



## **SUPPLIER SUSTAINABILITY CODE OF PRACTICE**

**February 2020**

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# Supplier Sustainability Code of Practice

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## Foreword

Customers and society have an expectation that employment standards in their food supply chain should be based on sound and ethically secure principles that reflect the way that they would expect to be treated at work, while also ensuring the sustainability of all parts of the chain.

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.

2SFG sets ethical and environmental sustainability standards for its own operations that include independent ethical audits, membership of SEDEX and assurance processes such as RSPO. We continuously seek to improve the way that we manage people, our ethical performance and 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 ethical and environmental sustainability standards will also be applied to production, cultivation and processing of raw materials used in 2SFG products and their packaging. This Code of Practice sets out the minimum standards required of suppliers to the company.

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### Summary

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

Suppliers are required to adhere to 2SFG's Ethical Trading policy, to be registered on the SEDEX platform and have completed the SEDEX self-assessment questionnaire. New suppliers to 2SFG should register on SEDEX before or during the supplier approval process.

Suppliers should be aware of the Modern Slavery Act and take account of it in their own plans and assist 2SFG in complying with the Act.

Suppliers are expected to be aware of the environmental impacts of their operations and those of their supply chain and where these are significant, should 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.

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### Definitions

| Wording                      | Definition  |
|------------------------------|---|
| 2SFG                         | 2 Sisters Food Group  |
| Contracted Service Providers | Contractors who provide service and staff such as canteens, security, logistics and office cleaning   |
| CoP                          | This Code of Practice   |
| ETI                          | Ethical Trading Initiative  |
| ETI Base Code                | Ethical standard drawn up by ETI members and applicable to manufacturers and farmers in the UK retail supply chain  |
| GLAA                         | Gangmasters & Labour Abuse Authority  |
| GLAA Standard                | The licensing standard drawn up by the GLAA and applicable to all suppliers of temporary labour to UK food processors and farmers.  |
| Labour Providers             | Supply labour to production facilities.   |
| Modern Slavery               | The term used to encapsulate both offences in the Modern Slavery Act: slavery, servitude and forced or compulsory labour; and human trafficking.  |
| RSPO                         | Roundtable on Sustainable Palm Oil  |
| SEDEX                        | Supplier Ethical Data Exchange. A platform that enables buyers, suppliers and auditors to store, share and report on information related to ethical compliance.                         |
| SEDEX SAQ                    | SEDEX based Self-Assessment Questionnaire (The SAQ in this CoP) which all 2SFG suppliers must complete.   |
| SMETA                        | Ethical audit standard managed by SEDEX and available through the SEDEX system  |
| Stronger Together            | Joint initiative involving retailers, GLAA, suppliers and charities which aims to assist labour providers and users to detect and prevent slavery and exploitation in their work force. |
| Tier 1 Suppliers             | Suppliers that supply goods and services directly into 2SFG suppliers.  |
| Tier 2 Suppliers             | Suppliers of goods and services directly into 2SFG Tier 1 suppliers.  |
| Workers (Employees, Staff)   | Describes all the people working for the business, both permanent and temporary.  |

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### 1.0 Scope of the Code of Practice for Suppliers

1.1 This Code of Practice applies to all suppliers, agents of suppliers, agricultural suppliers, labour providers and contracted services providers within the 2SFG supply chain.

### 2.0 Supplier Ethical Trade requirements

2.1 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.

2.2 It is 2SFG's requirement that suppliers adhere to our Ethical Trading Policy set out in Appendix 1.

2.3 Additionally, suppliers are expected to join SEDEX either as an A/B or B member, and complete the Self-Assessment Questionnaire, which will allow 2SFG to conduct a risk assessment. The SAQ should be updated every 12 months as a minimum or more frequently if major changes have occurred. Contact details on SEDEX should be kept up to date.

2.4 Suppliers should 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.

2.5 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.

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- 2.6 Direct suppliers to 2SFG should ensure that their suppliers (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.
- 2.7 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.

### 3.0 Modern Slavery

- 3.1 2SFG complies with the requirements of the 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.
- 3.2 Suppliers to 2SFG should 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.
- 3.3 2SFG supports the use of tools and information provided by Stronger Together (<http://stronger2gether.org>) to help prevent and tackle modern slavery
- 3.4 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.

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### 4 Supply Chain Environmental Sustainability Requirements

4.1 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.

4.2 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.

4.3 Suppliers must comply with all relevant environmental legislation.

4.4 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.

4.5 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

4.6 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.

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## 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.

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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.

### 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.

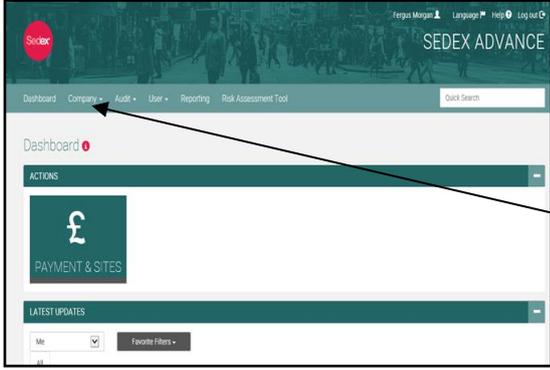
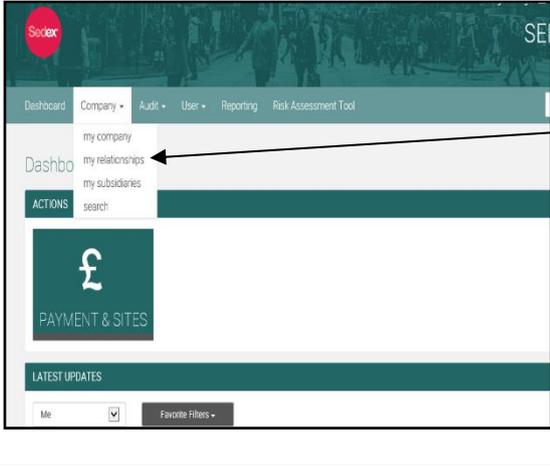
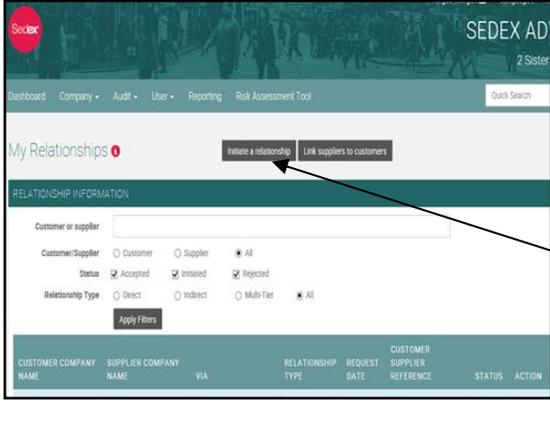
### 9. Harsh or Inhumane Treatment

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.

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### APPENDIX 2: Joining SEDEX and Linking to 2SFG. Company Reference ZC1020280

|   |  |
|---|--|
|    | <p>Go to your SEDEX home page.<br/>Open the company menu</p> |
|   | <p>Select "My Relationships" from the drop down list</p>     |
|  | <p>Open Initiate A Relationship</p>                          |

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|   |   |
|---|---|
| <div style="background-color: #2e7d32; color: white; padding: 5px; font-weight: bold;">RELATIONSHIP INFORMATION</div> <p>My company or subsidiary * <input type="text" value="_Sedex*Test_AB (ZC1027089)"/> <input type="button" value="Clear"/></p> <p>Target Company * <input type="text" value="2 Sisters Food Group (ZC1020280)"/> <input type="button" value="Clear"/></p> <p>Target company is my/my subsidiary's * <input checked="" type="radio"/> Customer <input type="radio"/> Supplier</p> <p>Type of Relationship * <input checked="" type="radio"/> Direct <input type="radio"/> Indirect</p> <p>Relationship Start Date <input type="text" value="DD-MM-YYYY"/></p> <p>Customer Supplier Ref. <input type="text"/></p> <div style="background-color: #2e7d32; color: white; padding: 5px; font-weight: bold;">SITE(S) INFORMATION</div> <p>Site(s) Visibility <input type="text" value="Please select..."/></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Apple supplier</li> <li><input checked="" type="checkbox"/> Cake factory</li> <li><input type="checkbox"/> Cow farm</li> </ul> <input type="button" value="Submit"/> | <p>Complete the form. Here you see a 2SFG screen. Your company should appear instead of 2SFG.</p> <ul style="list-style-type: none"> <li>In "Target Company". Enter "2 Sisters Food Group"</li> <li>Select Customer</li> <li>Select Direct</li> <li>Select Site Visibility</li> <li>Click Submit</li> </ul> <p>We will do the rest to approve the relationship.</p> |
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### LINKS

ETI <http://www.ethicaltrade.org>

GLAA <http://gla.gov.uk>

RSPO <http://www.rspo.org>

SEDEX <http://www.sedexglobal.com>

STRONGER TOGETHER <http://stronger2gether.org>

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