



## **Responsible Sourcing – Deforestation**

### **Overview**

Here at Greggs, it is our duty to stand for more than just profit. We've always been committed to doing the right thing and having a positive impact on people's lives and in 2021, we launched The Greggs Pledge which is all about how we can do more to help people, protect the planet, and work together with our partners to change the world for the better.

When it comes to sourcing the ingredients that we need to make our products, or the goods and services that enable us to run our business, 'sourcing sustainably' means taking care that they are produced and delivered responsibly.

Our values, commit us to being enthusiastic, open, honest and treating people with consideration and respect and we live these through all of our people and operations.

We know we have a responsibility to make sure we do right by the communities we live and work in. Our ingredients are sourced from a range of countries, and we take action to prevent deforestation and its impact on local communities.

Forests and other natural ecosystems don't just provide us with ingredients for our products - they provide critical habitats, biodiversity benefits, support livelihoods, and are an important store of carbon.

### **Current situation**

Source of air, water, food, shelter, medicine: Forests and other natural ecosystems are critical to the survival of every living thing on Earth.

In recent years companies have taken significant action to try and stop deforestation and while these efforts have led to some progress, alarmingly, deforestation rates are accelerating—triggering a global chain reaction of increased greenhouse gas emissions, rising temperatures, and devastating forest fires.

Protecting our forests is key to fulfilling almost all of the UN Sustainable Development Goals. Ending deforestation within our supply chain is one of the biggest contributions Greggs can make to create a more sustainable world and maintain trust in our products.

<b>TITLE: Responsible Sourcing - Deforestation Policy</b>			
Issue No. 2	Dated: 23/02/22	Cancels Issue No. 01	Dated: 02/09/21
			Page 1 of 5



## **Our Goals**

Greggs acknowledge they have a role to play in protecting and improving forests and woodland, we want to ensure that the products we sell have not led to:

- Deforestation or human-induced forest degradation or conversion
- Loss of other natural ecosystems and areas with a high conservation value
- Exploitation of workers, indigenous peoples and local communities

For many years we have had commodity specific policies in place to address standards for production and sourcing of products like paper and Palm oil. However, we recognise that we need to do more to protect vulnerable ecosystems and improve traceability, therefore we are developing specific plans for some of our Key raw materials: Soy; Beef; Paper and Board; Palm Oil; Cocoa; Tea and Coffee.

**By fulfilling these plans for our key raw materials, our target is to assure zero deforestation in our supply chains.**

## **Our Approach to Paper and Board**

- All Paper and Board packaging must be purchased using raw materials covered by schemes which ensures sustainable forest management (PEFC and FSC).

## **Our Approach to Palm Oil**

- Greggs are committed members of the Roundtable on Sustainable Palm Oil (RSPO), which looks to minimize the negative impact of palm oil cultivation on the environments and communities in which it's sourced.
- All our ingredients that contain Palm Oil as a declared component must be RSPO certified. All our direct purchases of boxed or liquid fats purchased post Jan 2021 are classified as "segregated" within the RSPO scheme.
- All declarable components used in the ingredients we buy will be classified as sustainable by the end of 2022.
- Commitment: By the end of 2025 Ingredients that use Palm Oil as a declared component, use sustainably sourced Palm Oil classified as fully segregated.

## **Our Approach to Soy**

- As signatories of the UK Soy Manifesto, we are committed to ensuring that all the soy that we purchase is deforestation and conversion-free by being certified as being sustainable by the end of 2025
- We require that our direct suppliers of soy adopt and cascade this same commitment
- Certified sustainable soy includes segregated, mass balance and certificate-based Chain of Custody (CoC) schemes
- We aim for the soy used as animal feed for our direct purchases of meat, milk & cream, and eggs to be sourced from sustainable sources by the end of 2025

<b>TITLE: Responsible Sourcing - Deforestation Policy</b>				
Issue No. 2	Dated: 23/02/22	Cancels Issue No. 01	Dated: 02/09/21	Page 2 of 5



**Our Approach to Beef**

- All our brisket is sourced from UK or European sources
- We are investigating UK/European sources for Corned Beef

*See our individual policies on these areas for more information.*



## Supplier Principles

We need to work with our Suppliers in our fight against Deforestation. They help us get closer to the people who grow our crops which in turn, helps Greggs ensure they come from sustainable sources.

In line with our Responsible Sourcing Policy Greggs outlines the following expectations for our Suppliers.

- Support and encourage operating practices, farming practices and agricultural production systems that are sustainable.
- The supplier and representatives will continually strive towards improving efficiency and sustainability of their operations.
- As appropriate to the size and complexity of the business, suppliers must be able to demonstrate environmental policies and management systems sufficient to ensure continuous improvement in environmental performance.

## Supply Chain Management

Engagement with suppliers, producers and traders helps us to work on aligning sourcing guidelines throughout our Supply Chain, this will differ by each Key Raw Material.

- We are working to obtain greater traceability and transparency of the supply chains of each of the key commodities highlighted in order to better **discover and categorise** deforestation risks.
- We also working **communicating** our deforestation-free requirements to our Suppliers, using certifications and accreditations where they align. We have already communicated these requirements to our Paper and Board, Palm Oil Suppliers and are developing specifications for other Supply Chains.
- The ability to make informed sourcing decisions involves considering the risks of deforestation. As a result, strategic choices on how to **modify** our supply chains may be required.
- We continue to develop and improve **monitoring** processes in order to **verify** suppliers' compliance with Greggs' requirements.
- Greggs want to engage suppliers that do not meet our requirements to understand why and if this can be changed. If non-compliance continues then we would look to suspend and remove Suppliers.

<b>TITLE: Responsible Sourcing - Deforestation Policy</b>			
Issue No. 2	Dated: 23/02/22	Cancels Issue No. 01	Dated: 02/09/21
			Page 4 of 5



### **What's next**

As Greggs works towards implementing our Deforestation related commitments we will collaborate with Suppliers, a range of non-profit organisations and technical partners to refine and develop our approach.

### **Signatory**

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<b>Title:</b>	Commercial Director
<b>Date:</b>	21.02.2022