

AB World Foods
Responsible Sourcing Policy

- Effective Date: - Dec 2023
- Review Date: - Dec 2024
- Scope: - AB World Foods (All Hubs)
- Associated Documents / Policies: - Environment Policy; Escalation Remediation Policy
- Owner: - Supply Chain Director

Statement from MD

AB World Foods is proud of its long heritage inspiring people to engage with the incredible culinary flavours of the world. We take seriously our responsibility to act as a good employer, as well as a good corporate citizen. As well as ensuring we manage our own facilities with care for the people we employ and the environment in which we operate, we also work closely with a trusted network of global suppliers who grow and process the wide range of spices, herbs and other key ingredients that we need to make our products, as well as the materials required to package and distribute them globally.

The following Policy sets out our approach to responsible business practice, with a specific focus on monitoring and managing social and environmental risk within our supply chain operations. It is not a definitive list of all the work that we do, but clearly outlines the major commitments that we have made, as well as the processes through which we are working to deliver these in practice, often in collaboration with other supply chain actors and civil society organisations. This Policy is reviewed annually by the Board of AB World Foods and we welcome feedback from any interested parties for us to consider as we further refine our management approach over time.

Principal areas of focus

As a consequence of our risk assessment, we have identified the following principal areas of focus in the context of this Policy.

We are committed to responsible sourcing of our key commodities, and Schedule 1 below outlines areas of risk in this context and where we are working proactively with the aim of driving positive change.

Human Rights

AB World Foods recognises its responsibility to respect the human rights of those who work in our supply chain. Issues negatively affecting their rights and working conditions are of serious concern to us. For the purposes of this Policy we refer to the [ABF Group Code of Conduct](#) as the scope of reference to define those rights in focus. This Code is based on the [UN’s International Labour Organization’s Core Conventions](#) and its [Declaration on Fundamental Principles and Rights at Work](#).

To guide implementation, we refer to the [OECD’s Due Diligence Guidelines](#). We are an active member of [Sedex](#) and expect all suppliers within the scope of this Policy to provide relevant information through this platform. We identify potential areas of risk in our supply chain using the risk assessment

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tools on the Sedex platform, alongside other sources of information to prioritise areas of focus. Should we find evidence of non-conformance to this Policy, we will act to require our suppliers to address this and use any leverage we can bring to bear to prevent or mitigate the harm, providing remedy where possible.

Deforestation and biodiversity

AB World Foods recognises that deforestation and the loss of High Conservation Value Areas (HCVAs) presents real challenges both now and in the future. We also recognise the damaging impact of biodiversity loss. AB World Foods understands that meaningful change in the way that organisations source raw materials is required to tackle these issues. To that end, AB World Foods supports the principles of the New York Declaration on Forests and of Sustainable Development Goal (SDG) 15 (Life on Land) and have committed to the Science Based Target Initiative (SBTi), which includes Forestry Land & Agriculture (FLAG) targets, and therefore commit to no deforestation across our primary deforestation linked commodities with a target date of no later than December 2025.

Animal Welfare

AB World Foods produces & buys foods primarily derived from ingredients of plant origin, with the exception of a small quantity of dairy products, eggs and seafood. We believe in the importance of high animal health and welfare standards within agricultural systems. Our approach to animal health and welfare is governed at a minimum by [ABF's Animal Welfare Policy](#) and as set-out in that policy, our sourcing of ingredients derived from animals is guided by the internationally recognised [Five Freedoms](#), i.e., freedom from hunger, thirst and malnutrition, physical and thermal discomfort, pain, injury and disease, fear and distress, and freedom to express normal patterns of behaviour.

Policy Scope and Implementation

AB World Foods aims to work collaboratively with suppliers to assess and manage risk in the context of this Policy. Our business prioritises supply chain intervention based upon a combination of factors, as outlined below:

1. The scope of this Policy includes our principal raw material, packaging finished goods suppliers, and services suppliers (including security, cleaning workwear, temporary labour and logistics providers).
2. All in-scope supplier sites agree to provide relevant data about their operations, including through Sedex. This data, together with any associated ethical audit reports, allows us to take a risk-based approach to the identification and management of issues.
3. For the purposes of assessing salient ethical risk associated with in-scope suppliers, AB World Foods undertakes monthly reviews of those suppliers using appropriate independent risk assessment tools on the Sedex platform, which combine inherent country and sector risks together with supplier specific information to highlight potential issues.

As a result of our risk analysis, suppliers may be designated as being 'High Risk' and will be prioritised for enhanced assessment and review, through a combination of more frequent ethical audits and additional supply chain monitoring.

In addition, AB World Foods assesses structural commodity risks, for example those related to human rights, deforestation or agricultural practice, on the basis of a combination of information in the public domain and information received from stakeholder engagement, reports from governmental and civil society organisations, as well as other forms of business intelligence. Commodities that are deemed

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to present a significant risk in the context of this Policy will be documented in Schedule 1 of this Policy as areas of focus and subject to annual review. Schedule 1 also documents where we are sourcing more sustainable alternatives.

Grievance Mechanisms and Remediation

We encourage our own employees to report any breaches of human rights via our [internal Speak-Up procedure](#).

Workers in our supply chain are encouraged to report any grievances via available grievance mechanisms.

An important aspect of responsible supply chain management is that workers whose rights have been negatively impacted should have access to an effective remedy. If AB World Foods identifies any breaches of the core principles of this Policy, we will investigate and on a case-by-case basis seek to use what leverage we may have over our supply chain partners to provide remedy where possible.

Policy Governance

This Policy must be formally approved by the Managing Director of AB World Foods.

Our Finance Director is accountable to the Board of Directors for ensuring business compliance with this policy.

An annual review of the content and implementation of this Policy shall be undertaken and presented to the Board, including:

- Any relevant learnings from our ongoing assessment and monitoring
- An assessment of management data relating to all active suppliers
- An assessment of any new information (such as information from third party organisations) pertaining to potential risks within the supply chain
- Recommendations on additional areas of focus



Andy Mayhew
Managing Director
Date: 15.12.23



Adrian Kee
Finance Director
Date: 8.12.23

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Schedule 1

Our current areas of focus include:

- 1. Palm oil.** We will source 100% of palm oil used as a manufacturing ingredient sustainably and responsibly from certified RSPO segregated third-parties no later than December 2025. The segregation supply chain model (SG) assures that RSPO certified palm oil products delivered to the end user comes only from RSPO certified sources. ABWF's two manufacturing sites are both RSPO Supply Chain Certified.
- 2. Soya.** We will source 100% of soy used as a manufacturing ingredient sustainably and responsibly from certified sustainable soy standards no later than December 2025.
- 3. Paper & Board.** This will be sourced from suppliers that meet the requirements provided by the Forestry Stewardship Council (FSC), and where this is not available, the Programme for the Endorsement of Forest Certification (PEFC). We will ensure that 100% of our virgin Paper & Board is either FSC certified or from other certified sustainable practices no later than December 2025. For FSC products, we are working with our packaging suppliers to ensure that recycled content is included in the paper and board we buy wherever possible. All virgin paper and board materials will be sourced from sustainably managed temperate forests, with chain of custody proof provided by the supplier.
- 4. Eggs.** We have achieved our commitment to sourcing 100% Cage Free Eggs by 2025.
- 5. Vine fruit and hazelnuts.** Our business is a long-standing supporter of the Fair Labour Association 'Harvesting the Future' programme, alongside our supply chain partners, to address these risks.