

	<h1>Ethical Trade Policy</h1>	GROUP Policy No. 101 v2
		Issue Date: 04/03/2020
Ethical Trade System	Supersedes: v1 (Update Contact Info)	
	Prepared by: Sustainability & Ethics Manager	
	Approved by: Director Food Safety	

Bidfresh Limited is proud to be a member of the Ethical Trading Initiative (“**ETI**”) as well as a member of the Food Network for Ethical Trade (“**FNET**”). As such, we strive to ensure ethical practice throughout our business and supply chains. We aim to trade only with suppliers who commit to this Ethical Trade Policy, and to support and help suppliers to achieve the standards we have committed to.

Better working conditions have been shown to increase productivity, reduce staff turnover, and improve supplier relationships. This is why within the Bidfresh group of businesses, we are not only pushing our suppliers to improve year-on-year, but are ‘practicing what we preach’ to make improvements year-on-year within our own business operations. These are the standards that Bidfresh have adopted for our own business and which we monitor our own operations against on an annual basis.

## 1. LABOUR CODE

### a. Base Code

As ETI members, we expect all our suppliers to work towards meeting the ETI’s Base Code. This is founded on the conventions of the International Labour Organisation (“**ILO**”) and is an internationally recognised code of labour practice.

Suppliers are expected to sign our copy of the ETI Base Code (**Form 101**) which contains guidance on how to meet it. The ETI Base Code must be posted on site so that it is visible to workers, in relevant languages or in a format that all workers can understand. Base Code posters, including translated copies, can be downloaded from <https://www.ethicaltrade.org/eti-base-code>. If a version of the Base Code has already been posted for another customer then this is acceptable.

Suppliers are expected to hold their own suppliers to the same Base Code and require posting of the Code at their suppliers’ sites in a format that all workers can understand. We expect this policy to apply to suppliers’ own operations, their labour providers, service providers and supply chains. If you do not have an Ethical Trade Policy to share with your suppliers, we have a template you may use – please contact our Sustainability & Ethics Manager at [CSchindler@Bidfresh.co.uk](mailto:CSchindler@Bidfresh.co.uk).

### b. Employer Pays Principle

In line with the ETI Base Code, we endorse the Employer Pays Principle, which states that ‘*No worker should pay for a job*. The cost should be borne not by the worker but by the employer.’ For suppliers, we expect you to work towards either recruiting directly or ensuring labour providers pay any fees associated with the recruitment process. Recruitment fees are defined by the ILO in [this document](#), p.28.

We recognise that this Principle may require significant changes to recruitment practices and ways of working. We intend to work further with our suppliers over the coming years to understand these issues and assess them where practical. In the meantime, any *unlawful* recruitment fees identified must be fully remediated by the supplier.

### c. Grievances and Freedom of Association

A **grievance** is a report by a worker or other third party of a violation of either national or international laws or of the ETI Base Code that has occurred in Bidfresh’s operations or supply chain and has a direct adverse human rights impact. A

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**grievance procedure or mechanism** is a channel for individuals or groups to raise concerns about adverse human rights impacts, whether that be to the factory or farm involved, to the state or to another third party, and to seek remedy.

The most effective way to prevent problems, and allow workers to raise a grievance if issues arise, is through respecting Base Code Clause 2 on workers’ rights to freedom of association & collective bargaining. This can be achieved through trade union collective bargaining arrangements and elected worker committees/union representatives. When executed correctly, these have the potential to limit dispute escalation, facilitate dispute resolution and contribute to an improved working environment and relations between management and workers.

Bidfresh has in place grievance procedures for all workers in its own operations. The procedure can be found in our Employee Handbook, while the anonymous Bidfresh Fraud & Ethics Hotline is posted in all of our sites. We therefore expect our suppliers, and their suppliers, to have Freedom of Association and grievance procedures in place for all their workers, which is based on engagement and dialogue with the affected persons/groups and includes a defined process for receiving, assessing, investigating and resolving grievances. All parties should also support state-based judicial and non-judicial grievance procedures and remediation at all times. Workers in our operations and our supply chains should expect the grievance channels available to them to meet the criteria laid out in **Principle 31** of the **United Nations Guiding Principles on Business and Human Rights**<sup>1</sup>.

Grievance channels may include some or all of the following:

- Trade unions
- Worker management committees
- Access to human resource staff
- Worker surveys (online or paper-based)
- Worker hotlines (anonymous or other)
- Third-party audit company confidential phone number cards
- OECD National Contact points.

Bidfresh should become involved in grievances only when all local and site-based remediation and grievance mechanisms have been exhausted by an individual or an organisation who represents them. It is our role to support our suppliers to put in place suitable local and site-based mechanisms and ensure they have qualified staff to manage those mechanisms and any grievances raised. If a grievance is raised that Bidfresh must get involved with, our **Policy 103-Remediation Policy** will be used. Please contact us if you would like a copy of this Policy.

Any individual or organisation who believes they have been the subject of retaliation as a result of registering a complaint should contact Bidfresh immediately via its confidential contact point [HOwen@Bidfresh.co.uk](mailto:HOwen@Bidfresh.co.uk). This information should be shared with workers and/or their representatives (union or otherwise) at all supplier production sites.

**d. Labour Providers**

Bidfresh are working towards monitoring our labour providers on an annual basis using our **Procedure 108 – Labour Provider Due Diligence Checklist**. We expect our suppliers to have a contract with all labour providers recruiting and employing workers used in their own operations, and to have a process for monitoring all labour providers used in their

<sup>1</sup> [http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

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own operations. In addition, we expect suppliers in turn to ensure their suppliers monitor their labour providers. We are happy to share Procedure 108 as a template to be used by suppliers; please contact us for a copy.

## 2. SUPPLIER APPROVAL

In order to become or remain an approved supplier, at a minimum we request that you complete the following:

- **Form 101 – ETI Base Code** (sign, and share the Base Code with your suppliers)
- **Form 102 – Ethical Questionnaire**
- **Details of any outstanding non-compliances from any ethical audits your site has completed within the last three years**, outlining the criticality of outstanding issues and plans to resolve them

Once these have been returned, we will risk assess your business based on country risk, product risk, and the responses in the Questionnaire.

- **High** risk sites will be asked to **update their Questionnaire information annually**, as well as one of the following:
  - Send a copy of a valid ethical audit (*see definition below*) that is less than 3 years old
  - Enter our Bidfresh audit pool, from which a random selection of suppliers will be chosen for a visit and/or audit every year (*further details below*)
- **Medium** and **Low** risk sites will be asked to **update their Questionnaire information every 2 years**, and may be subject to an audit/visit if deemed important to the business.

Regardless of the risk rating, we strongly encourage suppliers to go ‘beyond compliance’ and share any additional efforts you have undertaken to improve working conditions and support worker development at your sites. Examples include: completing the [Sedex Workbook](#), making use of [Stronger Together toolkits](#), or employing a [worker voice tool](#) at your site.

## 3. ETHICAL AUDITS

In an effort to reduce audit duplication, Bidfresh accepts any of the following ethical audit schemes:

- [Sedex Members’ Ethical Trade Audit \(SMETA\)](#)
- [amfori Business Social Compliance Initiative \(BSCI\)](#)
- [SA8000 Social Certification Standard](#)
- [Global Aquaculture Alliance- Best Aquaculture Practice \(GAA-BAP\)](#)
- [GRASP \(add-on to Global Good Agriculture Practice \[GlobalGAP\] audit\)](#)
- [Responsible Fishing Scheme \(RFS\)](#)
- [Fairtrade](#)
- [Rainforest Alliance](#)
- [Fair For Life](#)

These audits will be accepted if (1) they have been conducted within the past 3 years, and (2) they are considered valid by the scheme itself (e.g. your certificate is not suspended or expired).

If you hold another audit/certification type that you believe is relevant to ethics, please share and we will evaluate on a case-by-case basis.

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If you are told that you have been evaluated as high risk, but do not have any of the ethical audits or accreditations listed above, we will enter you into the **Bidfresh audit pool** as described above. Bidfresh audits will follow the SMETA methodology, for which there are guidance & preparation documents available at: <https://cdn.sedexglobal.com/wp-content/uploads/2019/05/SMETA-6.1-Best-Practice-Guidance.pdf>

The Bidfresh audits will aim to be highly collaborative and proactive. The primary aim is to review your site's current practices, examine them against the Base Code, and come up with a plan together about how to progress towards achieving the Base Code year-on-year. These audits may be conducted by our Ethical Trade, Food Safety or Buying teams, all of whom will be trained in the audit methodology. We may conduct a full ethical audit or a 'quick check' during a site visit; either way, this will be discussed with the supplier beforehand and we will assist with preparation.

#### 4. MODERN SLAVERY, CHILD LABOUR, AND OTHER CRITICAL ISSUES

In the case where a supplier is made aware of any critical issues occurring in its own operations, labour providers, service providers and supply chains, such as (but not limited to) modern slavery, debt bondage, child labour, or human trafficking, the supplier must inform Bidfresh immediately. We understand that today's complex supply chains can disguise these issues and will support you to resolve, given that you/your business is/are not complicit. Should you/your business be found complicit, or should you discover these issues and not make measurable progress towards resolving them (according to a mutually agreed timeline), we reserve the right to terminate the relationship.

Through our ETI and FNET memberships, we have access to resources that can support with remedy for the worker(s) involved and to communicate the incident. We also have our **Policy 103- Remediation Policy** prepared to deal with such incidents. Therefore it is imperative that we are informed as soon as possible. Further resources can be found on the [Stronger Together website](#), starting with the [Retailer Protocol for Handling Reported Cases of Modern Slavery](#).

#### 5. CONTACTS

For questions on our policy and ethical audits, as well as day-to-day advice and guidance on ethical trade, contact our **Sustainability & Ethics Manager**:

- Caitlin Schindler
- [CSchindler@Bidfresh.co.uk](mailto:CSchindler@Bidfresh.co.uk)
- +44 (0) 7738 608 158

To report a critical issue, contact our **Head of Food Safety**, copying in the two contacts above:

- Hilary Owen
- [HOwen@Bidfresh.co.uk](mailto:HOwen@Bidfresh.co.uk)
- +44 (0) 7734 068 274