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PROLACTO Lacticínios de São Miguel S.A. is dedicated to the production of dairy products and their derivatives, and its human resources policy is as follows:

1. Introduction

At PROLACTO we recognize that our employees are the key to our success. Nothing can be achieved without their involvement and support.

This document presents the guidelines that act as a basis for our human resources management. The management and leadership principles inspire all PROLACTO employees in their actions and in their relationship with others. The corporate principles refer to all the basic principles that PROLACTO defends and seeks to respect in all its activities.

The implementation of this policy shall take into consideration the laws of the local work market, international trends in people management, the specific context of the company and common sense. This policy shall also be respected in all circumstances and can be summarized in the following sentence: At PROLACTO we put people at the center of everything we do.

2. Shared Responsibility

Managers are primarily responsible for developing an environment where people are committed to their work and to giving their best to ensure the company success.

Managers are responsible for all matters related to the employees under their influence, within the limits set by the policies and principles, and are committed to acting as the final decision maker(s).

At this level, the human resource's structure supports the managers in establishing the business needs and defining the corresponding requirements for employees.

In this sense, the mission of the HR Department and of each functional team is to support the managers in achieving business results by optimizing the performance of our employees and thus ensuring exemplary working conditions.

3. Being part of PROLACTO

The long-term success of the company depends on its ability to attract, retain, and develop employees who are capable of ensuring continuity and sustainable growth. This is also the main responsibility of all managers.

PROLACTO's policy is to hire employees with positive attitudes and appropriate professional skills that allow them the opportunity for long-term development in the company. In this sense, it is essential to ensure that there is a strong alignment between the candidate's values and PROLACTO's culture.

Only those candidates with proper attitudes, relevant experiences, and absolute alignment with the PROLACTO principles are considered in the selection and recruitment process. The candidate's nationality, religion, race, gender, manifest special needs, sexual orientation, or age will not be deciding factors whatsoever in this process.

Although there are specific tools to improve the selection and recruitment process, the decision to hire a candidate remains in the hands of the Department Head and General Management, with this decision being supported by the Human Resources team.

4. Working and Employment Conditions

PROLACTO is committed to guaranteeing all employees good working conditions, a safe and healthy environment, and flexibility that allows for a better work-family balance.

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As such, we seek to provide flexible working conditions wherever possible and encourage our employees to take outside interests, particularly in the community.

In parallel, managers are responsible for health and safety within their area of responsibility and are encouraged to develop their skills in this area.

PROLACTO's commitment, however, goes beyond its own employees. PROLACTO cares about all the people who work inside or outside its facilities in contractual obligations, such as service providers. We aim to ensure that these individuals also adopt appropriate working measures.

We believe that all these conditions are essential to build a healthy and thriving relationship that is based on trust and respect for employees.

We do not tolerate any form of harassment or discrimination. Therefore, managers are committed to building and maintaining an environment of mutual trust with their teams. Human Resources, for its part, values dialogue and seeks to ensure that the voices of the employees are always heard.

5. Total Remuneration

Attracting new talent and keeping current employees is not just about the remuneration and benefits that PROLACTO provides. Other aspects are equally important, including: the trust that employees place in the PROLACTO name, the relationships established with managers and colleagues, the recognition, and the particular experience of working for a global and diverse company, and opportunities for learning and growth. The above-mentioned factors comprise the Total Compensation received.

PROLACTO, therefore, contemplates fixed remuneration, variable remuneration, benefits, opportunities for growth and personal development and work-family balance as the key elements that defines remuneration.

In a company where an high performance culture is to be developed, these elements must be aligned with what is valued by employees, demonstrating PROLACTO's commitment to providing each one with the opportunity to grow, evolve, and contribute.

Total Remuneration must be established within the social and legal framework of each country, respecting the applicable collective agreements. It is the responsibility of each manager to propose the remuneration of their employees within the framework of the company's policy. All employees must be clear about their specific situation in terms of remuneration and benefits, if necessary, with the support of HR, in order to communicate correctly, clearly, and with sufficient transparency.

6. Training and Learning

Learning is a fundamental part of PROLACTO's culture. As such, all employees are constantly encouraged to constantly update their knowledge and skills set.

The company determines the training and development priorities. The responsibility for transforming these into action is shared between employees, managers, and Human Resources.

Experience and on-the-job training are the main learning tools. Managers are responsible for guiding and coaching employees so that they can succeed in their daily functions and activities.

At PROLACTO, the importance of continuous improvement is recognized, as well as the sharing of knowledge and

ideas. Lateral professional development, sharing of responsibilities, and development of functional teams are encouraged practices, as these practices provide additional skills, enrich work content, and increase accountability.

PROLACTO seeks to offer a wide range of training activities and methodologies to support learning and growth for all.

7. Performance, Development, and Talent Management

At PROLACTO, a high-performance culture is supported by differentiated rewards and employee

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development. To achieve individual and business goals, it is critical to assign clear and challenging responsibilities and ensure that employees are aware of how their work impacts PROLACTO's results.

Managers and employees work together to ensure that challenging objectives are set and are evaluated throughout the year, thus allowing managers to recognize employees and follow up on any underperformance issues.

Employees receive feedback regularly on their performance and career goals through a variety of tools and processes, including the Performance Management and evaluation process. Each manager is expected to dedicate the necessary time needed to monitor the objectives and regular training of their employees throughout the year.

Each employee, supported by his/her line manager, is responsible for his/her own professional development. Everyone is encouraged to express their career goals and expectations in an open dialogue. Our aim is to retain and motivate employees by offering attractive but also realistic career moves to the best of our possibilities and means, and allowing them to develop their skills on the long term.

Promotions are based on performance and supported by results and overall behavior. PROLACTO is committed to developing succession plans, thus ensuring that there is a strong pool of successors ready to respond to future needs.

We are committed to providing conditions that support diversity and gender balance and channeling efforts to remove barriers to career progression by developing a more flexible working environment.

HR supports the implementation of the necessary tools and encourages managers to continuously develop their people and teams.

8. Working Relations

Since its foundation, PROLACTO has been building a culture based on trust, mutual respect, and open dialogue. PROLACTO and all its employees work daily to develop and maintain positive personal relationships.

PROLACTO not only defends the freedom of association of its employees and the effective recognition of the right to collective bargaining, but also ensures that direct communication is established in the workplace. Although dialogue with trade unions and other collective structures is essential, this does not replace the close relationship that is necessary to be maintained in the management of our employees.

In the spirit of continuous improvement, we encourage two ways of open dialogue with our employees that go beyond the traditional aspects of collective negotiation in order to share knowledge and jointly find opportunities related to important issues such as Creating Shared Value, health and safety in the workplace, and our concern for the environment.

PROLACTO and the employee representatives seek to make all necessary efforts to develop fair and constructive dialogues, to overcome difficulties, and to implement sustainable agreements.

9. Changing Organisation

The Human Resources management described in this document requires and supports an organization that is "on the move".

PROLACTO is committed to continue its journey towards the creation of flexible structures with the fewest levels of control, allowing employees to develop, to increase efficiency, and to facilitate the implementation of the management and leadership principles.

Fewer levels of control allow greater co-operation between colleagues. The organization, in turn, becomes more flexible and more accountable. In fact, it supports today's and tomorrow's business requirements for an agile, innovative, and more competitive company.

These beliefs inspire us to create an environment that puts the focus not only on individual responsibility and autonomy, but also on the willingness to support others and develop multidisciplinary teams towards

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internal cooperation.

A dynamic organization creates a climate of innovation and allows people to think from different perspectives. At PROLACTO, we encourage people to take risks. Mistakes may happen, but there is always a willingness to correct and learn from them.

At PROLACTO, we seek to combine the brand strength of a global company with the creativity and knowledge of a local company. As a result, employees can have great influence every day and explore their long-term potential, all while being driven by continuous coaching and a collaborative approach among managers and peers.

Pela **PROLACTO - Lacticínios de São Miguel, S.A.**

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Assinatura



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DOS AÇORES



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