

Ethical Trading Policy

December 2023



WILTSHIRE
EST. FARM 1991
FOODS

Making a real difference



Introduction

At apetito, we are committed to making a real difference by creating great food that promotes the health and well-being of our customers. Far beyond being the right thing to do, we know that by working with our suppliers to build a supply chain that creates value for people, animals, and the environment, we will ensure a sustainable supply of quality ingredients to enable us to prepare the best possible meals for our customers.

This Ethical Trade Policy sets out our approach to managing and ensuring ethical trade both internally and throughout our supply chain. It demonstrates our commitment to the Ethical Trade Initiative, the work currently underway to promote ethical trade and ongoing plans to both better understand and support our supply chain.

Our principles

apetito has a responsibility to ensure that the labour rights of people working within our supply chains and own operations are protected and respected, without being exploited or made to be unsafe. This is part of our approach to sustainable development and central to our core business objectives of making a real difference.

We believe in partnering with suppliers who share our core values and put the labour rights of the worker and the community at the centre of their business.

We have set out a range of minimum expectations that we expect all our suppliers to meet and show attempts to improve continually. Alongside this, we have produced internal policies, training, and support to ensure the human rights of our internal employees are met and respected.

To support this work and our commitment to labour rights in our supply chain, we joined the Ethical Trading Initiative (ETI) in 2016 and have since used the ETI Base Code as a framework for us to follow when addressing ethical trade.

The ETI Base Code sets out the minimum standard we expect suppliers to meet, focusing on 9 key areas:

1. Employment is freely chosen.
2. Freedom of association and the right to collective bargaining are respected.
3. Working conditions are safe and hygienic.
4. Child labour shall not be used.
5. Living wages are paid.
6. Working hours are not excessive.
7. No discrimination is practised.
8. Regular employment is provided.
9. No harsh or inhumane treatment is allowed.

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Our governance and due diligence

We have a dedicated Ethical Trade Steering Group with representatives from sustainability, technical, purchasing, and human resources teams that work closely to ensure we address issues relating to all labour rights, deliver on ethical trade commitments and regularly review our policies and processes. The Ethical Trade Steering Group is run by our Sustainability Executive, and chaired by our Director of Corporate Affairs, Policy, and Sustainability with updates, which are fed into the executive board.

We have an escalation process should serious issues affecting labour rights be found in our supply chain. Issues are formally escalated to the ethical trade steering committee; an action plan for remediation with agreed timescales will be developed and agreed upon by the group and communicated to all relevant stakeholders. A review process will follow to ensure our policies and procedures are still being followed and reflect our core values.

Protecting and respecting human rights and labour standards is one of the foundations of our sustainability and ethical trade strategy. We respect that our staff, and the workers within our supply chain, have the right to join or form trade unions of their own choosing and to bargain collectively. We have an open and collaborative approach towards the activities of trade unions. We have recognition agreements in place with trade unions in respect of their activities covering our own staff and, in addition, we have both union and non-union elected representatives on a number of internal Works Councils which provide an important platform for engagement. These councils also provide opportunities for issues and concerns to be raised and resolved in a timely manner. We do not discriminate against employee or trade union representation in any way.

We will also engage with any trade unions that may form in our supply chain and are committed to supporting this clause in the ETI Base Code.

We have several internal and public policies that support our work in tackling human rights and ethical trade issues. These include:

- Supplier Code of Practice – We have set out minimum requirements for our buyers and suppliers to adhere to. The code specifies that both parties will work together to continuously improve workers’ rights and labour standards.
- Whistleblowing Policy – Encouraging all staff and agency workers to report any concerns related to the organisation’s direct activities or within our supply chains. This is designed to make it easy for workers to make disclosures without fear of retaliation.
- Employee Code of Conduct – Makes it clear to employees the actions and behaviour expected of them when representing the organisation. The organisation strives to maintain the highest standards of employee conduct and ethical behaviour.
- Recruitment Policy – All new employees are subject to pre-employment checks to confirm their identity and right to work in the UK. Where recruitment agencies are used, we ensure they comply with all legal requirements as a minimum.
- Bullying & Harassment Policy – This defines bullying and harassment and the process we have in place for both investigation and response.

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- Equality & Diversity Policy – We aim to proactively tackle discrimination or disadvantage and aim to ensure that no individual or group is directly or indirectly discriminated against.
- Grievance Policy – Providing all employees with a robust procedure to deal with any issues that arise quickly, consistently, and fairly, encouraging free communication and resolution.

Risk assessment

Identifying and prioritising risk both internally and externally is crucial to ensuring an ethical supply chain. We use a range of different tools to support our supplier risk assessments and internal risk assessments, as well as to determine supplier auditing requirements.

One of the tools we use for identifying and prioritising risk across our Supply Chain is Sedex (Supplier Ethical Data Exchange), a web-based system for suppliers to share ethical trading information with their customers to ease the burden on suppliers facing multiple audits, questionnaires, and certifications. Sedex is used at multiple different levels across the business to manage and better understand a range of information about our suppliers. This includes:

- Monitoring compliance through self-assessment questionnaires – The self-assessment questionnaire is sent to all of our suppliers during the onboarding process, requiring them to share a range of information about the business operation such as number of workers, gender balance, and details of key policies related to Health & Safety, Labour Standards and Bribery and Corruption.
- Requesting supplier audits completed by a third party – This enables us to gather information on a range of suppliers that we may not have direct access to.
- Viewing audits of our suppliers that have been requested by others – If other suppliers have requested a SMETA audit to be completed on a supplier, this information is then available for all companies that use that particular supplier.
- Map risk across our supply chain at multiple levels
 - Country of origin level – This highlights issues such as forced labour, child labour, deforestation and conflict metals to give an indication of which countries are of higher risk in these areas and should therefore be considered/focused on.
 - Specific supplier score – This plots the risk of all our suppliers on a graph measuring their site characteristics risk score against their inherent risk score, focusing on categories from the self-assessment questionnaire.

We also use a scorecard-based system to assist with supplier appointment, supported by analysis of product specifications. Further to this, our procurement team and supplier technical manager visit our suppliers on a routine basis to see first-hand the conditions and environment of work.

We are committed to reviewing our systems and processes to support both our buyers’ and suppliers’ understanding of risk, as well as methods of identification and management. We plan to do this via:

- Training and development tools for suppliers in meeting their commitments, managing corrective actions, identifying root causes and being aware of emerging industry risks and requirements.

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- Active engagement in collaborative initiatives such as ETI, working in partnership with other leading businesses, NGOs, and stakeholders to effect systemic change on ethical issues.
- Training and development tools and workshops for our teams

Salient risks

We have identified company-wide salient risks helping us to prioritise how we address human rights across our operations and supply chain. Salient risks are “human rights that are at risk of the most severe negative impacts through a company’s activities or business relationship” (UN Guiding Principles on Business and Human Rights).

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Risk	Location	Reason of Risk	Plans to Mitigate
Health, safety, and wellbeing	Farming and Agricultural Sites	Health, safety, and wellbeing is a priority throughout our supply chain. We have observed that the greatest number of non-conformances in our supply chain are related to safe and hygienic working conditions. We are focusing initial efforts on farming and agricultural sites that provide us raw materials where inherent health and safety risks exist given the environment, the type of work and practices/techniques and tools used.	<ul style="list-style-type: none"> • Use Sedex to monitor SMETA audits on our suppliers to see which have the most Health and Safety related non-conformances. • Support with internal audits • Provide suppliers with support and guidance where necessary to make improvements
Grievance mechanisms and access to remedy	UK and Europe	Our ethical trade audits often show that although our suppliers have policies to ensure access to remedy, these are often poorly understood. A lack of understanding of whistle-blowing procedure is commonly reported. Access to grievance mechanisms and remediation, and confidence in those mechanisms, is of the highest importance, especially given presence of seasonal and temporary workers in our supply chain.	<ul style="list-style-type: none"> • Gain a better understanding of the approaches being taken by our suppliers to manage grievance mechanisms. • Ask suppliers for evidence of policies or procedures that are in place around how they manage grievances.
Working hours and overtime	Asia	Given the seasonal nature of the supply chain and the workforce requirements, ensuring that working hours are not excessive is a salient labour issue. Several of the non-conformances reported in our supply chain relate to working hours in excess of 60 hours for a minority of the workforce.	<p>By using information from Sedex and the SMETA audits that have been conducted, we will:</p> <ul style="list-style-type: none"> • Establish which non-conformances reported in our supply chain relate to workers hours. • Focus efforts on these specific suppliers. • Attempt to understand why these limits have been breached and how this is being remedied.
Communication of ETI Base Code and labour rights	Between apetito and suppliers	There have been instances of limited communication of the ETI Base Code and labour rights, despite this being formalised as part of our buyer-supplier code of practice.	<ul style="list-style-type: none"> • Work better with suppliers to inform on ETI base code. • Incorporate information on the ETI base code on our website and in our supplier selection process. • Look to incorporate information on ETI in our new supplier management system. • Engage with suppliers on these issues during visits.
Inadequate contracts of agency and temporary workers	UK	Produce industries within the UK employ a high proportion of migrant, temporary, and agency workers. This means many companies use third-party labour providers to supply workers on a temporary basis.	<ul style="list-style-type: none"> • Use Sedex to monitor suppliers' contract type split. • Identify suppliers with high levels of agency/temporary workers. • Engage with ETI on how to better monitor, manage, and influence.

Tier 1 Supplier List: [Click Here](#)

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