

Compliance with California Transparency in Supply Chains Act (SB 657)

Dean Foods is one of the leading food and beverage companies in the U.S. Continuing our success means making the right long-term choices for all of our stakeholders. In addition to our compliance with current U.S. and individual state laws regarding labor practices, as of January 1, 2012, Dean Foods is also required to comply with the California Transparency in Supply Chains Act of 2010 (CA SB 657), which requires manufacturers and retailers to disclose their efforts to track forced labor and human trafficking in their supply chains. The information contained below relates to our obligations under this law.

Dean Foods operates and manufactures its products in the U.S. As such, all of our manufacturing facilities are subject to U.S. laws and regulations regarding, among other things, forced labor and human trafficking.

Our supplier base is also predominantly U.S. based. The majority of our spending for ingredients is for fluid milk – both conventional and organic. Raw milk is our largest purchase by far, and our fluid milk is sourced in the U.S. and produced by U.S. farmers and farmer cooperatives that are also subject to U.S. and individual state laws regarding forced labor and human trafficking. Additional inputs include resin (a petroleum-based product used to make plastic milk jugs), diesel fuel to operate our direct store delivery transportation vehicles, juice concentrates, and sweeteners.

We have a dedicated Procurement department that ensures we work with reputable commodity suppliers. Our Procurement team establishes guidelines and programs related to quality and product integrity for our major suppliers. Our guidelines are aligned with the Institute for Supply Management's [Principles and Standards of Ethical Supply Management Conduct](#) and [Principles of Sustainability and Social Responsibility](#), that support worldwide efforts to eliminate forced labor and human trafficking as well as the pursuit of other human rights for workers in a particular supply chain. In recent years, we have begun requiring suppliers to confirm their adherence to these principles as well.

Dean Foods requires suppliers of all Dean Foods products to disclose all facilities producing supplies or materials that are delivered to Dean Foods locations for use in manufacturing. While we do not use third parties to conduct audits of our suppliers' standards, we internally monitor our supply chain to ensure that the locations providing supplies and materials to our facilities meet the standards that are required by Dean Foods, which includes compliance with all local laws and regulations. In the event a supplier does not comply with our requirements, we may, and have in the past, terminate that supplier relationship.

To ensure our compliance with CA SB 657, Dean Foods requires all suppliers to certify that they are aware of the need to comply with applicable federal and local laws preventing forced labor and human trafficking. This requirement is met either through the execution of Supply Agreements that contain such representations, or through a certification process that is monitored internally.

Dean Foods also requires all its employees to comply with our company Code of Ethics, which requires that all Dean Foods employees act ethically and comply with all federal and local laws in conducting business. As we do with other alleged violations of law or policy, we investigate

any allegation of noncompliance with our Code of Ethics that is brought to our attention and take appropriate action, up to and including termination. All Dean Foods employees are trained on the Code of Ethics. Specifically, the decision makers in the Dean Foods supply chain are trained on our supplier management process, with particular focus on adhering to the standards developed by the Dean Foods Procurement team regarding the selection of reputable and law-abiding suppliers.