# Supplier Code of Conduct

## March 2022

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Introduction

Bakkavor Group Plc and its subsidiaries ("Bakkavor") is an international business with supply chains that are multi-tiered and global. Responsible sourcing is a key element of our corporate responsibility strategy.

We want to ensure that suppliers are clear about our expectations, embrace and adopt our values, drive standards and deliver on our objectives of trading ethically and responsibly. This Supplier Code of Conduct sets out the minimum standards we expect from you and we encourage all our suppliers to go beyond these minimum requirements.

In line with this, suppliers should understand and comply with the terms of the Supplier Code of Conduct, as detailed within this document. You should also ensure your own supply chains comply in a manner consistent with these principles and values as a minimum requirement of doing business together. Doing so will reduce risk for us, our customers and our suppliers, encourage a more resilient, collaborative, safer and transparent working relationship, which will have a positive impact on society.

Bakkavor's Supplier Code of Conduct Principles

These principles form part of the supplier selection process and are subject to continued monitoring. Where there is a pre-existing relationship with a supplier, the requirements of this code are in addition, and not in lieu of, any legal or contractual terms between that supplier and Bakkavor.

- Legal and regulatory compliance
- ETI Base code
- Modern Slavery
- SEDEX
- Payment of appropriate & legal wages
- Child labour & young persons
- Working hours are not excessive and unlawful
- Working conditions are safe and clean
- Discipline and grievances
- Respect the right for freedom of association and collective bargaining
- Employment is regular and freely chosen
- Forced labour
- Migrant labour
- No discrimination is practised
- No harsh or inhumane treatment
- Confidentiality
- Data privacy
- No bribery or corruption (including rules regarding gifts & entertainment)
- Environmental impact
- Quality and Specification
- Auditing
- Transparency and traceability
- Land rights
- Continuous improvement
- Security (Supply and IT)
- Media Contact

Legal and Regulatory Compliance

Suppliers will comply with all applicable local and national laws, rules, regulations and requirements in the provision of products and services manufactured and provided to Bakkavor. This includes compliance with the International Labour Organisation ("ILO") Core Conventions. It is the supplier’s responsibility to maintain and enforce these standards within its own supply chain.

ETI Base Code

Bakkavor is committed to complying with the ETI Base Code. The supplier shall familiarise itself with this ETI Base Code and shall ensure in supplying Bakkavor it does not do anything or neglect to do anything that would
cause Bakkavor to breach its obligations under it.

Modern Slavery

Bakkavor is committed to ensuring it tackles modern slavery within its business operations and supply chain and will prepare and publish its annual statements to comply with the Modern Slavery Act 2015 and the timelines defined therein.

Bakkavor requires that its suppliers have in place appropriate policies, processes (including a robust risk assessment of their supply chain) and procedures to identify and mitigate any instances of modern slavery both within its own business and more widely within its supply chain.

Where lawful to do so, the supplier shall inform Bakkavor immediately if it becomes aware of or has reason to believe that it or any of its officers, employees, agents or subcontractors have or have potentially breached the Modern Slavery Act 2015. The report shall set out full details of the breach or potential breach of its obligations.

SEDEX

All raw material and packaging suppliers & agents are required to be SEDEX registered including each of the appropriate subsidiary sites or supplier sites that supply goods to Bakkavor. These businesses would also need to be linked to Bakkavor Foods Limited (ZC1032191) allowing access to appropriate audit data. It is the responsibility of each supplier to fully complete the Self-Assessment Questionnaire (“SAQ”), followed by an annual review to ensure the accuracy of the information detailed in the SAQ and relevant contact details are up to date.

Payment of appropriate and legal wages

Staff, directly or indirectly contracted for work by your business, shall receive a fair wage and benefits for the work which they undertake which meets or exceeds any national minimum wage legislation, all applicable laws regulations and industry guidelines.

All workers are provided with documentation regarding their terms and conditions, how their pay is calculated in a manner that is understandable and agreeable, being reviewed and updated as is applicable. Payslips shall clearly show the hours worked, any agreed deductions, the hourly rate and total payment made. Wherever possible payment shall be made directly into a bank account identified as belonging to the worker, with wages paid regularly and on time.

Deductions from pay as a means of a disciplinary process will not be accepted, except for local law exceptions and these deductions are to be agreed and documented with the worker concerned.

Child labour and young persons

There shall be no recruitment of child labour. The supplier will comply with laws and regulations related to minimum working age in each jurisdiction in which it operates or does business.

A worker who is classified as a young worker will not be employed for duties which include night work, be expected to work in hazardous conditions or the use of chemicals.

You will have policies and procedures in place to support any child found to be working within the supply chain. These policies must be in line with the relevant ILO standards.
Working hours are not excessive or unlawful

Working hours are determined by local laws or standards whichever provides the greatest protection to the workers involved.

All workers shall not be expected to work over 48 hours per week on a regular basis and overtime, which shall be voluntary, kept below a threshold of 12 hours per week. The overtime is to be paid at a premium rate and not having a negative effect on any other accrual of benefits, e.g. holiday entitlement or pension.

Working conditions are safe and clean

A safe and hygienic working environment shall be provided in line with local laws and or the appropriate industry best practice standards.

The supplier shall have policies and procedures in place to identify risks and hazards within the workplace. The management and updating of these policies will be the responsibility of a named senior manager within your business. You will also provide appropriate training to mitigate or eliminate workplace risks as much as practically possible.

All workers will have access to clean toilets, washing facilities and potable water and if appropriate hygienic storage conditions for food and drink.

If accommodation is used to house workers these will be safe, clean, appropriate to the need and in line with local laws. The provision of accommodation shall not restrict workers freedom of association or their ability to find alternative employment and be provided with equal opportunity and be non-discriminatory. The costs of such accommodation shall be reasonable and not force the workers into debt. There must be a documented audit process to verify the appropriate standard of accommodation.

Discipline and grievances

It is a Bakkavor requirement that suppliers shall have in place a mechanism ("Whistleblowing") which allows workers to raise any work-related concerns which they may have without retribution to an appropriate level of management and anonymously if required. The Whistleblowing mechanism must be transparent, set out clearly how grievances will be assessed, and feedback provided. Workers and their representatives must be informed clearly how the scheme operates and its scope and that it is equally accessible to all workers.

The existence and scope of the grievance mechanism shall be communicated to all workers and their representatives. This grievance mechanism shall be available to permanent, indirectly employed, and temporary workers.

Disciplinary procedures shall be clearly documented, communicated and easily accessible to all workers. All disciplinary matters shall be recorded including evidence that the worker knew and understood what he/she was accused of and given the right to trade union or other appropriate representation at disciplinary meetings which may lead to significant disciplinary penalties or dismissal.

Respect the right for freedom of association and collective bargaining

All workers have the right to join or form a trade union of their own choosing and to
collectively bargain with no fear of discrimination.

Where local laws restrict freedom of association & collective bargaining, then the supplier will facilitate the development of parallel means for independent, free association and bargaining.

**Employment is regular and freely chosen**

To every extent possible work performed shall be on the basis of recognised employment relationship established through national law and practice.

Where labour providers are used suppliers must only contract with labour providers which have an identifiable and distinct legitimate business entity where worker contracts will be held within this legal entity. Suppliers shall ensure that their labour providers possess all up-to-date licenses or permits required by national law in all sectors and in all countries of operation. There shall be senior management approval for the use of a labour provider and protocols and specific policies which define expectations and processes for worker issue remedy. Suppliers shall have a process for annual second party audits of their labour providers or alternatively by an agreed globally recognised scheme.

Within the UK suppliers to Bakkavor shall ensure that all labour providers used to supply workers are licenced by the Gangmasters and Labour Abuse Authority and that the supplier has registered for the GLAA’s Active Check Service for every labour provider which they use, ensuring they are covered by the GLAA licence.

**Forced labour**

There is no forced or compulsory labour in any form, including bonded, trafficked or prison labour. No worker is obliged to lodge a deposit, make a payment, or surrender identity papers and the worker is free to leave their employer with reasonable notice, as per agreed terms and conditions of employment.

The supplier will have policies and procedures in place to identify and then support workers who are affected by modern slavery.

**Migrant labour**

Where migrant labour is used Bakkavor expects its suppliers to have a clear understanding of the processes, fees and costs associated with this. This includes all the fees and costs incurred for migrant worker recruitment, origin, transit (where applicable), destination countries and any outstanding debts the worker may incur because of the process. Based on this understanding, a time bound action plan should be developed to move to a responsible recruitment model in line with Employer Pays Principles and ILO definition on recruitment fees and costs and be incorporated within a recruitment policy.

A company or group migrant worker recruitment policy should stipulate clearly what fees and costs shall be borne by workers and the employer respectively as well as the main principles that shall guide the suppliers recruitment activities and their engagement with registered recruitment agencies, registered sub-agents, 3rd party recruiters or suppliers.

**No discrimination is practiced**

All employment shall be given on the basis of equal opportunity and fairness, with workers free to find alternative employment if they require without threat or sanction. All work shall be voluntary, there shall be no discrimination against any potential worker in
hiring, compensation, access to training, promotion, pension, or other benefits based upon race, caste, ethnicity, religion, age, gender, marital status, sexual orientation, disability, union membership or political affiliation.

Bakkavor expects suppliers to have a policy that explicitly bans discrimination/bullying and harassment based on sexual orientation, race, gender or gender identity/expression. In addition, suppliers are also encouraged to have evidence of diversity and inclusiveness training that is inclusive of sexual orientation and gender identity/expressions.

Bakkavor expects suppliers to have equivalent policies to promote diversity in their supply chains and purchase from diverse businesses. Suppliers agree to make a reasonable effort to utilise diverse suppliers and provide evidence to Bakkavor upon request.

**No Harsh or Inhumane treatment**

All forms of mental, physical, or sexual intimidation are prohibited, and the company has procedure in place to identify and support workers affected.

**Confidentiality**

All information shared in the normal course of business is regarded as confidential and is not used in an illegal manner for either the company or individual’s benefit.

No false information is to be given in the course of doing business.

**Data privacy**

The protection and responsible use of personal data is reflected in our daily operations with employees, customers and suppliers. We are committed to collecting and using personal data in a lawful, fair, legitimate and ethical way.

When you are collecting and processing personal data, we expect you to comply with all applicable legislation in relation to data privacy. We expect you to apply the privacy principles of lawful, fair and transparent data processing, respecting any purpose limitations, as well as the principles of data minimisation, accuracy, storage limitation, integrity and confidentiality.

**No bribery or corruption**

The offering directly or indirectly of payment, kickbacks, including facilitation payment, lavish gifts, or other inducements to gain a commercial advantage is strictly prohibited.

A bribe may involve giving or offering any form of gift, consideration, reward or advantage to someone in business or government in order to obtain or retain a commercial advantage or to induce or reward the recipient for acting improperly or where it would be improper for the recipient to accept the benefit.

Bribery can also take place where the offer or giving of a bribe is made by or through a third party, e.g. an agent, representative or intermediary.

Some examples of bribes are as follows. This is not an exhaustive list:

- lavish gifts, meals, entertainment or travel expenses, particularly where they are disproportionate, frequent or provided in the context of ongoing business negotiations;
- the uncompensated use of company services, facilities or property;
- cash payments; loans, loan guarantees or other credit;
• the provision of a benefit, such as an educational scholarship or healthcare, to a member of the family of a potential customer, public or government official;
• providing a subcontract to a person connected to someone involved in awarding the main contract; and
• engaging a local company owned by a member of the family of a potential customer, public or government official.

Facilitation payments are small payments or fees requested by government officials to speed up or facilitate the performance of routine government action (such as the provision of a visa or customs clearance). Such payments are strictly prohibited.

You must ensure that any expenses, gifts, donations and hospitality which are given or received must be proportionate and must relate to a legitimate business transaction. Any such expenses, gifts, donations and hospitality must in all circumstances be reasonable and appropriate in value and frequency and must not be given secretly. Gifts and hospitality should not be offered or accepted during commercial negotiations. You must also keep a written record of all hospitality or gifts given or received, during the course of, or as a result of, your engagement with Bakkavor.

All suppliers are expected to comply with all applicable anti-bribery and corruption legislation, where this does not exist or is to a lesser standard than prescribed under the UK Bribery Act 2010, then the UK Bribery Act 2010 will prevail.

The supplier will have in place anti-bribery and corruption policies that are designed to prevent any infringement of applicable law. You will review them regularly to ensure that they are operating effectively.

Environmental impact

We support and encourage business practices that are sustainable, and those that continually work towards improving efficiency and sustainability in line with their goals.

It is a prerequisite that you shall comply with all local and national environmental legislation and have a process to assess the supply chain risk and impact of your sourcing strategy on the environment, a culture which delivers continuous improvement in mitigating any identified risks, highlighted from a robust evaluation process.

These goals should include, but not be limited to, water conservation (sustainable agriculture), reduction in carbon, deforestation, reduction in plastics, a reduction in food waste and the ongoing reduction of chemicals.

As part of ongoing assessment Bakkavor will audit the supplier against the agreed programmes and as such the supplier will have a nominated representative for environmental improvements.

Quality and specification

All goods and services should be delivered in line with contractual agreement, without fault and of the agreed design, specification of use, quality, material, and workmanship.

Any services supplied should be provided by the appropriately qualified colleague in line with agreed expectations.

Auditing

Suppliers must be able to demonstrate compliance with this Supplier Code of Conduct. This includes documented evidence and the right for Bakkavor or a
designated firm to audit the supplier. In the event that we become aware of any actions or conditions not in compliance with the Supplier Code of Conduct, we reserve the right to request corrective actions. Bakkavor reserves the right to terminate an agreement with any supplier that does not comply with the Code of Conduct.

**Continuous improvement**

The supplier will demonstrate and communicate a rolling programme of initiatives that are shared with Bakkavor across all agreed areas of the Supplier Code of Conduct.

Suppliers should seek to support and contribute to the social and economic wellbeing of the communities they work in.

**Supply security**

Suppliers will have good security practices across their supply chains. Suppliers will maintain processes and standards that are designed to assure the integrity of each shipment to Bakkavor from its origin through to its destination and all points in between.

Suppliers are expected to implement the necessary and appropriate measures in their area of responsibility to ensure that Bakkavor products, their workable components or raw materials as well as the corresponding know-how do not end up in the hands of counterfeiters or third parties and do not leave the legal supply chain. Any compromise of information, whether malicious or not, increasingly poses a serious threat to the economic wellbeing of Bakkavor, our customers and suppliers.

**IT security**

Our network, drives and IT equipment are key to our business running smoothly and we do all that we can to keep them safe and secure in accordance with industry best practice. We expect all suppliers to maintain their IT network in the same way. From time to time we may ask you to complete a security assurance questionnaire.

**Transparency and traceability**

All food raw materials and packaging supplied to Bakkavor will have a jointly approved specification uploaded to the agreed Bakkavor specification management system, prior to commencement of supply.

All non-food (excluding packaging) and services supplied will have a jointly approved specification and statement of works prior to supply.

The supplier is obliged to maintain an effective traceability system, back to source and Bakkavor will have visibility of this information as and when required.

As per UK government guidance, it will be a requirement of Bakkavor that the supplier shall comply with its obligations under applicable UK sanctions. The UK government’s sanction list and associated guidance can be found at www.gov.uk.

The supplier will not part-take in any activity impacting the integrity of the material supplied. It is the responsibility of the supplier to assess the supply chain for risk of adulteration and substitution.

**Land Rights**

Suppliers shall respect the rights to land tenure of local communities and indigenous peoples impacted by its operations, including its raw material sourcing, and will adhere to the principle of free, prior and informed consent.
Where lawful to do so, suppliers are required to immediately report any suspected or actual security incidents to Bakkavor.

**Media contact**

As a publicly listed company, no engagement with the media about Bakkavor or its activities should be undertaken unless agreed in advance. You must always ensure that any broad communication about Bakkavor, our customers, or our work together, including but not limited to: marketing materials, press releases, social media posts or media interviews, is formally approved by us prior to publication.

**Policy governance**

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<td>001</td>
<td></td>
<td>Legal</td>
<td>September 2020</td>
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<tr>
<td>002</td>
<td>Obligation to comply with sanctions updated</td>
<td>Legal</td>
<td>March 2022</td>
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