Responsible Sourcing Policy

Executive sponsor	CHIEF COMMERCIAL OFFICER	Lead	RESPONSIBLE SOURCING LEAD
Owner	HEAD OF SUSTAINABILITY	Effective date	17/12/2024
Next review due	DECEMBER 2025	Version	1.0

Making every day taste better

Greencore Group plc

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Introduction

Purpose

This Responsible Sourcing Policy (henceforth the "Policy") sets out how Greencore approaches responsible sourcing across our entire supply chain. It communicates our high-level expectations for all stakeholders in Greencore's value chain, both directly and indirectly involved in the sourcing, production, and distribution of our products.

It serves as a strategic guide for our sourcing practices, outlining the principles, priorities, and commitments that underpin our approach to 'Sourcing with Integrity' – one of three strategic pillars within our *Better Future Plan*. Our suppliers are required to align with this approach by adopting the ethical and environmental standards outlined in our *Supplier Code of Conduct*.

Scope

This document is applicable to the following supplier groups:

- Tier 1 Ingredient and Packaging Suppliers.
- Third-Party Service Providers hired to provide onsite people and food services to Greencore.

Suppliers are an extension of our core business and collaborating with them to embed sustainability across all tiers of the supply chain is a key part of our responsible sourcing agenda. By building partnerships based on the principles below, we aim to enhance resilience, build trust with key stakeholders, and ultimately strengthen our supply chain.

Our *Supplier Code of Conduct* outlines the Ethical and Environmental Standards and Requirements we expect our suppliers to strive to meet to conduct business with Greencore.

This document should be read in conjunction with the following Greencore documents:

- **Supplier Code of Conduct**
- **Human Rights Policy**

Policy Statement

This Policy serves as a cornerstone of the 'Sourcing with Integrity' pillar within Greencore's Better Future Plan, a transformational programme to drive our approach to sustainability.

This pillar underpins our commitment to continuously improve how we source goods and services, ensuring that our practices are ethical, environmentally sustainable, and socially responsible. Our aspiration is to operate within a global supply chain built on ethical conduct, respect for the environment, and the protection of worker rights. This commitment is guided by widely adopted industry standards, the policies and expectations of our major strategic customers – applicable to all own label products – and Greencore's own sourcing priorities.

We have established a separate *Human Rights Policy*, which outlines our overarching commitment to respecting and promoting human rights across both our direct operations and our global supply chain.

Policy Requirements

The way we source our ingredients is critical to the success of both our Better Future Plan and to achieving a fair, sustainable food system that benefits both people and the planet. By understanding the complexities and impacts of our supply chain, we are better positioned to reduce the environmental footprint of our products and uphold the human rights of everyone involved.

Maintaining and upholding our standards requires thoughtful and effective engagement with suppliers. By fostering dialogue, addressing challenges, and working collaboratively, we strive for continuous improvement and the evolution of our responsible sourcing practices.

By partnering with Greencore, our suppliers commit to aligning with our key policy positions outlined below. The specific actions required to demonstrate this commitment are detailed in Greencore's *Supplier Code of Conduct*.

In this section, we outline the role of each policy position in fulfilling our commitment to Sourcing with Integrity, and specify the corresponding key performance indicators (KPIs) and metrics we have established to measure success and track progress, defined as follows:

- **KPI**: A data point that we track and actively work to improve, with a stated deadline for achieving progress.
- **Metric**: A data point that is consistently monitored, but without a defined improvement target or deadline.

Forests

Food and agriculture are among the largest drivers of climate change, accounting for approximately one third of all global emissions[1], and deforestation and land-use change contribute significantly to this. Of the commodities most associated with deforestation and conversion, palm, soy, cocoa and timber are relevant to Greencore.

Forest replacement by oil palm is most prevalent in Indonesia and Malaysia, while high-risk sourcing areas for soy include Argentina, Bolivia and Brazil's Amazon Rainforest. Indonesia, Côte d'Ivoire and Brazil are replacing the most forest area with cocoa farms and high rates of illegal logging continue today in most timber-producing countries in the tropics and parts of Eastern Europe.

Palm

Palm oil primarily features in Greencore's sandwich and quiche categories as a baking ingredient. We have transitioned the vast majority (between 98-100%) of palm in our supply chain to Roundtable on Sustainable Palm Oil ('RSPO') certified physically segregated sources. On the rare occasion the chain of custody does break, Greencore buys credits to cover the amount. We will continue to source 100% RSPO segregated palm oil in our products and partner with suppliers to deliver positive change.

> **KPI**: We source 100% RSPO segregated palm oil as an embedded ingredient.

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[1] Crippa, M., Solazzo, E., Guizzardi, D. *et al.* Food systems are responsible for a third of global anthropogenic GHG emissions. *Nat Food* **2**, 198–209 (2021).

Soy

While we purchase a very small amount of soy directly, it is 'embedded' in other ingredients such as the animal protein we source in high volumes across our two largest product portfolios, sandwiches and ready meals.

As signatories of the UK Soy Manifesto ('UKSM') we are working hard to achieve 100% verified physically segregated, deforestation and conversion-free soy in our supply chain by the end of 2025. Greencore is aware of the significant challenges in delivering UKSM compliant soy, and we recognise that achieving our 100% vDCF goal by the end of 2025 is currently at risk. However, we remain actively engaged in industry discussions, will work closely with key suppliers, continue using our influence wherever possible and support the development of new and affordable certifications that suppliers can buy vDCF soy against.

> **KPI:** We are working to achieve 100% verified deforestation and conversion free (vDCF) soy by the end of 2025 (with a January 2020 cut-off).

Cocoa

We source and handle a very small amount of cocoa – as a raw or compound ingredient - all of which is certified (mass balance) by the Rainforest Alliance. This means the farms, forest communities, and businesses that grow and process the cocoa in our supply chain are audited against environmental, economic, and social well-being standards which include better working conditions, farming practices and the protection of forests at the ingredient source.

> **Metric**: We track the amount of Rainforest Alliance certified cocoa in our supply chain and are currently at 100%.

If our purchasing volumes of this commodity grow, we may look to scope and set a KPI in this space.

Timber

Timber features in our board-based packaging, such as the skillet boxes used to package sandwiches. The Forest Stewardship Council ('FSC') and the Programme for the Endorsement of Forest Certification ('PEFC') both promote sustainable forest management through certification schemes that prove wood is from a responsibly managed source.

> **Metric**: We track the amount of paper/wood products purchased which are certified to FSC, PEFC or from a recycled source and are currently at 99.9%

The remaining uncertified amount is from the same suppliers as the certified board and likely from similarly managed sources. We are exploring the feasibility of – and value in - proving this claim through certification. If achievable and something our customers are aligned with, we may look to set a KPI in this space.

Sustainability

Fisheries

Global production of fish and seafood has quadrupled over the past 50 years[2] as both the population – and consumption of fish – has dramatically risen. With this, we have seen the industry intensify and practices become more polluting and destructive to marine ecosystems. Wild-catch fishing practices are closely tied to overfishing, bycatch of other large marine mammals and habitat degradation or destruction. Aquaculture, though beneficial in reducing pressure on wild fish-stocks, is linked to the spread of disease, high footprint feed and pollution.

Wild-Caught Prawns

Wild-caught cold-water prawns primarily feature in our sandwich and salad categories. To address the concerns outlined above, all our cold-water prawns are Marine Stewardship Council (MSC) certified. The MSC has worked with and certified fisheries who can demonstrate they do not cause serious or irreversible damage to seabed habitats and biodiversity. This can include seabed surveys and mapping to identify and avoid sensitive habitats and measures to minimise impacts on endangered, protected and out-of-scope species.

Wild-Caught Tuna

Wild-caught tuna features in our sandwich and ready meal categories. Certifications like the Marine Stewardship Council's ('MSC') are a good way to reduce supply chain impacts, ensuring the entire fishery is managed sustainably and that there are tighter controls in the chain of custody. Programmes like Fishery Improvement Projects ('FIPs') are a good intermediary for fisheries looking to work towards MSC certification.

> **Metric**: We track the amount of our wild-caught seafood from fisheries certified to Marine Stewardship Council (MSC) or Fishery Improvement Project (FIP) standards and are currently at <u>83%</u>.

We are scoping the feasibility of further increasing the amount of certified tuna in our supply chain. If achievable and we have customer alignment, we may look to set a KPI in future. For now, any uncertified amount is caught using a Pole and Line fishing method to reduce by-catch and habitat destruction.

Farmed Prawns

Warm-water prawns feature most prominently in our ready meal and sandwich categories, and to ensure best practice in our supply chain, all our warm-water prawns are certified B.A.P. 4* (Best Aquaculture Practices).

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[2] Ritchie, H and Roser, M (2024). Fish and Overfishing. Available at: <u>Fish and Overfishing - Our World in Data</u> (Accessed 06/12/2024)

Farmed Salmon

With the main UK population of Atlantic salmon being on the IUCN's red list of threatened species, all Greencore's salmon – most prominent in sandwich, sushi and salad categories – is from farmed sources in Scotland or Norway and is Global G.A.P. certified.

> **KPI**: 100% of our farmed seafood is from fisheries certified to Aquaculture Stewardship Council (ASC), Best Aquaculture Practices (BAP) 4* or GlobalGAP standard.

Fields

The intensification and chemicalisation of farming methods has significantly increased the amount farmers can grow per hectare, but has also heavily degraded our soils, polluted our waterways and broadly wreaked havoc on nature. It is also a major source of global water consumption and is a prominent contributor to global greenhouse gas emissions. With most of Greencore's ingredients originating from land-based agricultural systems, this is a developing area of focus for us.

Farming – Fresh

On farm, we encourage practices that work better with nature. The reduction of pesticide and fertiliser use via methods such as soil monitoring and integrated pest management are essential in restoring the natural capacity of the soil and in protecting the waterways these synthetic inputs leach into.

> **Metric:** We track the amount of fresh whole produce raw materials that are Red Tractor (UK) or GlobalGAP (RoW) certified and are currently at <u>100%.</u>

We are scoping other potential certifications to source against, as well as the inclusion of further fresh categories, for example fruit. If feasible, we may look to set a KPI in this space in future.

Animal Welfare

As a large purchaser of animal protein in the UK and globally, Greencore recognises the importance of working to uphold high animal welfare standards and are actively working to improve industry standards in the space. Our overarching goal is the avoidance of suffering and, more specifically, we support the 'five freedoms' as defined by the Farm Animal Welfare Council ('FAWC')
Freedom from hunger and thirst

- Freedom from discomfort
- Freedom from pain, injury or disease
- Freedom to express normal behaviour
- Freedom from fear and distress

Our current key focus in relation to this topic is the achievement of cage-free eggs across our supply chain by 2025.

> **KPI**: We are working towards 100% cage-free eggs by <u>2025</u>.

We are at 65% cage-free and are ready to transition the remaining volume if and when customers confirm their alignment with the change. Along with our customers, we are also exploring lower stocking density fresh chicken (30kg/m2 or less). We will align to customer requirements and may look to set our own metric or KPI here in future.

Water

Water stress affects our manufacturing operations directly, as well as the communities and ecosystems from which our ingredients are sourced.

We are signatories of the Courtauld 2030 Water Roadmap, and as such, Greencore are committed to improving the quality and availability of water at catchment scale in the most important product & ingredient sourcing areas in the UK and overseas. To enable our support in this space, we are first working to develop a better understanding of Greencore's water footprint and therefore where project work is most appropriate and impactful. We currently have limited visibility of our water impact in the supply chain and hence this is an increasing area of focus for Greencore.

Scope 3 Carbon

By early 2025, we intend to have received approval of our updated SBTi targets for our Scope 3 emissions, which will include two reduction targets for our Forest, Land, and Agriculture ('FLAG') and Energy & Industry related emissions. Our Scope 3 emissions make up the majority of our carbon footprint, so sourcing 'better' for us increasingly means preferentially working with suppliers who measure their carbon footprint, set SBTi verified targets and are actively working towards these to limit their environmental impact.

> **KPI:** We are working towards a 33.3% reduction in our FLAG, and a 46.2% reduction in our energy and industry, related Scope 3 emissions by 2030.

Roles and Responsibilities

Role	Responsibility
Chief Operations Officer (COO)	Overall executive sponsor of our Better Future Plan.
Chief Commercial Officer (CCO)	Executive sponsor and accountable for the 'Sourcing with Integrity' pillar, encompassing our plans for responsible sourcing and ensuring human rights are upheld throughout the global supply chain.
Chief People Officer (CPO)	Executive sponsor and accountable for the 'People at the Core' pillar, focusing on our plan to uphold human rights within our direct operations.
Sustainable Business Management Group (SBMG) for Responsible Sourcing	A cross-functional forum attended by the accountable executive to oversee Plan roadmap, manage risks, monitor issues, and update our leaders on external developments.
Head of Sustainability	Overall responsibility for the Better Future Plan.
Head of Human Rights	Responsible for human rights leadership in the business.

Policy Governance

Accountability and Implementation - Our Better Future Plan is underpinned by strong programme governance which is consistent across all ten topics. More information on our approach to governance and accountability can be found in our latest Sustainability Report, available on our website within our Sustainability Hub

Policy Ownership - The owner of this Policy is the Responsible Sourcing Lead within our Sustainability Team, who is responsible for its effective implementation, maintenance, and oversight. This role is supported by the designated Sustainable Business Management Group (SBMG) covering responsible sourcing, providing valuable input and guidance. Together, we work to ensure the Policy remains relevant and effective.

Internal Communication and Training - The Policy will be communicated to all relevant functions within Greencore via email and in-person meetings. Training sessions will be conducted for relevant teams upon Policy implementation and after each subsequent review thereafter.

Policy Monitoring - Implementation of this Policy will be continuously monitored through data collection and stakeholder feedback by the Sustainability Team. Key metrics will be tracked, results will be communicated to senior leadership and relevant stakeholders, and any issues will be addressed promptly.

Policy Review - The Policy will be reviewed on an annual basis by the Sustainability Team and updated to reflect changes in regulations, industry standards, and organisational goals. As Greencore continues to mature its approach to sustainability in the coming years, our policy position will naturally evolve to ensure alignment with best practices and emerging trends. Greencore will formally notify suppliers of any changes or updates to our Policy requirements, ensuring they have sufficient time to prepare for implementation and ensure compliance.

Version Control

Version	Date	Comments
1.0	December 2024	Policy created

Supporting Information

Information Resource	Title	Owning Function	Link
Document	Human Rights Policy	Sustainability Team	Link
Document	Supplier Code of Conduct	Sustainability Team	Link