



# Nutreco Code of Conduct

FOR BUSINESS PARTNERS

October, 2023

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# 1. General Requirements

## 1.1 Introduction

Feeding the world's growing population in a responsible and sustainable way is at the core of Nutreco's purpose. Our own people and operations are governed by our [Code of Conduct for Employees](#) and supporting policies and processes.

We recognise that our purpose can only be achieved with the cooperation of our business partners and therefore this Code of Conduct guides our expectations on sustainability, compliance and integrity issues. In the case that there are significant changes with the Business Partner that in any way affect, or might affect, compliance to the Code of Conduct, Nutreco must be informed immediately.

If a Business Partner<sup>1</sup> fails to comply with this Code of Conduct, Nutreco may take corrective measures, including termination of the business relationship.

Nutreco welcomes dialogue about this Code of Conduct and expects all Business Partners to actively address and mitigate non-conformities. Business Partners shall give Nutreco the right to audit, at reasonable notice and during office hours, regarding their compliance with the requirements set forth in this Code of Conduct and agree to provide all reasonable assistance to Nutreco (and our advisors) for obtaining the required information during such audit.

***“Our purpose can only be achieved with the cooperation of our business partners.”***

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<sup>1</sup> The term “Business Partner” in this document refers to any company, organisation, manufacturer or individual engaging in business with Nutreco.

## 1.2 Legal Compliance

- Business Partners shall abide by all applicable laws and regulations that govern their business activities.
- Business Partners shall comply with applicable trade sanctions and regulations. Nutreco does not accept any materials or services from persons, entities, governments or countries if doing so violates applicable sanctions.
- Nutreco has a zero-tolerance approach to corruption. Business Partners shall not be involved in any form of bribery, including kickbacks or facilitation payments. Business Partners shall respect Nutreco's standards concerning gifts and hospitality involving employees and representatives as included in our [Code of Conduct for Employees](#).
- Nutreco promotes and supports fair competition. Our Business Partners shall compete fairly and comply with antitrust and competition laws in the countries in which they operate. Business Partners shall not make agreements or engage in practices that are illegal, such as price-fixing, market allocation or abuse of a dominant position.
- We expect our Business Partners to immediately declare any potential conflict of interest before starting a business relationship with Nutreco and/or during the business relationship.
- In addition, our Business Partners shall not provide financial or other support to political parties or candidates to influence transactions with or for Nutreco.
- Business partners shall comply with applicable privacy and information security laws and regulations for the collection, processing, storage, transmission and deletion of personal data. Business partners shall protect the reasonable privacy expectations of all stakeholders and ensure appropriate levels of data security.

## 1.3 Human Rights

- Business Partners shall respect laws and regulations regarding wages and working time in the country concerned.
- Business Partners shall not engage in child labour<sup>2</sup>.

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<sup>2</sup> We uphold the ILO Minimum Age Convention (no. 138), which sets the general minimum age for admission to work at 15 years (13 for light work) and the minimum age for hazardous work at 18 (16 under certain strict conditions). It provides for the possibility of initially setting the general minimum age at 14 (12 for light work) where the economy and educational facilities are insufficiently developed.

- Business Partners shall support equal opportunities and fight discrimination at the workplace.
- Business Partners shall not use prison, indentured, or bonded labour<sup>3</sup>, or use corporal punishment or other forms of mental and physical coercion as a form of discipline.
- Business Partners shall respect and support the free association of labour and employee rights to join a trade union or collective bargaining where allowable by law.
- Business Partners shall, if applicable, engage responsibly with indigenous and tribal people in the communities they operate to manage significant social impacts resulting from company operations.

## 1.4 Labour Practices

- Business Partners shall provide safe, healthy and clean conditions in all work, rest, dining and, where applicable, accommodation areas. Furthermore, business partners must establish and follow a set of procedures that guarantee the health and security of employees.
- Business Partners have a Health & Safety Policy that is freely available for all employees to access at any time, if and to the extent required under local laws.
- Business Partners shall continuously strive to minimise accidents and risks.
- Business Partners shall provide a working environment that is free from harassment and disrespectful conduct.
- Business Partners shall ensure that all employees have received, understood and agreed upon a written contract in their native language about their employment terms and conditions prior to starting employment.

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<sup>3</sup> According to ILO Forced Labour Convention (no. 29), forced labour is any work or service performed under the menace of penalty, and for which the said persons have not offered up themselves voluntarily. There are three common forms:

- Prison labour: Work performed by individuals incarcerated by either the state or military that is a requirement of their sentence and usually without compensation.
- Indentured labour: Work performed by an individual contractually bound to an employer for a specific time period, which is usually in return for payment of travel and living expenses.
- Bonded labour: An illegal practice in which employers give high- interest loans to workers who either individually or as an entire family then labour at low wages to pay off the debt.

- Business Partners shall feel free to raise any concern related to Nutreco's operations using our [Speak Up Service](#), which can be used anonymously to protect confidentiality.
- Business Partners shall have a system in place, which employees are familiar with, for handling grievances responsibly. Options for reporting must be clearly communicated to workers and ensure no retaliation against who raises concerns in good faith.

## 1.5 Environment

- Business Partners shall respect all relevant environmental laws and regulations.
- Business Partners shall ensure the efficient and sustainable use of resources and strive to minimise their negative impact on biodiversity, climate change and water scarcity.
- Business Partners shall manage waste responsibly and implement steps to reduce, reuse or recycle waste as much as possible.
- Business Partners shall manage effluents (wastewater from industrial outfalls that flow directly to surface waters) in accordance with applicable laws and permits and ensure that effluents do not contaminate surface or groundwater.
- Business Partners shall work to improve energy efficiency and to increase the proportion of energy coming from renewable energy sources. This includes the identification of responsible practices, and measures to move away from poor practices and increase responsible practices within a meaningful timeline.
- Business Partners shall engage responsibly with the communities in which they operate, manage community impact resulting from company operations and implement procedures for impact control.

## 1.6 Product Safety

All products and services delivered to Nutreco shall be safe for their intended use. Business Partners will have the safety data needed for hazardous substances used and will hand them over to Nutreco when required.

## 1.7 Product Characteristics

If applicable, business partners must disclose the presence of genetically modified organisms (GMOs), or ingredients made from GMOs in each product delivered to Nutreco, as well as the active compound of antibiotics or other medicinal additives.

## **1.8 Records**

Business Partners shall keep accurate, complete and up-to date records of their business activities with Nutreco. These records shall be retained in accordance with applicable laws.

## **1.9 Supply chain responsibility**

Business Partners shall communicate the requirements detailed in this Code of Conduct throughout their own supply chain.

## 2. Supplement for suppliers of Agricultural Products

### 2.1 Introduction

We believe all agricultural products should be produced in a responsible way. We work with recognised organisations and platforms to address outstanding issues such as deforestation in a pragmatic and effective way.

That is why in addition to the generic principles laid down in our Code of Conduct for Business Partners, we set additional minimum criteria regarding the sustainable production and sourcing of agricultural crop and dairy products. Please note that these criteria are an addition to, and not a replacement of the generic principles.

Although there are clear differences in the magnitude of the specific challenges involved, these additional criteria address the major issues that influence the sustainability of crop and livestock production systems. This supplement is not intended to be an exhaustive guide to sustainable agricultural practices. More detailed sustainability criteria may be required and agreed upon between Nutreco and a supplier, which will then be included in a separate agreement.

### 2.2 Scope

This supplement to the Code of Conduct for Business Partners is valid for all agricultural products supplied to Nutreco. This includes conventionally grown, organic and genetically modified (GM) crops and products derived thereof as well as products from the dairy industry.

Nutreco expects suppliers of agricultural products to ensure that the criteria described in this supplement are fulfilled. Some of the criteria can only be fulfilled by the suppliers of agricultural products following up on and checking these criteria with their own suppliers. This can for example be agricultural farmers of plant crops (soya, rapeseed, wheat, etc.) or livestock farmers (dairy).



## 2.3 Criteria for sustainable sourcing of agricultural products

- **Traceability:** Suppliers shall implement traceability systems that enable the products supplied to Nutreco to be traced back to their source. For crops, this would ideally go back to the farm where the crops were grown, but as a minimum to the country of origin.
- **Certification:** Nutreco encourages suppliers to obtain recognised third-party certification or any other means of independent verification that demonstrate compliance with the criteria specified in this supplement.

## 2.4 Criteria for sustainable production of agricultural products

- **Agrochemicals<sup>4</sup> and organic fertilisers:** Recognised best agricultural practices shall be adopted with regards to the storage, use and application of agrochemicals and organic fertilisers with the aim to reduce the need for agrochemicals, minimise environmental pollution and avoid negative impacts on human health and well-being and ecosystem services.
- **Soils:** Recognised best agricultural practices shall be adopted to maintain and improve soils, taking into consideration soil structure, fertility and erosion.
- **Water:** Farm management practices shall ensure water is used in the most efficient way and its quality assessed and protected.
- **Deforestation and land use change:** Suppliers shall act in accordance with national laws, industry commitments and guidance to ensure deforestation and land use changes take place in a responsible way. In geographical areas with a high risk of illegal deforestation or land use change, Nutreco will insist on assurance that crops do not originate from areas of illegal deforestation<sup>5</sup>. Nutreco will together with our stakeholders' support work towards agricultural value chains that are deforestation free and will define geographical sector specific deforestation cut-off dates<sup>6</sup>.

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<sup>4</sup> Agrochemicals includes crop protection products, other pesticides and synthetic (inorganic/mineral) fertilisers; organic fertilisers include manures, composts, etc.

<sup>5</sup> Certification schemes fulfilling the FEAC Soy Sourcing Guidelines are accepted as documentation of soy coming from areas of no illegal deforestation. [Click here](#) for more information.

<sup>6</sup> Deforestation, land use change and geographical sector specific deforestation cut-off dates defined according to the principles developed by the [Accountability Framework Initiative](#) (AFI).

- **Agricultural land expansion:** Conversion of natural habitats into new agricultural land should be encouraged in areas designated as degraded lands. Crops must not originate from valuable natural habitats made into new agricultural land after 2008.
- **Protection of biodiversity:** Suppliers shall demonstrate awareness of potential adverse effects of their business activities on biodiversity and ecosystem services, and have measures in place to avoid, minimise, rectify or, as a last resort, compensate for these.

## 2.5 Criteria for sustainable production of dairy products (additionally)

- **Animal welfare:** Animals shall be treated with care and respect. Living conditions for livestock should provide access to natural light, fresh air, fresh water, and a healthy diet. Animals should be sheltered from extreme temperatures and be provided with adequate space and opportunity to engage in natural behaviours, including social contact with other animals. Animal stress during handling, transportation and slaughter shall be minimised.
- **Responsible use of antibiotics:** Best practices in farm health management shall be adopted to avoid, reduce and, where indispensable, guarantee the prudent and appropriate use of antibiotics. For its own operations Nutreco will work towards no prophylactic usage and no use of antibiotics for growth promotion. Nutreco will for its own operations ensure the use of antibiotic medication can only be used under direct and approved medical supervision by a veterinarian. By 2025 Nutreco will for its own operations will ensure no use of any antimicrobials listed on the World Health Organization's list of "Critically Important for Human Health."
- **Nutrient efficiency:** Suppliers shall provide livestock with a balanced diet targeted at the anticipated production level. Milk production per cow should be optimised and measures should be implemented to increase the longevity of cows, resulting in minimized carbon (including methane), nitrogen, phosphorus and other nutrient losses.

## 3. Supplement for suppliers of Marine Products

### 3.1 Introduction

The ocean provides a rich habitat for many marine animal and plant species and therefore requires careful protection. A crucial part of this is ensuring that those fish stocks that are caught for direct or indirect human consumption are fished responsibly – within clearly defined sustainable limits.

Overfishing of wild fish stocks for fishmeal and fish oil production is detrimental to the marine ecosystem. Therefore, in addition to the generic principles laid down in our Code of Conduct for Business Partners, we set additional minimum criteria regarding the sustainable sourcing of marine products and the responsible management of the fisheries where these products originate. Please note that these criteria are an addition to, and not a replacement of the generic principles.

This supplement is not intended to be an exhaustive guide to sustainable management of fisheries. More detailed sustainability criteria can be found in [Nutreco's Marine Ingredients Responsible Sourcing Policy](#).

### 3.2 Scope

This supplement to the Code of Conduct for Business Partners is valid for all marine raw materials used in Nutreco products. This includes fishmeal and fish oil processed from fish and crustaceans caught for the primary production of marine ingredients, by-products from fishery processing and by-products from aquaculture.

Nutreco expects suppliers processing industrial fisheries or by-products or trimmings from wild or farmed fish processing to ensure that the criteria described in this supplement are fulfilled. Some of the criteria can only be fulfilled by the suppliers of marine ingredients following up on and checking these criteria with their own suppliers. This can for example be fishing boats, fish processors or fish farms.

### 3.3 Criteria for sustainable sourcing of products

- **IUU fishing activity:** Fishery materials shall not be from illegal, unreported and unregulated (IUU) fishing activities.
- **Traceability:** Suppliers shall implement traceability systems that enable the original material used in the products sold to Nutreco to be traced back to fishery/fisheries of origin, or the farmed species and country of origin.
- **Certification:** Nutreco subscribes to, and promotes, the fishery management principles of the FAO Code of Conduct for Responsible Fisheries. Nutreco expects its suppliers to work towards complying with the principles specified in that code. Skretting also supports the MarinTrust Programme and regards the criteria related to marine ingredients to be met when the processor and the fishery is part of the MarinTrust programme. Marine Stewardship Council certified fisheries meets the requirements of the MarinTrust programme. Nutreco also accepts suppliers and fisheries that are part of the MarinTrust improvers programme.

### 3.4 Criteria for products from fish processing for human consumption (by-products)

**Threatened species:** Suppliers shall not process species or by-products from species that are classified as Critically Endangered or Endangered in the IUCN Red List. Species that are listed as Vulnerable are not eligible for use as by-products, unless for fisheries from a discrete sub-population that have been assessed and determined to be responsibly managed.

### 3.5 Criteria for products from aquaculture (by-products)

- **Responsible use of antibiotics:** Best practices in farm health management shall be adopted to avoid, reduce and, where indispensable, guarantee the prudent and appropriate use of antibiotics. The use of antibiotics shall be supervised by an animal health specialist. Antibiotics of significant human medical importance, particularly antibiotics listed as critically important for human medicine by the World Health Organization (WHO), shall not be used if the principle intent is to improve performance.
- **Mortalities:** Material shall not originate from natural mortalities.

### 3.6 Criteria for products from whole fish<sup>7</sup>

- **Fishery Management Framework and Procedures:** Fishery management actions shall be based on the long-term conservation of the fishery and ecosystem. Management shall be concerned with the whole stock over its entire distribution and consider all fishery removals and the biology of the species.
- **Stock Assessment Procedures and Management Advice:** There shall be scientific information available on the characteristics of the fishery relevant to the long-term conservation of the fishery and ecosystem, including its geographic distribution, stock assessment of target species and, where applicable, impacts on non-target species.
- **The Precautionary Principle:** The fisheries management framework shall apply a precautionary approach to the conservation of the target fishery resource, associated non-target species and for the conservation of the wider ecosystem.
- **Management Measures:** The level of fishing permitted shall be set according to scientific advice and, where available, a recommendation from an officially recognised body.
- **Reporting and Recording of Fishery Raw Materials:** Fishery materials shall be traceable to a species and fishery/fisheries assessed as compliant to the criteria for responsible fishery management set forward in this Code of Conduct.
- **Fishery Improvement Programmes:** Many important fisheries are not currently managed well enough to comply with the key requirements of the FAO Code of Conduct for Responsible Fisheries. Therefore, Nutreco encourages its suppliers that source materials from such fisheries to engage with relevant stakeholders (fishmeal processors, fishermen, traders and agents, authorities, NGOs etc.) to assist these fisheries to improve their management practices so they are able to comply with the fishery management requirements of the FAO Code of Conduct for Responsible Fisheries.

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<sup>7</sup> The term 'whole fish' is used to describe fisheries where the primary purpose of the fishery is to produce fishmeal and fish oil and where the catch is delivered directly to a marine ingredient processing unit:

# Acknowledgement of the Code of Conduct

The undersigned hereby declares that the respective Business Partner:

- will be open and transparent and enter freely into dialog about potential challenges in meeting the requirements in this Code of Conduct.
- confirms that if non-compliances are revealed, either through internal audits, grievance mechanisms or external audits, appropriate corrective actions will be taken.
- is aware of that Nutreco considers compliance and willingness to implement corrective actions, when necessary, when selecting Business Partners. Further, that business can be ended consequently to non-compliance with Nutreco’s Code of Conduct for Business Partners or a lack of willingness to cooperate around corrective actions.
- is familiar with [Speak Up](#), Nutreco’s whistleblowing channel, a grievance mechanism where any whistleblowing will be treated strictly confidential, and we will communicate its existence amongst relevant personnel.
- agrees to communicate the same expectations and requirements described in this Code of Conduct to its own suppliers and business relationships.

The authorised signature below is from a representative with authority to act on behalf of our company.

Business Partner Name: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Representative Name: \_\_\_\_\_

Authorised signature: \_\_\_\_\_