Cefetra

A BayWa Company

Cefetra Ltd – Slavery Statement 2021

Introduction:

Cefetra Ltd is a UK based company and part of the German BayWa Group. Cefetra supplies agricultural raw materials to the feed, food and fuel industries, through efficient supply chains across the globe. Cefetra works internationally with local suppliers in close, long-term relationships to secure our supply needs and provide an assured partner for our supply network.

Cefetra Ltd has a number of divisions within the group which consists of; Cefetra Grain, Shieldhall logistics Ltd, Sinclair Logistics Ltd, Burkes Agencies Ltd and Premium Crops Ltd. All companies are managed centrally and are subject to the same requirements detailed within this statement.

A policy is in place to select supply chain partners who together with the company, want to achieve a healthy balance between people, planet and profit. Cefetra aims to make sure that the raw materials are cultivated and processed under sustainable, ecologically sound and socially responsible conditions.

Cefetra Ltd is a member of Sedex, which is dedicated to driving improvements in ethical and responsible business practices in global supply chains and audited to the SMETA standard.

Cefetra Ltd. supplied a wide range of commodities including grains, oilseeds and oilcakes as well as other non-grain feed ingredients, delivering around 85,000 tons per week to our customers. Our products are used for animal feed and throughout the food and drink sector. We supply products to food producers in sectors including dairy, beef, lamb, poultry, pork, salmon, beer, bread, biscuits, breakfast cereals and pet food.

The company believes in 'continual professional development' and provides all staff with both in house and external training and educational programs. The number of staff employed within the Ltd group is 140+ people.

Ethical and sustainable:

The feed industry is inherently sustainable. A large proportion of the feed materials we use are co-products and by-products of the human food and drinks industry and from bio-fuel production. As co-products, the materials have a low environmental footprint and as they are not suitable for human consumption and do not remove food from the requirements of the growing world population.

There is a requirement to produce more food due to population growth, increases in wealth and urbanization. This has created an unprecedented increase in the demand for food which has to be achieved within the limits of the world's resources: supply of land, water, energy, labour and the potential impact on climate change. Additionally, this must all be undertaken in an ethical manner.

Cefetra Ltd - AIMS:

Cefetra is committed to upholding its due diligence obligations concerning human rights as laid out in the Modern Slavery Act in the UK. The entire Board of Management bears responsibility for dealing with risks from potential human rights violations

Cefetra aims to promote where possible the following Code of Conduct with its suppliers:

1. Suppliers must not use any form of forced, bonded or involuntary labour, and workers must not be obliged to lodge identity papers or pay any deposit as a condition of work. Workers will have the right to join or form trade unions and have the right to freedom of association.

2. Workers must not be subject to physical or verbal abuse or threats or intimidation of any description.

3. Workers must not be required to work extreme hours or work without adequate rest periods.

4. All Suppliers must develop or participate in policies and programs which provide for the transition of any child found to be performing child labour to enable them to attend and remain in quality education until no longer a child. Any young person under the age of 18 shall not be employed at night or in hazardous conditions. Recruitment of child labour shall cease.

5. Factories and work sites used by Suppliers must be safe and hygienic with an adequate number of safe and accessible fire exits from all buildings including living accommodation and workers must have access to drinking water.

6. Workers' life or limb must not be endangered due to the use of dangerous machinery, unsafe building structure or layout, or hazardous chemicals. Where serious or fatal accidents have occurred, suppliers must demonstrate to the Immediate satisfaction that all appropriate steps have been taken to prevent similar accidents occurring in the future.

7. Living accommodation, where provided, must be in buildings that are separate from other areas of the workplace and have an adequate fire alarm system.

8.Suppliers must pay wages sufficient to meet basic needs and to provide some discretionary income.

9. Suppliers must maintain proper and accurate employment records including calculation of pay and hours worked, and Suppliers must be transparent and cooperative as regards the inspection of employment records.

10. Suppliers must not engage in bribery, corruption or other similar unethical practices to gain competitive advantage.

Cefetra – A company with principles:

Meet our commitments:

The foundation of Cefetra's operational management is a strategic focus on risk management, Internationalisation, diversification, origination, logistics and distribution. The objective is to be reliable, solid partner for our customers (suppliers, buyers and service providers) with whom we work. Cefetra aims to promote these principles throughout the supply chain

Treat all with respect

Cefetra implements a robust health and safety policy and is ISO 45001 certified. Health and safety is implemented within the business to identify hazard and risks. With the implementation of risk assessments and training across the business we aim to mitigate any perils to the workforce as much as is practicable. Best practice is the main objective. All staff are treated with respect and dignity. Workers' rights are protected and policies on discrimination and harassment form part of the employee handbook which is issued to all staff. Cefetra recognize that the people that work within the group are its' greatest asset and will value them accordingly.

Be honest, ethical and work with integrity

Cefetra is committed to ensuring a high standard of ethical and environmental trade practices, including the provision of safe working conditions, the protection of workers' rights, promoting a work life balance and paying a fair wage.

Where necessary Cefetra will seek to improve ethical, environmental and sustainable practices within the company.

Cefetra do not to source products from conflict zones or areas which have poor human rights records. A list is maintained of high risk countries and suppliers and all new partner companies are screened via a third-party platform to ensure they do not have any dubious or dishonest business practices or unethical dealings.

The Bribery code of practice in is implemented across the business and all staff are trained on bribery and corruption issues. We expect all Suppliers to conduct their businesses in an ethical manner and must not seek to gain competitive advantage by means of unethical or dishonest practices including without limitation; bribery, corruption, kickbacks, the provision of gifts, favors or services.

Strong moral code

Cefetra is the link between the production of raw materials and the consumption of raw materials. As a result, the company plays a key role in the implementation of certified raw material flows. Cefetra has been a front runner on sustainability and has developed itself as the main supplier of responsible soya to the feed industry in many European countries.

In 2014 the demand for certified responsible soya increased significantly. The strongest growth in demand was seen in the United Kingdom. The increasing demand in Europe was both driven by initiatives of the feed industry and individual food companies. Cefetra was able to respond quickly to the increasing demand in terms of volume by offering its' customers a variety of certification standards, such CRS, RTRS and ProTerra; as well as different supply chain models. This flexibility proved to be valuable in order to meet the different requirements of the feed industry in Europe.

With respect to Cefetra's certification program in South-America, strong partnerships with the farmers have led to continuation of the co-operation on certification. Additionally, this has allowed new farmers to enter the certification program, which had previously been prohibitive due to entry costs. Cefetra has developed long term partnerships with farmers and crushers in South-America, in order to safeguard the availability of certified responsible soya in the nearby and long-term future, which is essential for meeting the goals of the feed industry. Another important aspect of the certification program is Cefetra certifies farmers in the same region where the soya beans and soya bean meal for the feed industry are sourced. This allowed the certification program to be extended to further countries. The trend of a growing demand is expected to continue in the future. The CRS standard will continue to be an important sustainability standard for the feed industry next to RTRS and Pro-Terra.

A website has been established to communicate this success and promote transparency www.certifiedsoya.nl

Build and maintain Trust

Cefetra purchases worldwide from carefully selected suppliers with whom the company has developed long-lasting relationships. By selecting chain partners who have similar objectives of achieving a healthy balance between people, planet, and profit.

The challenge of the feed industry today is to enable a cost-efficient livestock production whilst meeting social and ethical demands. Cefetra are aware that not all of the suppliers are able to achieve the full requirements of ethical and sustainable standards but will encourage and assist companies who are willing to implement appropriate and workable processes for raising standards.

CRS - Soya

In a response to rising concerns in 2008 Cefetra established the CRS standard (Cefetra Responsible soya). The CRS Standard is committed to contribute to a better understanding of best agricultural practices, with increased awareness of sustainability, improved labour conditions and positive environmental impact. The company seeks to work with chain partners who are willing to accept responsibility for creating a healthy balance between people, planet and profit, thus guaranteeing sustainable raw material flows by means of a clear standard.

The CRS Standard is based on a benchmark study conducted on existing standards related to responsible soy production such as RTRS and ISCC. Nevertheless, the CRS Standard is considered unique due to the following aspects:

- Transparency: The CRS Standard only contains major indicators, resulting in transparency towards producers;
- Inclusion: The CRS Standard provides an opportunity for large, medium, and small scale producers to obtain certification by means of adopting an entry level approach; CRS certification can be the first step towards RTRS certification, which makes the standard a progressive program.
- Periodicity: The CRS Standard requires that all certified producers must be audited on an annual basis.
- Principles: The CRS Standard covers the most important indicators to ensure ecologically sound and socially responsible soy.
- Continuous Improvement: The CRS Standard focuses on continuous improvement among producers.
- Detailed audit/compliance report: Producers certified against the CRS Standard receive a detailed report that allows them to track their developments to ensure continuous improvement, communicate their performance to clients, and obtain loans from investors by demonstrating independent acknowledgement of their good practices.
- Compliance with the law: Producers shall understand and comply with the applicable laws, regulations, and conventions
- Labour conditions: Producers shall take the responsibility to provide safe and fair labour conditions to all the workers involved in the production of soy.
- Social responsibility: responsible community relations
- Environment: Producers shall take measures to limit potential negative impacts on the land used for soy production and on the biodiversity in the direct surroundings of the production site.
- Good Agricultural Practices (GAP): Producers shall implement Good Agricultural Practices (GAP), which are "practices that address environmental, economic and social sustainability for on-farm processes, and result in safe and quality food and non-food agricultural products".

Cefetra - Slavery & Human Trafficking Statement:

The Modern Slavery Act entered into force in in the UK in July 2015 and under Section 54 requires Companies to provide a statement on the steps undertaken to ensure slavery and human trafficking is not taking place in the supply chain.

Cefetra Supply chains:

Cefetra sources and ships raw materials from all over the world into the UK and Ireland. Specifically, South America, USA, Canada, Central and Eastern Europe including Russia and Ukraine, Indonesia and Malaysia.

The products are sourced from various companies that are either GMP+ approved or approved under our FEMAS quality certification schemes.

The Grain origination undertaken within the UK is undertaken by a large team of grain buyers who build relationships with the growers. Local knowledge is key to working with local growers and ensuring that grain suppliers are from the assured quality scheme which includes RED assurance.

Policy in relation to slavery and Human Trafficking:

Cefetra ensures careful selection of all their suppliers and has built-up long-lasting relationships with these producers. We seek to work with chain partners in the majority, who are willing to accept responsibility for creating a balance between people, planet and profit thus guaranteeing sustainable, ethical raw material flows. Thereby Cefetra aims to ensure that raw materials are cultivated and processed under ecological, sound and socially responsible conditions.

Due diligence processes in relation to slavery and human trafficking:

The supply chain of raw materials can be complex, and the products can be sold on a number of times prior to Cefetra purchasing the product. Cefetra as a group joined Round Table for responsible Soya and Round Table for Responsible Palm oil. These organisations work with industries in country and in collaboration with the global supply chain to develop the markets and monitor and evaluate the economic, environmental and social impacts of the products.

Both these schemes have a requirement for responsible labour conditions which additionally require there is no forced, compulsory, bonded trafficked or otherwise involuntary labour used at any stage of the production.

Which parts of the business and supply chain is there a risk of slavery and human trafficking and how are we managing this risk?

Modern day slavery has been found to exist in 167 countries affecting over 45.8 million people around the world[1]. This includes the United Kingdom which is ranked 127th with an estimated enslavement of 11,700 people.

Of the countries we source from, the highest risk appears to be Russia, which seventh in the global slavery index of people living in modern slavery, with an estimated 0.7% enslaved people. Additionally, it is known that agricultural production has been identified as an area of concern in respect to modern slavery.

We recognise that the risk is higher in specific sourcing countries and endeavor to have suppliers complete a questionnaire recognising our ethical stance. Additionally, and as previously mentioned our suppliers are screened to obtain transparency in their ethical standards.

[1]Global slavery index 2016

There is a lower incidence of slavery & human trafficking seen in the remaining listed countries from which we source products, however they are known to have an incidence of modern slavery & human trafficking. Agricultural production sites are an area where this behavior is known to occur and therefore should be acknowledged as being a risk within our business.

In respect to the soya and PK production, Cefetra does visit the production areas and processing plants and as part of the sustainable program. Also, soya purchased under the Proterra program (non GM soya) are audited annually and social responsibility is a key principle of the audit. In respect to Pk, we are now certified to the Round Table for Sustainable Palm which encompasses social responsibility, labour conditions of the work force to ensure workers' rights are respected and forced and child labour is prohibited.

In respect to other products, at present there are no specific measures in place to manage the risk, except the long terms trading relations we have established. Not all products are purchased from long term partners and some products are purchased on string contracts and there is little or no visibility of the production sights.

How effective is the risk management and how can we measure slave labour or human trafficking are not occurring in our supply chains?

At this stage the only products we can be confident there are no issues with slavery or human trafficking are the production sites that we audit (CRS) or those which are audited by a 3rd party certification body (Proterra). For the rest of the supply chain it would not be possible to verify that there is no slave labour or human trafficking.

Cefetra promotes the responsibility for creating a balance between people, planet and profit thus guaranteeing sustainable, ethical raw material flows. We choose our supply partners carefully. It would not be feasible to audit all the production sites. Therefore, we will continue to work with other companies with the same moral and ethical beliefs. Additionally, we will work with platforms such as RTSPO and RTRS, producers, trade organisations, customers and non-government organisations to continue to develop sustainable and ethical criteria that can be applied to all production plants.

Staff involvement:

In order to promote the issues of slave labour and human trafficking to all Cefetra staff members, one member of staff has qualified as an Ethical auditor. Training and updates have been rolled out through the business to ensure that all staff are aware of the issues of modern day slavery and other ethical issues, which may affect the business.

The supply chain:

Shipping:

The maritime Labour convention came in to force 20 August 2013 and since then the International Transport Workers' Federation (ITF) has employed 130 inspectors worldwide to investigate issues reported on vessels including non-payment of wages, safety and safe working conditions on board vessels. In January 2018 alone, UK inspectors detained 10 vessels which failed port inspections.

Andrew Mackay
Managing Director