, Prerequisite Programs specified, methods for control identified and criteria for compliance clearly defined, as described by the **Codex Guidelines seven principles of HACCP** (Codex Alimentarius CAC/RCP 1-1969, Rev. 4 (2003), the National Advisory Committee on Microbiological Criteria for Foods (NACMCF) HACCP guidelines and FDA Food Modernization Act "Current Good Manufacturing Practice, Hazard Analysis, and Risk-Based Preventive Controls for Human Food" (21 CFR Part 117). The supplier shall establish a cross-functional Food Safety/HACCP team that is responsible for developing, reviewing, and modifying the plans and maintaining the system. The Food Safety/HACCP team shall ensure that each Food Safety/HACCP plan and its implementation is properly verified and validated on a regular, documented basis. Ingredient suppliers should have a written Food Safety Plan/HACCP approved or have plans to become approved within the first 3 months of becoming a JBSS approved supplier.

When producing goods for JBSS, the performance objective of all processes/technologies used to reduce target pathogenic organisms must be defined and validated. A validation is a collection and evaluation of scientific and technical information (or conducting studies) to determine if the treatment when properly applied, will effectively control the hazard. Validations studies are required for process technologies implemented as a Process Preventive Control for pathogen reduction in foods. Validation studies must be performed or overseen by a Preventive Controls Qualified Individual (PCQI) and have Process Authority expertise in validations. Data demonstrating effective processing (capable processing) must be made available to JBSS, upon request. Further, supplier program requirements must include on-going verification of effectiveness conducted at a minimum frequency of every two years or validation when a major change occurs (e.g. equipment change, process change, validation method change).

(4.3) Incoming Materials: Supplier Quality Management

The supplier shall buy materials only from suppliers who are approved through a program designed to manage their quality and food safety. The program should include a risk assessment and audit by the company, GFSI, or accredited 3rd party auditor.

The supplier shall develop and document quality expectations, requirements and/or specifications for purchased goods that are consistent with the programs in this *SCQE Manual* and provide them to their suppliers. Purchased goods specifications shall be consistent with JBSS raw material specifications (when applicable).

The supplier shall have a process to review higher risk materials which do not undergo a kill step at the supplier's own Manufacturing site. This review should meet Industry Standard assessments (i.e. ICMSF). An emergency plan for accepting goods from a non-approved supplier shall also be in place.

The supplier shall monitor suppliers of purchased goods and provide feedback with respect to their performance and compliance with quality requirements and specifications.

Suppliers who handle imported ingredients must have a compliant FSVP (Foreign Supplier Verification Program) in place.

(4.4) Incoming Materials: Inspection and Testing

The supplier shall ensure that incoming ingredients and packaging materials comply with applicable regulations and the supplier's specifications, including microbiological, physical, chemical criteria, and residue requirements. The supplier shall establish and, upon request, make available to JBSS testing requirements, parameters, and specified limits to ensure food safety and quality of all ingredients and packaging materials.

The supplier shall ensure that incoming materials are not used or processed until they have been inspected or otherwise verified as conforming to specified requirements. Where pathogen testing is conducted, a Hold and Release procedure shall be applied until testing is complete.

Raw agricultural materials and ingredients from animal origin must be evaluated to ensure compliance with chemical contaminant (e.g., pesticides residues, mycotoxins) and applicable GE regulations of the JBSS receiving country and as per JBSS specifications. Such review may be conducted through analysis of the material or through controlled oversight of the grower, producer and other persons handling the product.

Prior to accepting incoming materials, the supplier must verify that delivery vehicles (such as trucks or railcars) have maintained the quality and safety of the materials during transit. Verification activities shall be documented and shall include inspection of internal cleanliness, structural integrity, inspection of seal integrity (including that the seal numbers match the transportation documentation e.g., Bill of Lading, and measurement of internal temperature for refrigerated or frozen items. Trucks should remain locked when not in use.

Tankers shall be dedicated to food only – with records available for the previous product shipped. If applicable, they should be adequately cleaned and sanitized.

Inbound loads suspected of any type of tampering shall be investigated by supplier. The shipment shall be rejected if the source of tampering cannot be determined. Access points to material receiving lines shall be identified, capped, and locked unless otherwise approved.

(4.5) Traceability

The supplier shall have implemented a written program for product traceability based upon the GS1 Recall standard, assuring that package and pallet, lot codes, and date information are accurate and consistent across similar businesses and products. Traceability requirements apply to all products and all components used to produce products, including ingredients, in-process products, rework, primary packaging materials, and/or process intermediated being shipped to JBSS.

If requested, such as in the event of a product recall or other product-related issue, the supplier must provide the relevant traceability information to JBSS within 4 hours with a goal of 100% traceability to the point where the product is no longer within the facility's control. Mock recalls shall be conducted at least once a year to validate the effectiveness of the traceability program.

For ingredients that may not have a specific lot number, a method for unique identification and tracking shall be developed and implemented. Bulk use of ingredients shall be required to have a documented timeframe of known use. At a minimum each individual pallet shall be made up of only one batch/lot number or labeled that pallet contains multiple lots. It is recommended that representative samples from all lots produced for JBSS be kept until the expiration of the material.

In the United States, the Bioterrorism Act, mandates that all members of the food chain shall be able to trace goods at least one step forward and one step backward, as well as know the shipper/transporter of the goods.

(4.6) Allergen Management

The supplier shall have an effective program to evaluate, identify, and control food allergens to ensure that specific allergens are not inadvertently incorporated as an undeclared component of any product. The information provided by the supplier should allow for an unambiguous determination of the need for allergen declaration in a JBSS product.

An Allergen Assessment shall be carried out as part of Food Safety Plan/HACCP Plan development to identify, review, and document allergens likely to be present. The Allergen Assessment shall consider possible sources of allergens related to the formulation, process, and site-specific practices, including raw materials/ingredients, processing aids, rework addition and potential for cross-contact in manufacturing, storage, or shipment practices. The Allergen Assessment must consider the nine major food allergens (milk, eggs, fish, shellfish, tree nuts, peanuts, wheat, soybeans and sesame), as well as mustard, sulfites, and gluten (when appropriate) as well as any others identified in local regulations and regulations of the countries to which the product is shipped to. An assessment shall be conducted whenever the source of a raw/packaging material, formula or process that impacts material produced for JBSS has changed.

Avoiding the introduction of allergens from manufacturing carry-over (production of a previous product with allergens in the same line, including the use of common equipment) shall be managed through product change-over practices such as product sequencing, flushing, and cleaning. Allergen, cleaning, and sanitation processes of product contact surfaces between line changeovers shall be validated and verified at a frequency to demonstrate control.

Controls shall be in place to make sure that JBSS is notified of all allergens present (as ingredients or traces). Where a new allergen is identified in a product where it was not previously present, and is therefore not labeled (e.g., discovery of an allergen cross-contact or change to the allergen profile of a raw material), JBSS must be notified immediately (see *Section 1.2- Notifying JBSS of Significant Events*).

Allergen training must be provided so that all involved personnel are equipped with essential information and skills relative to their job responsibilities and the site allergen risk profile. This includes identifying ingredients and products that contain allergens,

knowing the process steps where allergens could be introduced to the product inadvertently and understanding the control methods applied.

(4.7) Extraneous Matter

The supplier shall have implemented a written program to prevent, detect, and control extraneous matter in material produced for JBSS. The supplier shall perform a risk assessment to determine potential sources of extraneous matter, including: raw ingredients, packaging materials, equipment design, plant environment (e.g., ceilings, walls, floors), processing and packaging equipment, utensils, contamination from personnel or other operations such as cleaning and Sanitation, contractor work, rework/work-in-progress protocol, maintenance or repair of equipment, and historical information of types of extraneous matter previously found or reported by consumers.

Periodic reassessments shall be conducted, particularly following changes to the plant environment and instances of non-conformances (e.g., consumer complaints, CCP failures). Based on the risk assessment, the supplier shall develop an appropriate strategy for minimizing and documenting extraneous matter.

Specific controls shall be applied to devices that can be a source of extraneous matter when damaged (e.g., sieves). Appropriate and timely corrective action shall be implemented in case any source of extraneous matter with potential of falling into the product stream is detected.

Metal Detection and X-Ray Devices

All ingredients produced for JBSS shall be produced with appropriate foreign matter control devices in place. The choice and placement of each unit shall be appropriate for the product and process. The detection limit for an end-point metal detector will depend on type of product, package, and the detection equipment.

Glass components in other equipment should be avoided where possible. Equipment which has glass components as a part of the design, such as computer screens and pH electrodes must be adequately protected to prevent contamination in the event of breakage. Glass and hard plastics in the processing area shall be identified and verification activities performed at a frequency sufficient to demonstrate control.

Lines of bulk materials shall place in-line/pipeline Metal or X-ray detectors in the product stream immediately or as close as practical prior to filling the bulk container. For in-line/pipeline detectors, the detection limits must be as sensitive as end of line detectors and must be documented.

Where in-line detection at the filling point is not possible, the detector may be placed further back in the product stream such as large end of line detectors for large bulk cartons or cases, or alternative control measures such as inline magnets or fine mesh filters, screens or sieves must be implemented.

(4.8) Rework Control

The supplier shall have implemented a written program to control the use of rework materials in any product supplied to JBSS. If rework is to be reincorporated into product as an 'in-process' step (not simply repackaging or re-casing finished product), then the conditions for use of rework must be clearly set out in the product formula and/or specifications, and equivalent local documents (e.g. Manufacturing recipe, rework matrix).

The conditions of use of rework must include: the type and quantity of rework that can be added to the target product, conditions of storage, reprocessing steps in which it will be added, method of addition, identification of allergens, shelf life, special handling requirements and lot number identification for traceability. If rework is identified as potentially containing allergens, it must be segregated, controlled, and incorporated only into the same and/or appropriately labeled product.
Additionally, all rework shall be:

- Handled and stored in a manner that ensures the maintenance of product safety and quality.
- Clearly identified with product name, production date and any other relevant information.

(4.9) Packaging Materials

All food-contact packaging materials must have food-contact material certificates which meet regulatory acceptance or approval criteria from an approved regulatory agency. This packaging shall not be from recycled packaging.

Any proposed change in the size or type of packaging must be submitted to the appropriate JBSS Procurement Representative for approval prior to modification. Records shall be maintained for raw and material packaging specifications.

Packaging of Purchased Ingredients

Packaging must not alter product organoleptic characteristics and shall not be a source of foreign material. Staples or metal objects of any kind shall not be used on packaging or on the pallet. All plastic bags or liners in direct contact with materials must be of a different color from the material itself.

Packaging materials must be appropriate for the specific food product being shipped and must not impart odor or taste to a specific food product being shipped. Additionally, for shipping to the U.S, packaging materials must meet Food and Drug Administration regulations for "indirect food additives."

(4.10) Storage and Transportation

The supplier shall have implemented systems to manage warehousing and transportation to ensure that the safety, quality, and security of materials and products are maintained at all stages from receipt of materials through delivery of products to JBSS.

The supplier shall use designated storage areas or stock rooms to prevent damage to, deterioration of or tampering with material. In order to detect deterioration due to such things as pest infestation, unsanitary conditions and temperature/humidity control abuses, the condition of product in stock shall be assessed at appropriate intervals. Storage facilities shall be neat and orderly.

If the supplier uses third party warehouses to store raw materials, packaging materials, semi-finished or finished products, the Supplier shall conduct documented periodic assessments to ensure that the requirements of this *SQE Manual* are met.

The supplier's transportation program shall ensure that products are temperature controlled properly at all times during transportation, and maintained in good condition, clean, dry, and sealed.

(4.11) Business Continuity Plan

Suppliers shall have a documented plan in place to ensure that materials ordered for JBSS with an adequate agreed lead time shall be supplied in a timely manner. The plan shall also include contingency plans to provide finished goods, ingredients or packaging goods in the event of a crisis situation. The plan may be included in their preventive control program,

(5) INCIDENT MANAGEMENT

(5.1) Hold and Release

The supplier shall have a written Hold and Release control program that clearly establishes roles and responsibilities for effective implementation. The Hold and Release program shall apply to product on the supplier's premises or other facilities used by the supplier. Materials that are on Hold must be controlled by a defined and effective system which is intended to prevent inadvertent movement. Inventory reconciliation must occur to verify proper control.

The program shall include controls for non-conforming raw materials, materials pending testing (e.g., pathogen testing, sterility testing or Certificate of Analysis (COA) verification), packaging, labels, semi-finished product (work-in-progress), finished product, and rework. The supplier must maintain records sufficient to enable reconstruction of each hold event (e.g., quantities, code dates, lot numbers, product numbers, reasons for hold and/or release, investigative information, disposition, and traceability information).

If any material produced for JBSS is either inadvertently released from hold or is suspected of non-conformance but has already been shipped to JBSS, a JBSS Procurement Representative shall be immediately notified (see *Section 1.2- Notifying JBSS of Significant Events*)

(6) SOCIAL RESPONSIBILITIES

It is JBSS intent to utilize a supply chain which has a shared standard of working conditions globally. To this end, JBSS requires all partners in our global supply chain to meet minimally the standards set forth below.

(6.1) Child Labor

JBSS in committed to the elimination of the "worst forms of child labor," as defined by ILO Convention 182, from its supply chain. We expect our suppliers to support and participate in industry efforts aimed at the elimination of such practices wherever they exist in the supply chain. The use of child labor on farms as permitted by applicable local and national laws and regulations is not a violation of this code.

(6.2) Forced/Prison Labor

Suppliers must not utilize or benefit in any way from forced or compulsory labor, not utilize factories or subcontractors that force unpaid labor. Official prison rehabilitation programs are not a breach of this code.

(6.3) Working Hours and Wages

Suppliers should provide wages at least equal to the applicable legal minimum wage and any associated statutory benefits. If there is no legal minimum wage, suppliers must ensure that wages are at least comparable to those at similar companies in the local area or to prevailing industry norms. Working hours should reflect applicable legal norms and overtime hours should be paid at the legally mandated premium or at least the same rate as regulator hours worked if there is no mandate premium.

(6.4) Freedom of Association

Suppliers should respect employees' rights to freedom of association including the right to collectively bargain, consistent with local national laws and regulations and ensure that all employee relationships are of a voluntary nature.

(6.5) Non-Discrimination

Hiring and employment decisions, including those relating to compensation, benefits, promotion, training and development, discipline, and termination, shall be made solely on the basis of the skill, ability and the performance of workers. Discrimination is not permitted on the basis of race, religion, gender, political opinion, national extraction, or social origin. (ILO Conventions 100 and 111)

(6.6) Health and Safety

The supplier must provide employees with a safe and healthy working environment for all employees that include appropriate controls, safety procedures, preventative maintenance, and protective equipment. Practices must comply with all relevant local and national laws, codes, and regulations.

(7) ENVIRONMENTAL POLICY

Environmental impact is a key part of the JBSS's business practices, and the company is committed to supporting sustainable operational and agricultural production practices. At a minimum, suppliers must fully comply with all applicable local and national environmental laws and regulations and should strive to conduct their operations in a way that conserves natural resources with continuous improvement initiatives in the following areas:

(7.1) Pollution and Prevention and Resource Reduction

Suppliers should reduce waste and usage of all types by implementing appropriate conservation measures in their operations. Improvement plans for waste reduction, recycling, energy conservation and greenhouse gas mitigation policies should be in place, along with demonstrable evidence of implementation.

(7.2) Environmental Permits and Reporting

Supplies must obtain, maintain, and keep current all required environmental permits (e.g., discharge monitoring) and registration and any operational and reporting requirements shall be followed.

(7.3) Wastewater and Solid Waste

Wastewater and solid waste are to be monitored, controlled and treated as required by applicable local and national laws and regulations prior to discharge or disposal and records of effluent monitoring shall be maintained.

(7.4) Air Emissions

Air emissions generated from operations are to be characterized, monitored, controlled, and treated as required by applicable local and national laws and regulations prior to discharge and records of air monitoring shall be maintained.