

Freshways Group Supplier Code of Conduct

1. Introduction

The Freshways group of companies (“**Freshways**”) is family owned and since our establishment more than 30 years has grown to be the UK’s largest independent dairy company.

We take our responsibilities to stakeholders very seriously and strive to ensure we meet all our legal and regulatory, ethical, environmental, social, and health and safety obligations.

We can only achieve this with the co-operation of our partners in our supply chain, to which we hold to the same standards as ourselves and have created this Supplier Code of Conduct for this purpose.

It applies to all suppliers of Freshways, whether suppliers of dairy products or services, co-packers, contractors, agents, or any external party doing business with us (“**Suppliers**”).

By becoming a supplier of Freshways, you are stating that you meet or exceed our standards and that you and your own suppliers (throughout the whole supply chain) will comply with our Supplier Code of Conduct or an acceptable equivalent.

We may revise and amend our Supplier Code of Conduct from time to time. Any updates and changes will apply once communicated to you.

2. Our Way of Working

(a) Legal Compliance

Suppliers shall comply with all applicable and relevant laws and regulations that govern their business operations and activities and shall have clear and effective guidelines and policies in place for their staff setting out business integrity expectations. Suppliers shall also comply with all of our policies, codes of practice and standards as applicable to them.

Suppliers shall have adequate procedures in place to ensure that all confidential information of Freshways, whether business or people related, is kept confidential and secure with limited access rights on a need-to-know basis and all applicable data privacy laws, in particular the Data Protection Act 2018.

(b) Human Rights, Ethical and Social Standards and Respect for Individuals

Suppliers shall comply with all applicable human rights laws and regulations and, in particular:

- Treat all workers with respect and dignity and not permit harassment or labour practices which involve the harsh or inhumane treatment of workers.
- Not employ child workers¹ for any services or products in any country and have a documented policy to prevent it.
- Support equal opportunities and not allow discrimination, including in hiring practices.

¹ By this we mean workers who are below the minimum age in the country in which they are working

- Provide all locally required workers' benefits and written, understandable labour conditions, including the higher of minimum or living wages, overtime, and paid leave, to all workers.
- With respect to union rights, uphold applicable local social and collective action rights of workers, ensuring there is a process to raise and remediate grievances.
- Take all possible steps to prevent any instances of modern slavery and human trafficking, including indentured and bonded labour², and exploitation.
- Suppliers shall ensure that their staff can raise grievances and concerns without fear of retaliation.

(c) Health and Safety

Suppliers shall comply with all applicable and relevant health, safety and product quality laws, regulations, and standards, and in particular:

- Provide safe and healthy working conditions for their employees, and safe and healthy living quarters adjacent to factory premises when required by local law.
- Designate the responsibility for health and safety to senior management.
- Have a health and safety policy freely available to all employees to access at any time.
- Demonstrate compliance with the policy and continuously strive to minimise accidents and risks, including regular awareness and training sessions for all employees.

(e) Fair Business Practices

Suppliers shall comply with all applicable anti-bribery, anti-corruption and competition laws, regulations and standards, and in particular:

- Shall not be involved in any form of bribery or corruption, shall not make facilitation payments and shall not give or accept improper gifts and hospitality.
- Operate in accordance with the principles of free enterprise and fair market competition.
- Have in place adequate policies, procedures, and practices to ensure compliance with these obligations.

Additional requirements for suppliers of food ingredients, finished food goods, primary or secondary packaging, transport, storage, and distribution services:

(f) Food Safety and Quality

Suppliers of raw materials, finished food and drink goods, primary or secondary packaging, transport, storage and distribution services shall:

- Comply with applicable food safety law (Food Safety Act 1990 and 178/2002/EU and applicable assimilation EU legislation).

² For definitions of modern slavery, human trafficking, forced labour, and other references, we refer to the UK Modern Slavery Act 2015

- Comply with nutrition data requirements codes of practice for raw materials and finished products.
- Comply with a Global Food Safety Initiative (GFSI) standard with a minimum of BRC Grade B or IFS Foundation.
- Ensure that processes are fully risk assessed and any changes to or concerns about the safety or legality of a supplied material is communicated to and agreed by Freshways prior to transportation.
- Communicate all risks associated with a supplied material at the point of purchase and in technical specifications. This is not limited to allergen presence or unintentional presence but includes foreign body risk, chemical risks, and other associated safety risks.
- Have a food safety system which is based on HACCP principles as provided for under GFSI standards.

(g) Sustainability and the Environment

Freshways takes its responsibility for protecting the environment seriously and is committed to reducing its own environmental impact. Suppliers shall operate with care for the environment and comply with all applicable laws and regulations intended to protect the environment.

Suppliers shall take all reasonable measures and commit to proactively cooperating with Freshways to reduce Freshways' environmental impact through taking all reasonable steps to reduce the environmental impact of the Supplier's own manufacturing process, products and/or services and shall strive to reduce or optimise their use of energy and the generation of air emissions, wastewater, and solid waste and act towards more sustainable practices. Freshways requires all of its Suppliers to demonstrate evidence when asked of their commitment to environmental protection and best practice.

(h) Animal Protection

To ensure Freshways meets its commitment to improve animal welfare in its own brand supply chain, Suppliers must ensure all animal products they supply are derived from materials sourced from farms with good animal welfare practices and that Suppliers and their producers comply with applicable laws and regulations and work on improving the animal welfare and protection.

(i) Supply Chain Responsibility, Transparency and Traceability

Suppliers shall map out their supply chain and be able to provide full details including name and description of the party, location and country of origin/manufacture of the product for both their supplier and their Tier 1 & Tier 2 supplier's supplier(s) (if any) to ensure full traceability and that this material is available for inspection at any time.

3. Monitoring, Engagement, and Improvement

Freshways will ensure ongoing compliance with, and improvement of this Supplier Code of Conduct as follows:

- Suppliers shall aspire towards a culture of continuous improvement.

- Suppliers are required to adhere to Freshways' minimum standards for ethical, environmental, and sustainability practice. We will assess supplier compliance through an annual ESG survey and may make additional specific requests for information.
- Freshways reserves the right to carry out unannounced assessments of any Supplier, including the right to conduct an independent against the Ethical Trading Initiative Base Code or appropriate other standard.
- If a Supplier is identified as a high risk or strategic supplier to Freshways, the Supplier will be required to undertake an Ethical Trading Audit against either GFSI or another appropriate standard.
- The audit report, corrective action plan and any non-compliances shall be notified to Freshways and any non-compliances identified will need to be closed and verified by a further audit within the given timescales.

4. Consequences of Non-Compliance

Freshways will work with its Suppliers to help them comply with this Supplier Code of Conduct and related policies recognising that withdrawal of Freshways' business may cause hardship and loss of employment.

Without prejudice to its contractual rights, Freshways reserves the right to delist Suppliers and cease buying products or services from Suppliers in case of material or repeat non-compliance with this Supplier Code of Conduct and related policies. Suppliers failing to meet our minimum standards may also be subject to improvement plans deemed acceptable to Freshways, all costs for which will be borne by the Suppliers.

Suppliers shall have suitable procedures and processes in place ensuring that any non-compliance with this Supplier Code of Conduct is discovered and that Freshways is notified of any non-compliance without delay. Suppliers shall pro-actively take corrective action as necessary.

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