



100% MADE OF NEW ZEALAND

Silver Fern Farms Limited

VENDOR CODE OF CONDUCT

Introduction

At Silver Fern Farms, our purpose is: *Creating Goodness from the Farms the World Needs*. Our vendors are critical in supporting Silver Fern Farms to achieve our purpose, and in delivering positive outcomes for our customers, shareholders, farmers, employees, communities and the environment.

However, it is critical that we share alignment on the values, standards, and expectations that underpin our respective businesses. At Silver Fern Farms, we have minimum expectations we expect all our vendors to be currently operating against, as well as the best practices we expect our vendors to be working towards.

This document lays out both minimum expectations in accordance with international standards, as well as the best practices we expect our vendors to work towards. The intention of this Code is to set a clear baseline for how we expect our vendors to conduct their business.

Please ensure you are familiar with this document and have the necessary conversations with your employees and contractors to explain their responsibilities. We also encourage that this best practice is applied to your own supply chain.

Ngā mihi

Simon Limmer
Chief Executive

November 2023

VENDOR CODE OF CONDUCT

Purpose

Our Vendor Code of Conduct creates a clear set of minimum standards that we require all our vendors to uphold. It also provides a framework of what we expect of our vendors in terms of ethical, social and environmental business practices that will improve outcomes for people and the planet.

Scope

Our Vendor Code of Conduct is built on international guidance and an understanding of the issues that are important to our business and our stakeholders. It is applicable to all vendors (excluding farmer suppliers – see below), including their parent, subsidiaries, affiliates and subcontractors (“vendors”) providing goods or services to Silver Fern Farms Limited.

Throughout the code we provide the following:

- Minimum expectations that all vendors must meet.
- Best practice standards that vendors are expected to work towards. In future iterations of this code best practice standards may become minimum standards.
- Tips to help with implementing the code.

Our farmer suppliers are required to meet standards set out under the New Zealand Farm Assurance and Farm Assurance Plus Programme.



Key Principles

We have based our code of conduct on the principles of the UN Global Compact which incorporates the key conventions and declarations relating to human rights, labour practices, the environment and corruption.

We are deeply committed to respecting human rights, in line with the UN Guiding Principles for Business and Human Rights (UNGPs). We have included additional principles to reflect the importance of resilience, innovation and community to our business.

Our key principles are:

- Act honestly, transparently, lawfully and with integrity while carrying out your business.
- Protect and uphold the rights of everyone.
- Freedom of association and the right to collective bargaining are respected.
- Employment is freely chosen.
- Workers are provided with fair pay and fair working conditions.
- Child labour shall not be used.
- Ensure workers always go home safe and well.
- Treat everybody with respect and dignity
- Undertake business in a way that protects and preserves the environment.
- Prepare for disruption.
- Drive continuous improvement and innovation.
- Respect and support local communities where practicable.

Silver Fern Farms' Commitment

We are committed to creating goodness from the farms the world needs.

We commit to treating our vendors with honesty, respect, and integrity. We will look to avoid procurement practices that can create risk to human rights and labour or cause ethical or environmental harm. Through our procurement we will always endeavour to:

- Engage, enable and keep things simple.
- Pay 'fair value' for goods and services.
- Provide sufficient time for the manufacturing and delivery of products and services.
- Maintain adequate forecasting where possible and ensure suitable lead times for the ordering of products and services.
- Provide fair payment terms.
- Reduce changes to orders.
- Communicate early and maintain regular communications.
- Partner and collaborate to drive innovation and continuous improvement.



Lawful and Ethical Business

As a minimum vendors must:

- Comply with all laws and regulations in the countries which the vendor operates.
- Adopt a zero-tolerance approach to bribery and corruption with supporting mechanisms for reporting of unethical behaviour.
- Disclose any actual, perceived, or potential conflict of interest to Silver Fern Farms, including any employee or contractor of Silver Fern Farms who may have an interest or economic tie of any kind in the vendor's business.
- Maintain transparent and accurate financial and business records to demonstrate compliance with applicable laws and regulations, as well as generally accepted accounting principles.
- Respect and protect the confidential information and intellectual property rights of third parties and Silver Fern Farms.
- Understand Silver Fern Farms' hospitality and gifts policy before offering or providing our employees with any gift and/or business entertainment. Gifts or entertainment should never be offered to our employees or representatives under circumstances that create the appearance of impropriety i.e., when Silver Fern Farms is conducting a procurement process e.g., Request for Proposal.
- Act in compliance with all applicable laws relating to the prevention of tax evasion and the criminal facilitation of tax evasion and must implement and maintain suitable measures and standards to prevent tax evasion and the criminal facilitation of tax evasion.
- Vendors are expected to be fair and reasonable in their payment practices and pay undisputed and valid invoices on time in accordance with agreed contractual payment terms and applicable laws.

We expect all our vendors to be working towards the following best practices:

- Undertake regular risk assessments to identify potential compliance risks.
- Establish and maintain a channel for employees to raise complaints confidentially and anonymously.
- Establish and communicate an internal code of conduct for your employees.
- Establish internal training or guidance to create a culture of integrity and mitigate key risks.

Implementation Tips

- Ensure your staff are aware of who your customers are to ensure potential conflicts of interests can be raised.
- Periodically undertake compliance audits against legislation to ensure you are up to date.
- Ensure there are appropriate levels of signoff for financial decisions to avoid the potential for corruption.
- Provide clear and easily accessible guidance on payment procedures and invoicing requirements to vendors at on-boarding stage and on an ongoing basis.



Labour and Human Rights

As a minimum vendors must:

- Respect and uphold human rights in its operations and make reasonable efforts to ensure it is not complicit in human rights violations via its business relations.
- Undertake regular assessments to ensure Human Rights violations are not being committed.
- Comply and respect fair work practices. Fair work practices would be expected to include fair pay and equal pay, fair working conditions, and ensuring workers' rights to freedom of association and collective bargaining are respected.
- Make certain that employees engaged in the manufacture and supply of products and services are voluntarily employed, and under no circumstances is any form of forced, coerced, bonded, indentured or involuntary labour or otherwise used.
- Ensure they have policies and/or processes in place to identify, mitigate and address any form of modern slavery within their operations and supply chain, including human trafficking, slavery, servitude, forced labour, bonded labour, deceptive recruitment, forced marriage and the worst forms of child labour. If these policies or processes are not in place, vendors must be willing to engage with Silver Fern Farms to address risks.
- All employees meet the local legal minimum labour age permitted by the law of the country or countries where the performance, in whole or in part of the contract, takes place. Employers must verify the age of their employees and maintain copies of their workers proof of age. Child labour is strictly prohibited.
- Provide all workers, whether permanent, temporary or casual, with a written employment contract. Temporary labour contracts and labour-only contracting must only be used for short-term labour demands and not used to avoid meeting labour and social security obligations afforded to permanent employees or leave workers in an insecure employment relationship. Contracted working hours should reflect established working patterns and zero-hour contracts avoided unless they offer genuine flexibility for workers.
- Provide opportunities for training and development to its employees.

We expect all our Vendors to be working towards the following best practices:

- Taking voluntary action to support/promote human rights.
- Hire workers directly or only through agencies that have policies and strategies to combat trafficking and forced labour.
- Training for supervisors to ensure they look out for young workers.
- Monitor systems to prevent hiring of minors.
- Periodic assessment of wages.
- Fair compensation system based on qualifications, skills and experience is in place.
- Work and resourcing are planned in a manner that seeks to avoid the excessive use of overtime.

Implementation Tips

- Accessing global resources to identify potential high-risk countries and industries.
- Pay particular attention to the context in countries where laws are widely known to fall short of international standards and where enforcement may be inadequate.
- Companies should take proactive, ongoing steps to understand how existing and proposed activities may cause or contribute to human rights impacts, as well as how the company's operations may be directly linked to such impacts.
- Regular review of policies, procedures and training to ensure they are effective.



Health, Safety and Wellbeing

As a minimum vendors must:

- Comply with Silver Fern Farms rules when working at Silver Fern Farms premises.
- Ensure all products and services supplied to Silver Fern Farms are manufactured or provided under safe and healthy conditions.
- Have a documented health and safety statement or policy in place and a system to record, monitor and manage health and safety incidents.
- Provide workers with regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.

We expect all our vendors to be working towards the following best practices:

- Build wellbeing practices into their work, health and safety programmes.
- Nominate an individual responsible for co-ordinating safety issues and efforts to improve safety performance.
- Encourage an alcohol free and drug free work environment.

Implementation Tips

- Encourage staff to adopt safety moments as part of team meetings where good practices or actual incidents can be shared and discussed.
- Conduct safety walk throughs of facilities and sites.
- Create safety incident and accident reduction targets.

Respectful and Inclusive Workplace

As a minimum vendors must:

- Foster an inclusive workforce that reflects gender, gender identity, age, ethnicity, cultural background, religious belief, sexual orientation, marital or family status, disability, socio economic background and perspective or experience.
- Treat all employees fairly, ethically, respectfully and with dignity and have protections against direct and indirect discrimination, bullying and harassment.
- Consider the needs, risks and requests of its employees and provide a grievance mechanism for workers.

We expect all our vendors to be working towards the following best practices:

- Actively work to support diversity, equity and inclusion by working with underrepresented groups such as LGBTTQIA+, Māori, Pasifika, and people with disabilities and accessibility needs within their business, with their partners and vendors.
- Foster gender balance and to be committed to finding and removing any gender pay gaps that may exist at all levels of their business.
- Create a workplace environment that promotes accessibility, flexibility, and wellbeing. Regular assessments are undertaken, and any gaps or shortcomings identified are addressed through an action plan with measurable outcomes.
- Initiatives are in place to ensure equality.

Implementation Tips

- Communicate your policy or position on diversity and inclusion.
- Conduct unconscious bias training.
- Use data to see how effective your policies and training are.



Environmental Responsibility and Climate Action

As a minimum vendor must:

- Hold and comply with all applicable environmental legal permits for its operations and activities.
- Establish appropriate internal policies, procedures and processes to adequately manage the environmental risks and impacts of your operations.
- Make staff aware of environmental responsibilities and provide suitable training to manage both regular operations and environmental incidents.
- Measure and manage material scope 1 and 2 greenhouse gas emissions and be able to provide this information on request.

We expect all our vendors to be working towards the following best practices:

- Have a clear understanding of the full lifecycle impacts of your products (particularly greenhouse gas emissions, consumption of water and the production of waste to landfill) and be actively reducing these.
- Adopt short and long-term gross absolute science aligned targets that align with 1.5 degrees of warming for scope 1, 2 & 3 emissions.
- Undertake a climate risk assessment to identify potential exposure to both the physical and transitional impacts of climate change particularly where these impacts will result in supply chain disruption, reputational concerns and increased costs.
- Systematically eliminate the use of hazardous substances or materials.
- Seek ways to contribute to the protection, restoration and enhancement of biodiversity linked to your activities.
- Adopt innovative approaches and new technologies that will support a shift to a circular economy, contribute to greenhouse gas emissions reductions and support the recovery of ecosystems.
- Take active steps to responsibly source finite resources and demonstrate an accurate environmentally and socially responsible chain of custody.

Implementation tips

- Nominate a responsible person(s) for co-ordinating your organisation's efforts to improve environmental performance.
- Put in place an environmental management plan and keep record of any impacts, use and discharge of natural resources (e.g., energy use, water use, emissions to the environment, waste).
- Increase the understanding and awareness of relevant environmental issues across your employees and management.
- Develop a climate resilience plan to capture how climate change impacts your business and how you will respond.
- Engage with others in your value chain to consider how you can increase the circularity of your products.



Business Resilience

As a minimum vendors must:

- Ensure they are prepared for possible disruption to their business and have appropriate plans to ensure operations are able to continue or recover in the event of an incident /disaster.
- Have in place appropriate measures to prevent the unlawful access of digital systems or data by third parties. Immediately report suspected or actual security incidents or breaches that may impact on Silver Fern Farms' business, business systems, customers or the protection and privacy of Silver Fern Farms' data or confidential information.

We expect all our vendors to be working towards the following best practices:

- Have effective and tested Business Continuity Plans (BCPs) in place with clear escalation procedures outlined with Silver Fern Farms.
- Have an effective and tested IT service recovery plan in place with clear escalation procedures outlined with Silver Fern Farms.

Implementation Tips

- Start continuity planning by considering critical business functions.
- Communicate your BCP broadly both internally and externally with key stakeholders (taking care to remove confidential information).
- Test your plans with mock scenarios.
- Check that your vendors also have BCPs in place for critical products/services.
- Review your plans at least annually.

Innovation

As a minimum vendors must:

- Continuously assess the global landscape to investigate and validate emerging technology, materials and ingredients that may have application to the products and/or services supplied to Silver Fern Farms.
- Continuously assess the portfolio of products/services supplied to Silver Fern Farms for opportunities to improve the product/service performance, functional attributes, unit cost, delivery lead-times, raw material inputs, minimum order quantities, setup costs.
- Bring validated opportunities for improvement to the Silver Fern Farms development and procurement teams regularly for assessment.
- Actively monitor changing global regulations to ensure banned materials and substances are not used in products supplied to Silver Fern Farms, or have a plan to remove banned substances according to global regulation timings.
- Actively investigate and validate alternative products, materials or ingredients to ensure supply continuity in the event of significant disruption.
- To help Silver Fern Farms validate any new opportunities, vendors must ensure a comprehensive set of information is provided, such as (but not limited to): Unit cost, price breaks, delivery lead-times, raw material inputs, minimum order quantities, setup costs, nutritional information, technical material specifications, USDA Title 21 / EU compliance, PIFs etc.
- Be open to sharing risk with Silver Fern Farms to explore, validate and execute new opportunities outside of BAU, where significant uncertainty may exist relating to technical feasibility, cost or application to the Silver Fern Farms business.



We expect all our vendors to be working towards the following best practices:

- Have a process in place to capture, filter and make decisions about new ideas.
- Have a structured governance process in place to explore, validate and execute new ideas.
- Ensure staff working with Silver Fern Farms are trained in the validation processes needed to implement new technologies, materials, ingredients or services.

Implementation Tips

- Increasing the diversity of your employees will help to bring new thinking to your business.
- Create different channels for staff to bring forth ideas.
- Approach meetings with Silver Fern Farms representatives as an opportunity to provide feedback on potential improvements and advancements.

Community

As a minimum vendors must:

- Ensure that their activities do not negatively impact local communities, minimise impact on Indigenous communities (on global scale) and specifically Māori (in Aotearoa).
- Have a reasonable and stated understanding of how they impact their stakeholders and the communities in which they operate.
- Conduct business in a way that builds social engagement, development and growth.

We expect all our vendors to be working towards the following best practices:

- For New Zealand based vendors developing a greater understanding of Te Tiriti O Waitangi and its implications.
- Actively support the communities and improve the environment in which they operate.
- Prioritise local hiring and local procurement where practicable.
- Understand the social impact created by their operations in all locations where they conduct business, having regard to improving levels of unemployment, poverty, community health and wellbeing, and access to education.
- Understand the social impact created by their vendors in all locations where their vendors operate.

Implementation Tips

- Start to build cultural capability within your organisation.
- Consider how your purchasing practices or requirements may be deterring local vendors.



Implementation

The intention of this Code is to set a clear baseline for how we expect our vendors to conduct their business. Accordingly, we require our vendors to acknowledge and commit to adherence with the minimum expectations set out in this Code and to be working towards the best practices outlined.

Silver Ferns may assess compliance through a combination of audits, self-assessments and documentation reviews. This may include site or facility visits.

We recognise that we work with a range of vendors, and we expect vendors to have management systems in place for a company relative to their size and industry to ensure compliance with applicable laws, regulations and requirements of this Code.

Our intention is to work with our vendors in a constructive way to lift the bar for how business is conducted within respect to human rights, labour, ethics and the environment. However, where there are severe and/or continued violations of the Code we reserve the right to take actions that may include working with other vendors who conduct their business in line with the Code.

While this Code of Conduct applies only to vendors of Silver Fern Farms, we do expect the relevant aspects of this Code to be communicated to your own vendors, their subcontractors and independent contractors.

Raising a Concern

Silver Fern Farms's maintains a culture where speaking up is encouraged. Speaking up demonstrates honesty, fairness and integrity. Vendors and their employees are encouraged to speak up where they suspect that there is behaviour that may be in breach of this Code or appears to be illegal or unethical. This includes the behaviour of any our representatives.

Vendors and their employees can access Silver Fern Farms' Report It Now hotline to raises concerns or report breaches. Please enter Silver Fern Farms in 'Your Company'.

[Make a report - Report it Now New Zealand \(reportitnow-global.com\)](https://reportitnow-global.com)

Contact Details

If you have any questions about this Code of Conduct, please contact:

procurement@silverfernfarms.co.nz



VENDOR CHECKLIST

Lawful and Ethical Business

- Appropriate policies, procedures and processes in place to ensure compliance with laws, regulations and this code of conduct.
- Clear policies on bribery and corruption.
- Maintaining accurate financial and business records.

Labour and Human Rights

- Appropriate procurement practices/policy which makes efforts to ensure purchases are not exacerbating human rights or labour practice abuses.
- Undertaken or are planning to undertake a risk assessment/audit of your operations and supply chain to check for the risk of labour and human rights abuses.
- Assessed your business operations and supply chain for any risk of child labour.
- All workers are contracted, fairly paid and are working under fair conditions.

Health, Safety and Wellbeing

- Appropriate health and safety covering all sites and operations are in place including an incident recording system.
- Regular and recorded health and safety training occurs.

Respectful and Inclusive Workplace

- An anti-discrimination policy is in place.
- An anti-bullying and harassment policy is in place.
- Workers are provided with a suitable mechanism for raising grievances.

Environment

- A system exists to manage environmental risks and impacts.
- Environmental consents and permits are up to date and adhered to.
- Staff are aware of environmental hazards and trained to manage incidents.
- Material greenhouse gas emissions are measured on at least an annual basis.

Business Resilience

- Business continuity and/or disaster recovery plans in place and have been tested.
- Cybersecurity measures are in place and have been tested.

Innovation

- Continuous improvement plan/policy in place.

Community

- Assessed your community impact and put in place measures to address it.

General

- Any potential breaches of the code have been identified and communicated to Silver Fern Farms
- Workers and others involved in the supply chain have been advised of the appropriate channels to raise concerns directly with Silver Fern Farms
- The expectations of this Code have been communicated to your employees and your suppliers.

