



Responsible Sourcing Policy

Overview

Here at Greggs, we believe in doing business in a way that has a 'positive impact on people's lives' and this is integrated into our business strategy at all levels.

Greggs view Responsible Sourcing as a fundamental part of our business philosophy and strategy. We recognise our responsibility as a leading food on the go brand to ensure sound social, ethical and environmental practices within our operations, the supply chain and the markets in which we operate.

This Responsible Sourcing Policy defines both Greggs minimum standards and the basic principles of cooperation that we expect from all of our Suppliers. It is a key pillar of our wider Sustainability programme "The Greggs Pledge" and we are proud to report on this progress as part of our Annual Report. It's our duty as a responsible business to stand for more than just profit. The Greggs Pledge is based on the UN Sustainable Development Goals designed to improve how we help people, protect the planet, and work with our partners to change the world for the better.

This policy details the minimum standards required but should not be used to prevent these standards being exceeded.

Our due diligence process is embedded in the way we work with our Suppliers, allowing us to measure monitor and remediate their levels of compliance. We continue to seek make improvements to this process which demonstrates Greggs recognition of the responsibility it has.

Greggs are fully committed to our responsibilities and the positive impact we can have on both people and planet and we want to work with like-minded companies. Through collaboration we want to ensure that the following principles are part of a progressive Agenda of Improvement.

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Supplier Code of Conduct

We want to ensure that our suppliers live up to our values and standards and share that responsibility. In turn, Suppliers are expected to seek to develop relationships within their own Supply Chains consistent with the principles set out below and should be compliant with all local laws following these principles as a minimum.

The principles are based on core international labour organisation conventions, the ETI base code and the UN Guiding Principles on Business and Human Rights.

Key Principles

1. Employment is freely chosen
2. Freedom of association and the right to collective bargaining are respected
3. Working conditions are safe and hygienic
4. Child labour shall not be used
5. Wages and benefits
6. Working hours are not excessive
7. Humane Treatment
8. Regular employment is provided
9. Confidentiality
10. No bribery or corruption will be tolerated
11. Environmental management
12. Quality
13. Audit and termination of agreements
14. Legal Requirement

1. Employment is freely chosen

There is no forced or compulsory labour in any form, including bonded, trafficked, or prison labour.

Workers are not required to lodge 'deposits' or their identity papers with their employer and are free to leave their employer after reasonable notice.

2. Freedom of association and the right to collective bargaining are respected

Workers have the right to join or form trade unions of their own choosing and to bargain collectively. Workers, representatives are not discriminated against and have access to carry out their representative functions in the workplace. Where the

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right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. Working conditions are safe and hygienic

A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Workers shall receive regular and recorded health and safety training and such training shall be repeated for new or reassigned workers.

Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

The company observing the code shall assign responsibility for health and safety to a senior management representative.

4. Child labour shall not be used

Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; "child" and "child labour" being defined in the appendices.

Children and young persons under 18 shall not be employed at night or in hazardous conditions.

These policies and procedures shall conform to the provisions of the relevant ILO standards.

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5. Wages and benefits

Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

Clear and transparent information shall be provided to workers about hours worked, rates of pay, and the calculation of legal deductions.

All workers must retain full and complete control over their earnings. Wage deductions must not be used as a disciplinary measure, or to keep workers tied to the employer or to their jobs.

Workers shall not be held in debt bondage or forced to work in order to pay off a debt. Deception in wage commitments, payment, advances, and loans is prohibited

6. Working hours are not excessive

Workers shall not be forced to work in excess of the number of hours permitted in national law. Where the law is silent, normal working hours shall not exceed eight per day and forty-eight per week, and total working hours including overtime shall not exceed sixty. All overtime shall be purely voluntary, unless part of a legally recognised collective bargaining agreement. No worker shall be made to work overtime under the threat of penalty, dismissal, or denunciation to authorities. No worker shall be made to work overtime as a disciplinary measure, or for failure to meet production quotas.

7. Human Treatment

The workplace shall be free of any form of harsh or inhumane treatment. Disciplinary policies and procedures shall be clearly defined and communicated to all workers, and shall not include any inhumane disciplinary measure, including any corporal punishment, mental or physical coercion, or verbal abuse of workers; nor shall they include sanctions that result in wage deductions, reductions in benefits, or compulsory labour. The use or threat of physical or sexual violence, harassment and intimidation against a worker, his or her family, or close associates, is strictly prohibited

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Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

8. Regular employment is provided

To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice

9. Confidentiality

The confidentiality of information exchanged in the course of business must be respected and never be used for illegal purposes or for individual gain. False information must not be given in the course of commercial negotiations.

10. No bribery or corruption will be tolerated

The offering, paying, soliciting or accepting of bribes or kick-backs, including facilitation payments, is strictly prohibited. A bribe may involve giving or offering ANY form of gift, consideration, reward or advantage to someone in business or government in order to obtain or retain a commercial advantage or to induce or reward the recipient for acting improperly or where it would be improper for the recipient to accept the benefit. Bribery can also take place where the offer or giving of a bribe is made by or through a third party, e.g. an agent, representative or intermediary.

Suppliers, representatives and their employees must comply with all applicable anti-bribery and corruption laws. If no such anti-bribery or corruption laws apply, or are of a lesser standard to that prescribed in the UK Bribery Act 2010, suppliers, representatives and their employees must adhere to the UK Bribery Act 2010.

Suppliers and representatives must have in place anti-corruption and bribery procedures to prevent employees or persons associated with its business from committing offences of bribery or corruption. Suppliers and representatives will properly implement these procedures into their business and review them regularly to ensure that they are operating effectively.

11. Environmental management

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We 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.

12. Quality

Any goods supplied shall be without fault and of the best available design, quality, material and workmanship, be fit for any purpose held out by the supplier and representatives or made known to the supplier and representatives or for which they are commonly used and shall conform in all respects with any order and specification and/or patterns or samples supplied or advised by the supplier and representatives.

Any services supplied shall be provided by appropriately qualified and trained personnel, with due care and diligence, to such high standard of quality as is reasonable for us to expect in all circumstances and shall conform in all respects with any order.

13. Audit and termination of agreements

Greggs reserve the right to verify the supplier's and representative's compliance with the Code. Where supplier and representative reviews or audits demonstrate shortcomings in any of these areas, the supplier and representative should strive to implement a time-bound programme of improvement (remediation) leading to conformance.

In the event that we become aware of any actions or conditions not in compliance with the Code, we reserve the right to request corrective actions. Greggs reserves the right to terminate an agreement with any supplier and representatives that does not comply with the Code following appropriate consultation and without compensation.

14. Legal Requirements

Greggs is committed to full compliance with the laws and regulations in each procurement location where Greggs conducts business, and will not knowingly operate in violation of any such law or regulation.

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Greggs will not knowingly use suppliers who violate applicable laws and regulations

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Greggs' Commitments

Greggs understands that improving social, ethical and environmental standards in the supply chain is a challenging process that requires not only the cooperation of Senior Management but also employees and other stakeholders. We recognise that compliance to this Responsible Sourcing Policy may not be immediate but we are committed to working collaboratively towards this goal.

Greggs commits to the following principles:

- Work to fair, transparent and mutually agreed terms and conditions.
- Make payments for services provided on time and in full.
- Work collaboratively with suppliers to improve social, ethical and environmental standards where our support is needed and is appropriate.
- Acknowledge specific national, regional or cultural challenges.
- Protect the confidentiality of information entrusted to us.
- Recognise suppliers' own standards where they are comparable to our own.
- Ensure that all relevant employees are aware of the Responsible Sourcing Policy.
- Include transparent environmental, social and ethical performance criteria in our supplier selection processes.
- Cease trading with suppliers demonstrating persistent disregard for this Policy.
- Give appropriate consideration to the impact of ceasing trading on suppliers and the communities in which they operate.
- Comply with the UK Bribery Act Legislation.
- Comply with the UK Modern Slavery Act 2015.

To ensure we treat Suppliers fairly and do not transfer excessive risks and costs onto Suppliers that in turn stifle Supplier innovation and growth further principles are set out within the Greggs Procurement Code of Conduct.

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