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<b>Procurement Responsible Sourcing Policy</b>		

## Introduction

For British Sugar, respecting Environmental and Human Rights includes all our operations, supply chains and communities.

As a business of Associated British Foods plc (ABF), we are committed to enact the United Nations (UN) Guiding Principles on Business and Human Rights, and in doing so, we are guided in particular by the OECD Guidelines for Multinational Enterprises, the Universal Declaration of Human Rights, and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Building upon our ongoing work on Modern Slavery and Grievance Remediation Mechanisms<sup>1</sup>, this policy further outlines how we engage supply chain due diligence and manage environmental, social and governance (ESG) risks in our British Sugar operations and amongst our suppliers.

## Goal of this policy

To support the company's priorities and sustainability pillars particularly on:

- Decarbonization
- Sustainable Agriculture
- Respect for Human Rights

## Our Responsible Sourcing Principles and Scope

While our Responsible Sourcing policy aligns with the principles of Associated British Food plc (ABF) outlined in their Supplier Code of Conduct<sup>2</sup>, as well as with ABF Sugar's Global Human Rights Policy, it puts the challenges and risks in a British Sugar context.

In addition, this policy also aligns with our own policies on Environment, Safety and Health; Payment and Energy<sup>3</sup>.

As an international business with suppliers and representatives across the globe, we accept that we have a duty to trade responsibly. We therefore want to ensure that those people with whom we deal and in particular our suppliers and our representatives live up to our values and standards and share that responsibility.

Accordingly, suppliers and representatives should comply with and seek to develop relationships with their own supply chains consistent with the principles set out below and should be compliant with all local laws and the following principles as a minimum:

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. Land Acquisition – we adhere to the principle of free, prior, and informed consent of all communities when acquiring land
6. Living wages are paid - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards
7. Working hours are not excessive
8. No discrimination is practiced
9. Regular employment is provided - To every extent possible work performed must be on the basis of a recognized employment relationship established through national law and practice

<sup>1</sup> [ABF Sugar | World leading sugar business | Modern Slavery - A Global Commitment To Human Rights](#)

<sup>2</sup> [ABF-Supplier-Code-of-Conduct-Policy.pdf](#)

<sup>3</sup> [British Sugar's policy documents | Our policies](#)

10. No harsh or inhumane treatment is allowed
11. compliance with immigration laws – ensure only workers with a legal right to work shall be employed
12. confidentiality of information must be respected and never used for illegal purposes or personal gain
13. no bribery or corruption will be tolerated
14. responsible stewardship of our environment
15. Audit and termination – British Sugar reserves the right to verify compliance of supplier and their representatives and expects improvements and remediation when applicable.

### **Governance:**

This policy is overseen by the Board of Directors, with the role of the Head of Procurement to manage adherence to the policy and to develop all needed due diligence and practices. The Head of Procurement provides regular updates on risks, performance, and achievements to the Board of Directors.

Guided by the Head of Procurement, British Sugar procurement team will support the development of responsible sourcing practices, governance, and due diligence for our business sourcing and the teams that engage with our supply chain partners such as growers and traders.

To ensure alignment with the global Human Rights policy of ABF Sugar, British Sugar coordinates with and amongst ABF Sugar businesses on the overall implementation of this and other Human Rights and Environmental policies.

### **Our Approach – Responsible Supply Chain Due Diligence Process<sup>4</sup>**

As set out in the [UN Guiding Principles](#), Due Diligence (DD) is a process for identifying, preventing, mitigating, and accounting for impacts. This includes both actual impacts occurring in the present and potential impacts that could occur in the future.

As part of the responsible supply chain due diligence process, the Head of Procurement and the British Sugar procurement team will:

- Promote this policy to all our business departments and suppliers.
- Carry out responsible sourcing assessments of key suppliers.
- Develop a plan to ensure responsible sourcing is appropriately featured, evaluated, and monitored.
- Ensure suppliers comply with all relevant local and international legal and legislative requirements.
- Provide support and advice on sustainability questions, challenges, and opportunities to key suppliers and high-risk suppliers.
- Support and guide suppliers in the development and implementation of their own ESG commitments,
- Monitor our suppliers with regard to their sustainability policies and practices and demand remediation and improvements when needed.
- Undertake ongoing supplier engagement through contract reviews, providing services and support where appropriate or necessary.
- Develop stakeholder relations that strengthen our responsible sourcing practices.

### **Focus areas and Next steps.**

Guided by our Due Diligence risk and opportunities matrix, British Sugar areas of focus for responsible procurement for the upcoming period are on:

- Sugar beet from UK farmers
- Sugar whites from international suppliers
- Energy
- Packaging
- Food Ingredients and Beet Process Chemicals

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<sup>4</sup> Based on Business and Human Rights: [Human Rights Due Diligence & Impact Assessment - Business & Human Rights Resource Centre \(business-humanrights.org\)](#) as well as ETI Human Rights Due Diligence Framework: [eti human rights due diligence framework.pdf \(ethicaltrade.org\)](#)