



Cefetra Ltd – Ethics & Slavery Statement

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1. Introduction

Cefetra Ltd is a UK-based company and a subsidiary of the German BayWa Group. Cefetra supplies agricultural raw materials to the feed, food and fuel industries through efficient supply chains across the globe. Through establishing long-term relationships with suppliers both locally and internationally, Cefetra secures our supply needs and assure reliable partners for our supply network.

Cefetra Ltd has a number of divisions within the group which consist 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 requirements outlined in this statement.

Policies are in place to select supply chain partners that, together with Cefetra, strive to achieve a healthy balance between people, planet and profit. Cefetra aims to ensure that the raw materials we trade are cultivated and processed under sustainable, ecologically sound and socially responsible conditions.

Cefetra Ltd is a member of Sedex, an organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains. As Sedex members, we undertake the SMETA audit. This assists us in understanding and continuously improving labour standards, health and safety and environmental performance in our supply networks. This standard considers criteria based on both international standards and International Labour Organization (ILO) standards.

Cefetra Ltd supplies a wide range of commodities including grains, oilseed and oilcakes as well as other non-grain feed ingredients, delivering around 85,000 tons per week to our customers. Our products are used in 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 Cefetra Ltd group is 200+ people.

2. 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 takes responsibility for dealing with risks from potential human rights violations.

2.1 – Code of Conduct

Cefetra promotes the following Code of Conduct with its suppliers:

1. Suppliers must comply with applicable (inter)national and local laws and regulations.
2. Suppliers will respect and support the protection of internationally established human rights and ensure that they are not involved in any human rights abuse or use of forced, bonded or prison labour.
3. Suppliers must not engage in modern slavery, forced labour, human trafficking and/or other forms of exploitation. Human trafficking is defined as the trade in people and does not necessarily involve the movement of persons. Modern slavery is the severe exploitation of people for personal or commercial gain.
4. Children and young workers must be protected from economic exploitation and from performing work that is likely to jeopardize their health and safety, interfere with their education or harm their development. Children and young workers shall not be employed at night or in hazardous conditions.
5. Suppliers shall remunerate employees appropriately, and at least in line with minimum wages guaranteed by law, or in absence of such legislation, ensure employees receive at least a living income defined as 'the net income a household would need to earn to enable all members of the household to afford a decent standard of living'.
6. Suppliers shall respect employees' freedom to form and/or join trade unions and right to collective bargaining.
7. Suppliers must protect employees from discrimination, intimidation, oppression, or harassment in any form. No harsh or inhumane treatment is permitted.
8. Suppliers shall provide employees with a safe and healthy work environment and ensure at least access to drinkable water, sanitary facilities, fire safety facilities, first aid facilities, emergency procedures and provide required training to safely perform tasks. Where accommodation is provided it should be clean, safe and meet the basic needs of workers.
9. Suppliers shall ensure that employees are not endangered in any way due to the use of dangerous machinery, unsafe building structure or layout, or dangerous substances. Where serious or fatal accidents have occurred, suppliers shall be able to demonstrate that all appropriate steps have been taken to prevent similar accidents occurring in the future.
10. Suppliers shall not require employees to work extreme hours without adequate rest periods.
11. Suppliers shall maintain proper accurate employment records including calculation of pay and hours worked, and must be transparent and cooperative as regards the inspection of employment records.
12. Suppliers must not engage in bribery, corruption, or other similar unethical practices to gain competitive advantage.

3. Cefetra – A company with principles

3.1 - Meet our commitments

The foundation of Cefetra's operational management is a strategic focus on risk management, internationalisation, diversification, origination, logistics and distribution. Our objective is to be a reliable, trusted partner to our customers (suppliers, buyers and service providers). Cefetra aims to promote this approach throughout the supply chain.

3.2 - Treat all with respect

Cefetra implements a robust health and safety policy and has received ISO 45001 certification for occupational health and safety management. Health and safety procedures are in operation across the business to identify hazards and risks. Through the implementation of risk assessments, training and other measures we aim to mitigate workplace hazards as much as practicable. By protecting workers' rights and upholding policies against discrimination and harassment we ensure all staff are treated with dignity and respect. These policies form part of the employee handbook which is issued to all staff. Cefetra recognises that the people who work within the group are its greatest asset and we value them accordingly.

3.3 - Be honest, ethical and work with integrity

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

Cefetra has implemented our Bribery Code of Practice across the business and all staff are trained on bribery and corruption issues. We expect all suppliers to conduct their business in an ethical manner. A list is maintained of high-risk countries and all new partner companies are screened via a third-party platform to ensure they do not engage in any dubious or dishonest business practices or unethical dealings. Suppliers must not seek to gain competitive advantage by means of dubious practices including without limitation; bribery, corruption, kickbacks, and the provision of gifts, favours or services.

Cefetra complies with all applicable regulations and sanctions when it comes to sourcing our products. Wherever possible Cefetra will work to improve ethical, environmental and sustainable practices within the company.

3.4 - Support responsible production

Cefetra serves as a link between the production and consumption of raw materials. This position as a supply chain manager imparts a responsibility to promote ethically and sustainably produced products.

This is a responsibility we take seriously and as such we seek to offer as many responsibly-sourced products as possible. Cefetra has endeavored to break new ground on sustainability and has positioned itself as the main supplier of sustainable and responsible soya to the feed industry in many European countries.

In 2014 we observed the demand for sustainable soya increase significantly, with the strongest growth in demand being 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 increasing demand by offering its customers both a variety of certification standards (CRS, RTRS, ProTerra), and different supply chain models (mass balance, area mass balance, certificate trading). This flexibility proved to be invaluable in meeting the different requirements of the feed industry in Europe.

3.5 - Build and Maintain Trust

Cefetra operates worldwide, purchasing from carefully selected suppliers with whom the company has developed long-lasting relationships. We look for supply chain partners who have similar objectives of achieving a healthy balance between people, planet and profit.

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

4. Ethics and Sustainability in the Food and Feed Industry

Population growth, increases in wealth and urbanization have created an unprecedented increase in the demand for food globally. This demand must be met within the limits of the world's resources: supply of land, water, energy, and labour. Combined with ethical considerations and the impacts of climate change, this creates huge challenges in meeting global demands.

Sustainable food production is vital in securing livelihoods, reducing greenhouse gas emissions and meeting future food demand. Cefetra aim to contribute to the development of sustainable food value chains and promote environmentally-friendly farming practices.

Sustainable practices are already a feature of the feed industry. 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 often have a low environmental footprint. Additionally, they are not suitable for human consumption. Therefore, their use in feed production does not impact upon the requirements of the growing world population.

Despite this several ethical and environmental challenges exist in the feed industry. The soy from which many feeds are derived is often exposed to risks relating to deforestation, unsustainable farming

practices, and ethical concerns. This requires increased transparency and the promotion of sustainable approaches to ensure the feed industry is operating with a high-level of due diligence.

Cefetra implements its sustainability values both internally and externally. Employees are given competency-based training on our sustainability accreditations to ensure they have a clear overview of what sustainability looks like at Cefetra. This training includes our certification from the International Sustainability & Carbon Certification (ISCC); the Roundtable on Sustainable Palm Oil (RSPO); and the GAFTA sustainability pledge. We have also implemented an Environmental Management System, compliant with the ISO 14001 standard, to minimise the adverse environmental impacts of our operations.

Furthermore, Cefetra undertakes several sustainability assessments annually. We provide comprehensive sustainability data alongside other companies in the BayWa group, which is reviewed by the CDP. As a group, we received a score of 'A-' in 2023. Additionally, Cefetra Ltd is assessed annually by EcoVadis on our environmental, social and ethical performance. For 2023 we were awarded an EcoVadis Gold Medal for being in the top 5% of companies assessed. In the years ahead, we are committed to expanding the array of sustainable products and services that we offer.

The BayWa Group's most recent Sustainability Report can be found here:

https://res.cloudinary.com/baywa-ag-p/raw/upload/v1/bloomreach-upload/240607_BayWa_NHB_2023_EN6653480500495161644.pdf

5. Certified Responsible Soya

In response to rising concerns over environmental and ethical risks in soy supply chains, Cefetra established the CRS standard (Cefetra Responsible Soya) in 2008. The CRS standard is committed to contributing 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 supply chain partners willing to accept responsibility for the social and environmental impacts of their operations, thus promoting sustainable raw material flows by means of a clear standard.

The CRS Standard is derived from a benchmark study conducted on existing responsible soy standards, such as RTRS and ISCC. However, the CRS standard is unique due to the following aspects:

- **Transparency:** The CRS standard only contains major indicators, resulting in transparency towards producers and other stakeholders.
- **Inclusion:** The CRS Standard provides an opportunity for large, medium and small-scale producers to obtain certification. For small-scale farmers it is possible to certify CRS by the use of group certification.

- **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 development 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:** All certified farmers must be able to demonstrate compliance with all applicable laws and regulations.
- **Labour conditions:** Producers have a responsibility to provide safe and fair labour conditions to all workers involved in the production of soy.
- **Social responsibility:** All producers must maintain responsible relations with local communities, giving them the opportunity to contact farmers, and dealing with any complaints appropriately.
- **Environmental responsibility:** 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's soy certification program in South America (CRS), is built upon strong partnerships with farmers which has led to continued cooperation on certification. In order to safeguard the availability of certified responsible soya in the nearby and long-term future, Cefetra has developed long term relationships with farmers and crushers in South America. This is essential for meeting the goals of the feed industry.

Cefetra certifies farmers in regions where soy for the feed industry is sourced, ensuring there is a link between certified sustainable producers and the physical flow of soya. Additionally, this has allowed the certification program to be extended to further countries. The trend of growing demand for sustainable soya 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.

6. Cefetra – Slavery & Human Trafficking Statement

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

6.1 - 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, Indonesia and Malaysia. 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 operated by a large team of grain buyers who build relationships with growers. Local knowledge is key to working with local producers and ensuring that grain suppliers are certified under quality schemes which include RED assurance.

6.2 - Policy in relation to slavery and Human trafficking

Cefetra carefully selects and builds long-lasting relationships with its suppliers. We seek to work with supply chain partners 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 environmentally and socially responsible conditions.

6.3 - Due Diligence Processes

The supply chain of raw materials can be complex, and product can be sold on several times prior to Cefetra taking ownership of it. Cefetra as a group has joined the Round Table on Responsible Soya (RTRS) and the Round Table for Responsible Palm Oil (RSPO). These organisations work with industry and in collaboration with the global supply chain to develop the markets and monitor and evaluate the economic, environmental, and social impacts of raw materials.

Both of these schemes have a verified requirement for responsible labour conditions and prohibit the use of forced, compulsory, bonded, trafficked or otherwise involuntary labour at any stage of production.

6.4 – Managing risks of slavery and human trafficking in the supply chain

In 2021, around 50 million people were found to be living in modern slavery, this has increased by nearly 10 million since 2016¹. In the UK alone, an estimated 122,000 people are living in modern slavery. Furthermore, the agriculture sector has been identified as an area of concern with respect to

¹ Global Slavery Index 2023

modern slavery in many regions. Cefetra Ltd recognises this reality and is committed to ensuring there is zero forced labour or human trafficking in our supply chains.

In sourcing countries where there is considered to be a high-risk of modern slavery, we endeavour to have suppliers complete a questionnaire recognising our ethical stance. Additionally, and as previously mentioned, our suppliers are screened to increase transparency over their ethical standards.

In lower risk sourcing countries, there can still be incidences of modern slavery and human trafficking. This activity is known to occur on agricultural production sites. As such it is acknowledged as a risk within our business and Cefetra maintains due diligence procedures even in low-risk regions.

Under CRS, certified soya production sites are audited on an annual basis, as well as prior to receiving certification. One of the key principles of the scheme is the provision of labour rights which categorically precludes any kind of modern slavery. Furthermore, soya purchased under the ProTerra certification scheme (non-GM soya) is also audited annually with social responsibility being a key principle of the standard. Periodic audits therefore serve as a safeguard against modern slavery in the soy supply chain.

Additionally, Cefetra is now certified by the Roundtable on Responsible Palm Oil (RSPO). This standard encompasses social responsibility and labour conditions, ensuring workers rights are respected, and forced and child labour is prohibited.

6.5 – LkSG

As a subsidiary of BayWa, Cefetra is compliant with the German Supply Chain Due Diligence Act (LkSG). Under the LkSG framework, Cefetra has an obligation to manage human rights-related risks in our supply chains. Cefetra have allocated individuals responsible for compliance with LkSG, implemented risk analysis of suppliers, and formulated preventative and remedial procedures to mitigate potential risks. These measures are taken in recognition of our responsibility to identify social and environmental risks in our supply chain and protect human rights.

6.6 – Effectiveness of Risk Management

Cefetra strives to promote a balance between people, planet and profit thus guaranteeing sustainable, ethical raw material flows. Although it is not feasible to audit all production sites, we are careful in our selection of suppliers. We will continue to work with other companies that hold similar moral and ethical beliefs. Additionally, we will engage with platforms such as RSPO 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.

6.7 - Staff involvement:

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

6.8 - The supply chain: Shipping

The Maritime Labour Convention came into force on the 20th of August 2013, consolidating existing labour standards and establishing baseline requirements for the working conditions of seafarers. Since then, an enforcement regime comprised of a system of inspection and certification has ensured compliance worldwide. The International Transport Workers' Federation (ITF) employs over 140 inspectors globally to investigate issues reported on vessels including non-payment of wages and working conditions on board vessels. Over 10,000 inspections are conducted each year either at the request of members of the crew or as part of routine procedure. In January 2018 alone, UK inspectors detained 10 vessels which failed port inspections.

All providers of shipping that are contracted by Cefetra comply with the requirements of the Maritime Labour Convention, ensuring workers in this part of our supply chain are treated fairly and provided with decent working and living conditions.



Andrew Mackay

Managing Director

Cefetra Ltd

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