

# SUPPLIER SUSTAINABILITY

## Code Of Practice

Customers and society have an expectation that standards in their food supply chain should be based on sound and ethically secure principles that ensure the sustainability of all parts of the supply chain.

2SFG sets standards on food safety, ethical behaviour and environmental management for its own operations that include independent audits, membership of approved Third Party certification and assurance processes such as SEDEX, Ecovadis, RSPO. We continuously seek to improve the way that we work to ensure the sustainability of the organisation.

2SFG and its suppliers should be aware of and comply with legislation as it develops. This Code of Practice includes compliance with the Modern Slavery Act which requires 2SFG to report its actions in this area publicly.

Our expectation is that 2SFG's sustainability standards will also be applied to our suppliers for production, cultivation, processing and handling of materials used in 2SFG products and their packaging, and to 2SFG contracted suppliers. This Code of Practice sets out the minimum standards mandatory for suppliers to the company.

2 Sisters Food Group (2SFG) recognises and respects the human rights of all those involved in our supply chain. We expect our suppliers to protect the rights of their workers and promote good working practices for all those involved in the supply chain.

## 2 SISTERS FOOD GROUP COMPANY POLICIES

### 1. Why Was This Policy Developed?

2 Sisters Food Group requires that its direct suppliers operate to high standards of food safety, ethical behaviour and environmental sustainability, and that they in turn require the same of their suppliers.

Food safety is an absolute obligation and we therefore require suppliers to be GFSI accredited for categories where a scheme exists. This includes ingredients, storage, storage & distribution, and packaging.

Suppliers are also required to adhere to 2SFG's Ethical Trading policy, to be registered on the SEDEX platform and have completed the SEDEX self-assessment questionnaire and linked to 2SFG. New suppliers to 2SFG must register on SEDEX before or during the supplier approval process. Full supplier approval will not be granted until an ethical risk assessment has been completed.

Suppliers must be aware of the Modern Slavery Act comply fully with the Act if required and ensure a copy of their MSA statement is available.

Suppliers must also be aware of the environmental impacts of their operations and those of their supply chain and where these are significant, must take action to reduce them. These steps may involve using materials assured to certain standards such as Palm Oil compliant with the RSPO standard, sourcing in such a way that impacts are reduced or finding alternative, non-impact materials in co-operation with 2SFG.

### 2. Who Does This Policy Apply To?

This Code of Practice applies to all suppliers, agents/brokers of suppliers, agricultural suppliers, labour providers and goods not for resale (GNFR) providers within the 2SFG supply chain.

### 3. How Do I Ensure I Comply with This Policy?

#### 3.1 Supplier Food safety requirements

All suppliers and their Agents/Brokers to be GFSI accredited where a scheme exists. This includes Storage, Storage & Distribution and Packaging.

#### 3.2 Supplier Ethical Trade requirements

2SFG recognises and respects the human rights of all those involved in our supply chain. We require our suppliers to protect the rights of their workers and promote good working practices for all those involved in the supply chain.

It is 2SFG's requirement that suppliers adhere to our Ethical Trading Policy set out in Appendix 1. 2SFG require suppliers to have developed and implemented an effective, easily accessible, reporting process to allow all individuals working within the business sites to whistleblow, make complaints and report violations of the Ethical Trade Policy confidentially to a qualified, independent, impartial third-party entity.

## 2 SISTERS FOOD GROUP COMPANY POLICIES

Additionally, suppliers are required to join SEDEX either as an A/B or B member. Agents and brokers are required to join SEDEX as A/B members and ensure that all sites they propose to 2SFG are registered on SEDEX as B members as a minimum. Alternative ethical trading management systems will be considered. All suppliers must complete the SEDEX Self-Assessment Questionnaire, which will allow 2SFG to conduct a risk assessment. The SAQ should be updated every 6 months as a minimum or more frequently if major changes have occurred. Contact details on SEDEX should be kept up to date. It is the Agents/Brokers contractual responsibility to ensure their suppliers adhere to our requirements.

Suppliers must link their sites (not Head Offices) to 2SFG on SEDEX and ensure that their SAQ, site details and audits are visible to 2SFG. See Appendix 2 for details of joining and linking on SEDEX.

Suppliers that are graded high risk using the SEDEX risk assessment process will be expected to commission an independent ethical audit by a SEDEX approved auditor and to close any non-conformances raised within recommended times. Critical non-conformances raised during an ethical audit should be communicated to 2SFG with a corrective action plan.

Direct suppliers to 2SFG should ensure that suppliers within the supply chain (Tier 2+) also join SEDEX, complete the self-assessment section and link to the Tier 1 suppliers as DIRECTS and link to 2SFG as INDIRECTS.

2SFG will work with suppliers to implement these requirements and provide support on implementation and addressing corrective action. However, where suppliers continue to demonstrate breaches, the company will remove them from the approved supplier list.

### 3.3 Modern Slavery

2SFG complies with the requirements of the UK Modern Slavery Act and publishes an annual Modern Slavery Act Statement. This includes the steps 2SFG is taking to combat slavery and exploitation in its supply chains. Implementation of this Code of Practice by suppliers is a vital step in combating exploitation and will form part of 2SFG's public disclosure.

Suppliers to 2SFG must comply with the ETI base code, national law as it applies to permanent and temporary workers, and the GLAA Standard where applicable in the UK, or any national equivalents.

2SFG supports the use of tools and information provided by Stronger Together (<http://stronger2gether.org>) to help prevent and tackle modern slavery.

The provisions of this Code of Practice constitute minimum standards and should not be used to prevent suppliers, sites or growers from exceeding these requirements. Companies applying this code are also expected to comply with national and other applicable laws.

## 2 SISTERS FOOD GROUP COMPANY POLICIES

### 3.4 Supply Chain Environmental Sustainability Requirements

2SFG understands the risk to the sustainability of the food supply chain of unmanaged exploitation of the environment, use of scarce resources such as oil, gas, water, land and fisheries or uncontrolled release of polluting materials.

It is 2SFG aim that its supply chain partners are aware of current sustainability concerns and the standards set by the company and its customers for managing sustainability risks.

Suppliers must comply with all relevant environmental legislation.

Suppliers should have an environmental policy defining their approach to environmental management and setting out their commitment to

- Adherence to customer requirements
- Regulatory compliance
- Pollution prevention
- Continual improvement in environmental performance

At a minimum, the scope of the policy should include: waste, water, pollution, energy, greenhouse gas emissions, raw materials, packaging and local communities.

Through its own risk assessment process 2SFG may identify raw materials where a supply chain wide approach to improving sustainability is required. In these cases, a strategy for the management of the identified risk(s) will be put in place and suppliers will be expected to comply with the requirements of these plans. We currently have the following raw material requirements:

**Palm oil:** Where raw materials supplied contain palm oil or its derivatives, these should be RSPO (Segregated) Supply Chain Certified.

**Wild caught fish and seafood:** Wild fish should be certified to MSC or equivalent standard.

**Farmed fish and seafood:** Farmed fish and seafood should be certified to ASC or equivalent standard.

**Soy/embedded soy:** 2SFG is a member of the UK Soy Manifesto and working towards deforestation and conversion free soy supply chains by 2025. We expect all suppliers to support this aim and ensure any raw materials containing soy or embedded soy comply with the UK Soy Manifesto goal by 2025 <https://www.uksoymanifesto.uk/>. Please see our [soy policy](#) for details of our requirements.

Where significant, suppliers should inform 2SFG of what sustainability impacts affect their operations, or those of their suppliers such as the potential for water shortages in the light of climate change.

## 2 SISTERS FOOD GROUP COMPANY POLICIES

### 3.5 Restricted Countries of Origin

This document and the attached 2SFG Ethical Trading Policy make it very clear that we will not tolerate the abuse of Human Rights within any part of our supply chain. The sourcing of raw materials will not cause, be linked to, or contribute to negative human rights. To help achieve this there is a list of countries that no raw material can be sourced from. There is a second list of countries where as a last resort, raw materials may be sourced from, but only after receiving written permission from the site NPD Team and Group Sustainability. Failure to comply with this requirement may lead to immediate suspension of business and potentially being permanently delisted as a supplier.

The two lists of countries are attached to this document as Appendix 3: Restricted Countries of Origin

### APPENDIX 1: 2SFG ETHICAL TRADING POLICY

#### 1. Employment is Freely Chosen

We do not use and will not recruit child labour, prison or bonded labour or forced labour of any description.

Employees are free to leave the company of their own accord at any time with the requisite contractual notice.

#### 2. Freedom of Association and Collective Bargaining

All workers have the right to Freedom of Association and to join a trade union or other worker body for the purpose of consultation, negotiation, collective bargaining and representation.

All workers will have access to raise concerns and get resolutions by either following the Company's Grievance Procedure, using employee representatives or by using a confidential multilingual reporting line.

#### 3. Safe and Hygienic Conditions

All workers will have unrestricted access to decent standards of equipment and facilities whilst at work and their working conditions will be safe and hygienic.

Workers will receive regular and appropriate health and safety training, both as part of their induction program and on an on-going basis to meet the standards set by the Health & Safety Leadership Team.

#### 4. Child Labour

We do not use and will not recruit child labour, prison or bonded labour or forced labour of any description. Young workers will be supported in the business and we will be compliant with all national legislation in relation to their employment. Young persons under 18 years of age are not allowed to work at night or in hazardous conditions. We expect our supply chain partners to adopt the same standards.

#### 5. Wages

We ensure equal access to jobs and equal pay for work of equal value. Pay for the standard contractual week at least meets the National Minimum Wage.

The company will not levy any charge on an employee whether financial or otherwise for employment with the company and will not retain employee's original documents.

Overtime that is worked in excess of the base contractual week will be paid at a premium rate and will not be less than 1.25 per hour for hourly paid colleagues.

All workers shall be provided with clear written information about their employment conditions in respect to wages before they join the business. All workers will receive written clear information about their wages for the pay period concerned each time that they are paid.

## 2 SISTERS FOOD GROUP COMPANY POLICIES

### 6. Working Hours

Working hours will not be excessive; the maximum working week will be 60 hours.

Overtime is voluntary and workers will not be required to regularly work in excess of 48 hours per week and will be provided with at least one day off for every 7 day period on average.

### 7. Discrimination

Recruitment practices protect workers and give fair, consistent and equal treatment so that there is no discrimination in recruitment, pay or promotion decisions based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

### 8. Regular Employment

Promote permanent employment wherever possible and work with customers to adopt a planned approach to the use of agency workers.

### 9. Harsh or Inhumane Treatment

No harsh or inhumane treatment is allowed. Actual or threatened physical abuse or discipline, sexual or other harassment, or verbal abuse or any other form of intimidation or bullying are expressly prohibited and regarded as gross misconduct.

**APPENDIX 2: Joining SEDEX and Linking to 2SFG.**

2SFG Company Reference ZC1020280

**Joining SEDEX**

Please go to <https://www.sedex.com/become-a-member/supplier-membership/> to register as a supplier on SEDEX.

The annual membership price for B members is £133 (Correct at time of document approval; 06/05/2024).

**Linking to 2SFG**

Once a company has joined SEDEX, registered all supplying sites and completed the SEDEX SAQ, it must link the company and all supplying sites to 2SFG, so that we can complete an ethical Risk Assessment on each site and determine if further action is required.

Guidance on how to do this and other useful information is available here [https://sedex.sabacloud.com/Saba/Web\\_spf/EU5P1PRD021/app/dashboard](https://sedex.sabacloud.com/Saba/Web_spf/EU5P1PRD021/app/dashboard)

**APPENDIX 3: Restricted Countries of Origin**

**List 1** – This is the list of countries that under no circumstances can raw materials or ingredients be sourced from.

Afghanistan, Cuba, Iran, North Korea,  
Russia, Syria

Israeli settlements in the Palestinian Occupied Territories & Golan Heights

Moroccan settlements in Western Sahara

Russian occupied Ukraine (Crimea, Donetsk, Luhansk, Kherson & Zaporizhzhya)

China - Xingjiang Region

**List 2** – This is the list of countries that may be permitted to be used as a last resort and only with written agreement from Site NPD, Group Supplier Approval & Group Sustainability.

Albania	Belarus	Burundi*	Central African Republic*
DR Congo	Guinea	Guinea-Bassau	Iraq
Kosovo	Lebanon	Libya*	Mali
Montenegro	Myanmar (Burma)*	Nicaragua	Serbia
Somalia*	South Sudan	Sudan*	Ukraine
Venezuela	Yemen	Zimbabwe	

## 2 SISTERS FOOD GROUP COMPANY POLICIES

### LINKS

ASC	<a href="https://asc-aqua.org/">https://asc-aqua.org/</a>
ETI	<a href="http://www.ethicaltrade.org">http://www.ethicaltrade.org</a>
GLAA	<a href="http://gla.gov.uk">http://gla.gov.uk</a>
MSC	<a href="https://www.msc.org/uk">https://www.msc.org/uk</a>
RSPO	<a href="http://www.rspo.org">http://www.rspo.org</a>
SEDEX	<a href="http://www.sedexglobal.com">http://www.sedexglobal.com</a>
STRONGER TOGETHER	<a href="http://stronger2gether.org">http://stronger2gether.org</a>
UK Soy Manifesto	<a href="https://www.uksoymanifesto.uk/">https://www.uksoymanifesto.uk/</a>

### Policy Details

Current Version	V9
Policy Number	2SFG ENV003
Last Update	01 08 24
Owner	Group Sustainability Director