

Group Deforestation Policy

Currently forests cover 30.8% of the global land area, totalling 4.06 billion hectares of which over 50% of this amount being only found in 5 countries (the Russian Federation, Brazil, Canada, USA and China)¹. Forests are home to more than just trees, with many different plants and animal species being present, for example 80% of all known amphibian species, 75% of all birds and 68% of all mammals making them their home¹. Forests supply water mitigate climate change and provide habitats for many pollinators, which are essential for sustainable food production. It is estimated that 75% of the world's leading food crops, representing 35% of global food production, benefit from animal pollination for fruit, vegetable or seed production¹.

However, the proportion of total land area which is forest has decreased from 32.5% to 30.8% in the three decades between 1990 and 2020. This represents a net loss of 178 million hectares of forest (an area about the size of Libya or just under 7.5 times the size of the UK). The annual decrease has reduced from 7.84 million hectares per year between 1990 and 2000 to 4.74 million hectares per year from 2010 to 2020¹. The loss is primarily caused by agricultural expansion, with cattle ranching and cultivation of soya bean and oil palm accounting for 40% of it.

Here at Cranswick, our Second Nature strategy is aligned with the UN Sustainable Development Goals. Goal 15 is "Life on Land" and hence we are committed to assisting the Global effort to continue the reduction in this annual decrease and to halt and reverse land degradation. We are signatories to the Business Statement of Support for the Cerrado (the world's most biodiverse savannah) Manifesto which calls for industry, civil society and government to work together to balance sustainable agricultural development and protection of this important natural ecosystem. We are also full members of the Soy Transparency Coalition (STC). However, we realise that this is not something which we can achieve on our own and therefore, we are committed to the following approach:

Scope:

As a major UK food manufacture which has a field to fork integrated supply chain for pigs and poultry, we are committed to engaging with our suppliers to make progress and embed sustainability, including responsible sourcing, throughout our entire process. Although we do not purchase forest related materials directly, we realise that there is an inherent risk of deforestation associated with some of the agricultural products which we purchase.

These products are:

- Soya for Animal Feed and Plant based products
- Beef from South America
- Paper and Carboard for packaging materials
- Palm Oil

Commitments:

Cranswick have, in addition to this policy, a Group Soya Policy and Group Sustainable Procurement Policy. Both of these have key commitments which assist in the reduction of the reliance on products which may result in deforestation within the supply chain.

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As part of Cranswick Sustainable Procurement Policy, we have stated the following 2 key areas:

- Ensure through our supply chain that the purchase of product containing Palm oil is from a sustainable source and that it does not contribute to deforestation and is certified, as defined by the Roundtable of Sustainable Palm Oil (RSPO). Where this is not currently in place, to work with our suppliers to ensure that all Palm Oil is RSPO approved by the end of 2023.
- As a supporter of the Government Round Table on sustainable soya, we pledge to ensure our supply chain is made aware of the impact of soya on deforestation in particular areas of South America. To this end we are looking to move towards certified sources of soya within our animal feed and moreover continue R & D on alternate protein sources for the future.

Through these schemes, we are committed to maintaining traceability of products which are certificated.

It is noted that currently only approx. less than 3%² of all the soya available Globally is certified under schemes such as the Forest Code in Brazil. As such we will continue to drive reductions through the following methods and research:

- Commitment to trial lower soya diets for pigs and poultry without compromise to their wellbeing.
- Continue to research and develop alternative protein sources for replacement of soya
- Where it is practical and not cost prohibitive, to use certified sources of soya for animal feed and within an NPD process for plant-based products.
- Wherever possible, to seek an alternative protein to soya for use in our plant-based products.
- Wherever practical to use certified sources for paper and cardboard packaging, e.g. Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) certified suppliers.
- Commitment to ensuring that products within our supply chain which may come from areas at risk of deforestation are legally cultivated or farmed in a way that protects against destruction of forest and valuable native vegetation.
- To support the suppliers of our products which may come from areas at risk of deforestation to adopt programmes to avoid deforestation.
- Commitment to make our supply chain aware of the impact of their activities on the deforestation in particular areas around the world.
- Commitment to apply deforestation due diligence to all company operations and direct and 3rd party suppliers through the use of risk assessments for high risk suppliers by 2030.
- Continue our commitment to ensuring 100% of our Beef from Brazil comes from cattle sourced from areas with no risk of deforestation.
- To complete the CDP Questionnaire on Forestry and to target an A grade by 2030.

Verification:

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Through the six-monthly sustainability meetings, the continued process of feed trials will be monitored. Where supplier controls are in place, these will be monitored and verified through traceability exercises and supplier visits. Where we become aware that our commitments are not being met through the supply chain, we shall engage with the supplier to install a corrective action plan with a clear and appropriate timescale for completion to address any issues that are highlighted. These corrective action plans will be reviewed and reported at the appropriate senior management meetings to ensure that actions are taken within a timely manner. Where a continual failure to adhere to this policy is highlighted within the supply chain, then an appropriate range of options, including the delisting of that supplier will be considered

For Cranswick plc:

Business Unit Director:

Adam Couch Chief Executive Officer August 2021

References:

- The State of the World's Forests 2020 Forests, Biodiversity and People, Food and Agriculture Organisations of the United Nations, 2020
- 2. Soy Transparency Coalition 2020

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