

# **SUPPLIERS' SUSTAINABILITY STANDARD (3S).**

*Working in partnership with our Suppliers, 2024.*





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## **Introduction – Fundamental Principles – Requirements – Reporting on Breaches.**

**We have an obligation to improve how businesses are conducted within our supply chain. Through our partnership with suppliers, we seek to address social and environmental injustices, including business integrity risk within our value chain. In the end, we all achieve business sustainability.**

### 1.0 Introduction

GSC Suppliers Sustainability Standard (3S) is a declaration of our business values and what we expect from business partners across our supply chain. This standard is a call for more commitment to transparency with measurable impacts. As a business, we understand transparency greatly reduce surprises in the supply chain. Hence, we have established this medium to communicate, share and collaborate with you as we navigate this journey together.

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IF AN ORGANIZATION IS GOING TO DRIVE SUSTAINABILITY, 60% OF WHAT THEY NEED TO DO HAPPENS IN THE SUPPLY CHAIN.

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We previously communicated with you some sustainability requirements through our “Responsible Business Partner Policy” and “Standard Terms of Conditions”. However, it was realised communicating without collaborating was not enough to create the change we desired; the ISO 20400 guidance on sustainable procurement highlights this. Therefore, as a collaborator we have establishes some robust requirements with a better system for assessing and monitoring impacts.

## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.

### 1.1 Integrating Social and Human rights commitments to eliminate Modern slavery.

The UN Guiding Principles on Business and Human Rights is a guidance GSC is adopting to eliminate traces of modern slavery across its business. In 2024, the “Social and Human Rights Policy” was signed in by the Top Management to support our existing policy on “Child Labour”, which reemphasized our ambition to prevent forced labour. We are a member of the UN Global Compacts and have ratified its 10 principles. We have always committed to the International Bill on Human Rights and its fundamental rights of work as contained in the International Labour Organization’s (ILO) Declaration. At scheduled interval, we subject our system to SMETA assessment to support our clients by validating our commitment to responsible procurement. Given the prevalence and importance of human rights risks across supply chain, we have integrated the “ETI Base Code” and other basic instruments as mentioned above into our **3S**: which is a practical approach to influence our upstream and downstream Suppliers toward achieving global best practice.

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SUPPLY CHAIN SUSTAINABILITY: SHIFTING FROM “CAN” TO “MUST”.

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### 1.2 Protecting and preserving the environment

Through our sustainability policy and subscription to the UN Global Compact principles, we are committed to always adopt precautionary approach to environmental challenges and promote greater environmental responsibility through thoughtful initiatives. This means, we conduct our business with sustainability as the fundamental criteria while we pursue to increase our positive impact on the environment. From managing our operations, sourcing, manufacturing, distributing of products, and the supply of services. We have addressed several adverse impacts on the environment through deliberate efforts in waste management programs (waste to Landfill reduction and recycling programs), emission accountability and reduction initiatives, compliance with national and local environmental regulations, reforestation programs and collaboration with international forest consultants like Proforest. We ensure water accountability measures is maintained and established required controls, etc. By our collaboration with you, we are certain of achieving more impacts when you comply with this standard (3S).

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“ANY COMPLETE SUSTAINABILITY TRACKING PROGRAM NEEDS TO TAKE THE SUPPLY CHAIN INTO ACCOUNT – IT’S NO LONGER ENOUGH TO SIMPLY MEASURE SUSTAINABILITY BY WHAT TAKES PLACE AT YOUR OWN FACILITY

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## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.

### 1.3 Business Ethics and Risk management.

As a business, we understand the risks posed by unethical business behaviours. For this reason, we expect our partners to act in accordance with our “Responsible Business Partner Policy” and this **3S** guidance. So, the critical risks that may threaten the sustainability of our business can be identified and managed. Some of these risks includes bribery, corruption, insider trading, conflict of interest, lack of transparency, non-compliance to regulatory requirements, and absence of enterprise risk management model etc. As partners, you shall present to us the systems you have established to fully identify, assess, control and monitor your business risks. Including a list of all your transitional risks with associated management plan for preventing or mitigating its occurrence. Our sole aim for this is to assure our supply chain is equipped against disruptions.



## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.

### 2.0 Elements of our Supplier's Sustainability Standard (3S).

Our requirements are divided into three (3) parts:

i. Mandatory Requirements:

The minimum requirements you must meet to be our business partner.

ii. Mandatory Management Systems:

These are key policies, processes, and procedures that you must have in place and implement to help you achieve and maintain the Mandatory Requirements.

Note: The type and complexity of management systems required will usually depend on the size, type and risk profile, including the severity of the impacts of those risks to your business.

iii. Future Mandatory Requirements:

These are requirements that are not yet mandatory before being in business with us, but will be mandatory in the future. They are included to give you an advance notification of our expectations and the timeline to achieve them since implementation could be time consuming. They are contained in the requirement section of this standard. We will continuously update this information as we work toward implementation. However, timelines may change; either accelerated or extended.

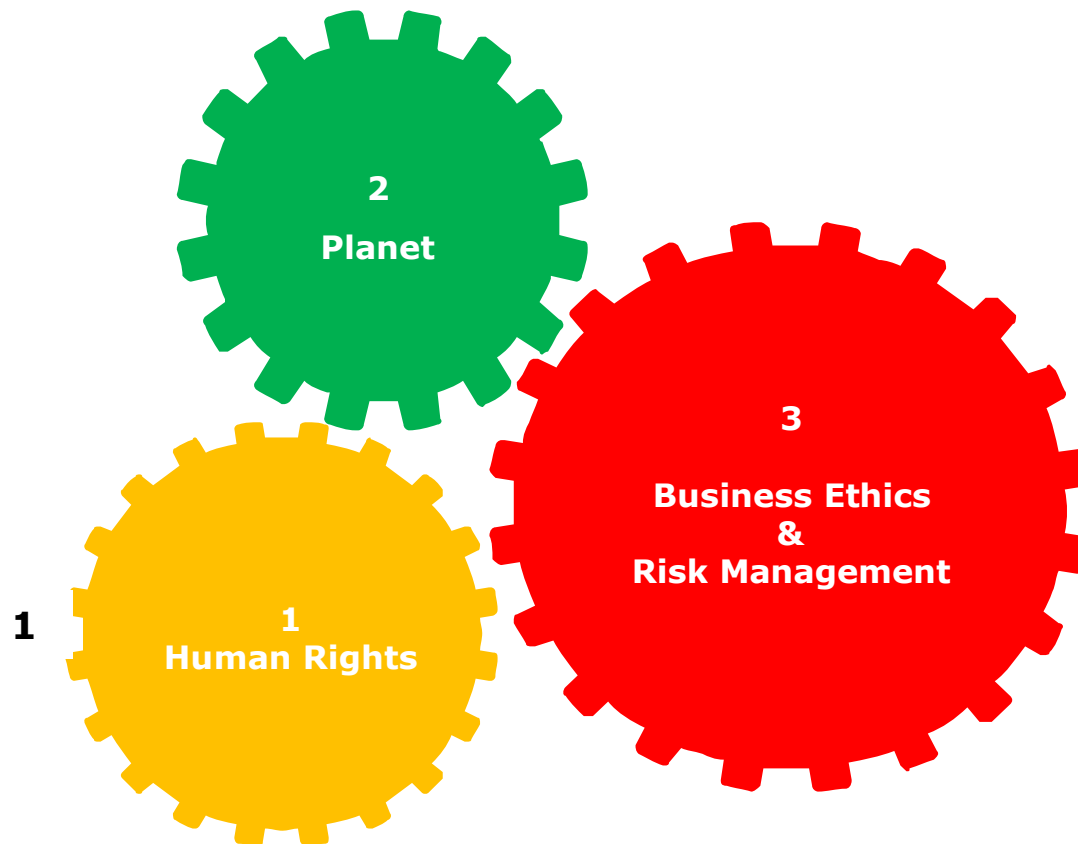


## **2.1 Our Fundamental Pillars**

The **3S** is governed by fundamental principles which provides guidance on what we expect from Suppliers.

This principles are classified into 3 pillars:

### **GSC 3S** **PILLARS**



## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.

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These pillars are interconnected and interdependent, therefore it is imperative to consider them together while trying to meet the **3S** requirements.

### 2.2. Implementation guidance

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Business partners shall determine and take responsibility for the steps required of their organisation to meet the “mandatory Requirements” and “mandatory management system” of our **3S**. The Implementation guidance highlight principles with step-by-step information to implement.

### 3.0 Who does our 3S principles apply to?

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- i. All ‘Tier 1’ Suppliers: defined as those who has been mapped by our supply chain team and invoice GSC for goods or services.
- ii. Selected ‘Tier 2’ Suppliers identified with high risk.
- iii. Contractors who directly support our Tier 1 Suppliers when issued a contract even where they do not directly invoice GSC.
- iv. Companies who directly ships in our raw materials.,e.g sugar traders and agents.

Business partners GSC directly contracts for product distribution.,e.g.,transport companies.

### 3.1 What type of business?

- v. ALL types of business, regardless of size and number of employees in the business.

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### **3.2. Who in the business?**

- Vii. Everyone in your company, including:
- viii. All employees of your company
- ix. All parts of your company, divisions and operations.
- x. All group companies.
- xi. Contracted workers or services employed by your group companies to enable the running of your company (for example:

contracted workers for manufacturing, security, catering, janitorial and other services).

- xii. People you sub-contract work to, including: Sub-contractors of services doing the actual work that GSC is being invoiced for.
- xiii. Sub-contractors of raw materials or goods that GSC is sourcing, including through traders, brokers and/or agents.

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### **3.3 Duty of Care.**

We expect you to influence your supply chain with equivalent requirements contained in our **3S**; you can start with carrying out some due diligence on either planet or human rights, or all three pillars. Just begin from somewhere as you align them with your business objectives. By doing this, you position your business proactively to control potential and actual adverse impacts that are directly linked to your operations, products or services. Including those you may cause or contribute to through your own activities.

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## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.

### 4.0. Implementing your management systems.

- The Mandatory Requirements represent the minimum threshold that you must achieve in order to do business with GSC, hence, You are expected to **'Ratify' our 3S and confirm that you can meet the mandatory requirements** through the application of your own policies and practices.
- Dependent on size and risk, you are expected to have your own policies, training, governance, risk management and compliance programmes in place to ensure that they are known and fully implemented within your organisations. Also, your employees and workers must know, respect and observe your company's policies.

The Mandatory Requirements are rooted in international standards, regulations and conventions that are widely used and aligned with similar expectations by other companies.

## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.

### 5.0. How we will conduct due diligence and verify alignment with our 3S.

We will verify your alignment and compliance to **3S** Mandatory Requirements and Mandatory Management Systems through the use of:

- Self-declaration,
- Due diligence scanning,
- Online assessments and independent verification by third party audits in high-risk sites. The Risk assessment is based on the size of the business and both the types of goods or services being supplied and the country of operations.
- Self Assessment Questionnaires SAQ.

The verification processes through third-party audits encompass methods suitable to the type and size of your business, as well as the goods and/or services you provide.

GSC adopts industry-leading auditing methodologies. Hence, our 'Tier 1' Suppliers and other high risk businesses are expected to submit a SMETA audit report biennially (per 2 years) to assess human rights risks in their business. However, Suppliers may also be allowed to submit other recognised 3<sup>rd</sup> party audit systems like AIM-Progress etc. This way, the potentiality for multiple different audit methodologies with cost implications is prevented.

While, Ecovadis assessment or CDP report are required from the same set of Suppliers for environmental impacts.

GSC due diligence process also includes other means of assessment such as impact and risk assessments. These aim to identify and prevent any negative business integrity, human rights or environmental impacts, particularly to those

## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.

most at risk; e.g., children, women, migrant workers, indigenous peoples and communities.

Hence, we expect our business partners to undertake these assessments. Including 'Tier 3' Suppliers and medium/low risk Suppliers who are also required to fill a SAQ annually and submit its business risk register.

### 5.1 How do Suppliers know their Tier status?

Our procurement team shall inform you about your risk category status, through written letter upon submission of your risk register.

We encourage you to contact GSC team if you face challenges in meeting our requirements during the course of implementing your own approaches.

As partners, we will endeavour to provide support and guidance from time-to-time, while

we also encourage you to share any insights that will help us improve our **3S**.

If you have any questions or comments, please email: [crm@fmnplc.com](mailto:crm@fmnplc.com)

### PILLAR 1 – HUMAN RIGHTS.



#### **1. Work is Voluntarily**

Employment is accepted and work is conducted on a voluntary basis.



#### **2. Fair Wages**

All workers are paid fair wages.



#### **3. Health and Safety**

All employees work in a safe and healthy environment that identifies and reduce risks to accidents, illnesses, and injuries.



#### **4. Access to Grievance Mechanisms & Redress**

All workers have access to grievance mechanisms with fair procedures and remedies without fear of retaliation.



#### **5. Freedom of Association**

All workers are free to exercise their right to form and/or join trade unions and to bargain collectively without Supplier interference.



#### **6. Child Labour shall not be used**

All workers are of an appropriate age and young workers are protected.



#### **7. Harassment & Abuse Free**

All workers are free from harassment and abuse. No worker is subject to any physical, sexual, psychological, or verbal harassment, abuse, or intimidation.



#### **8. Freely agreed terms & conditions**

Work is conducted based on freely agreed & documented terms of employment for all workers.



#### **9. Reasonable Working Hours**

Working hours for all employees are not excessive.



#### **10. Free from Discrimination**

All workers are treated equally, with respect and dignity without any form of discrimination.



#### **11. Indigenous communities**

The rights of indigenous communities are respected and not infringed upon.

### PILLAR 2 – PLANET



#### **12. Circularity Approach to waste management**

Suppliers exercise conscious effort in the management of all generated waste, especially hazardous types.



#### **13. Emission Reduction**

Suppliers take conscious climate-related actions to reduce Greenhouse gas (GHG) emissions in operation.



#### **14. Water & Nature Protection**

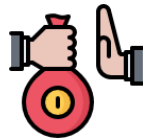
Suppliers make conscious decisions to reduce water consumption and protect water bodies from pollution.

## **PILLAR 3 – BUSINESS ETHICS & RISK MANAGEMENT**



### **15. Legal and product compliance**

Suppliers are required to comply with all national and applicable statutory obligations required for operation. Including compliance with product specification.



### **16. Countering Corruption & Bribery**

Maintain a system void of corruption and unethical practices.



### **17. Safeguarding Information & Property**

Suppliers shall ensure all information provided by GSC or other businesses is protected and used only for designated purposed. and personal data is collected, processed, stored, transferred, and disposed of responsibly.



### **18. Enterprise Risk Management**

Suppliers are required to establish and implement an enterprise risk framework that ensures risk are identified, assessed, monitored, and controlled across all aspect of the business.



## **The Requirements**

- ✚ Mandatory Requirements
- ✚ Mandatory Management Systems
- ✚ Future Mandatory Requirements.

## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.



### 1. Work is Voluntarily.

Employment is accepted and work is conducted on a voluntary basis.

1.1 Under no circumstances will forced labour be used, whether in the form of trafficked labour, involuntary prison labour, or other forms including mental and physical coercion, and slavery.

1.2 Workers are not required to deposit/surrender their identity papers with their employer and are free to leave their employer after reasonable notice.

1.3 Workers enter employment freely and shall not pay a deposit in relation to their obtaining employment to the employer, company, agency involved in the recruitment or any other person.

1.4 Workers are free to terminate their employment after a reasonable notice period without penalty, as agreed in the terms and conditions of employment.

1.5 Workers have freedom of movement and are not confined to the business partner's premises, including dormitories.

1.6. Workers are not required to pay a fee or deposit in connection with obtaining employment to the employer or to any person, company or agency involved in the recruitment process.

1.7 Employers are responsible for the payment of all fees and expenses in connection with a worker obtaining employment or incurred in connection with the worker performing their duties. If workers have

paid any fees, these must be reimbursed by the employer.

### Mandatory Management Systems

1.8 There are hiring policies in place and employees trained in human resources procedures to ensure that workers are entering into employment freely and that they are not prevented from leaving if they so wish.

1.9 Workers relocating for a job, either internationally or domestically, are made aware of the terms and conditions as well as their rights, via pre-departure and post-arrival training or other acceptable means, in a language that they understand.

1.10 Effective and transparent processes are set up to ensure that workers have freedom of movement and are not confined to the facility's premises, including worker accommodation and transportation to or from the place of work. Except for safety reasons.

**Note:** Such processes extend to the role and responsibility of security employees, where present.

1.11 Policies and procedures are in place and implemented to identify, prevent, and remediate any potential cases of recruitment fees paid by workers.



## **2. Fair Wages**

All workers shall be paid fair wages.

### **Mandatory Requirements**

2.1 All workers are provided with total compensation package for a standard working week meet that includes wages and benefits paid at a minimum, national legal standards, or industry benchmark standards, whichever is higher.

2.2 Compensation terms established by legally binding collective bargaining agreements are implemented and adhered to.

2.3 Wages are paid, on time, regularly and in full.

2.4 All workers are entitled to statutory annual leave of at least six working days with full salary. The duration of leave is subject to the agreement binding the worker and the organization. But must not be less than the statutory provision.

2.5 Workers receive a pay slip for each pay period, clearly indicating the components of the compensation, including exact amounts for wages, specifying regular and overtime hours worked (where workers are paid on an hourly basis) and benefits, incentives/bonuses, and any agreed deductions.

2.6 Where a worker is paid based on volume output, piece rate, quotas or similar, the pay rate allows the worker to be able to earn at least the equivalent of the minimum or collective agreement wage, whichever is higher, during normal working hours.

2.7 All overtime work or “work on statutory holidays” is paid at the appropriate premium rate according to local legal requirements and/or collective bargaining agreements.

2.8 Other than legally mandated deductions, all other deductions from wages are made only with the express and written consent of the workers in a language they understand. Workers’ wages shall not be deducted as disciplinary measures; instead, all disciplinary measures shall be recorded.

2.9 All legally mandated deductions, such as taxes and social or health insurance, are deposited each pay period in the legally stipulated accounts or agencies and as required by law.

2.10 Insurance is taken to cover workers in the case of any work-related injuries, accidents, illness, invalidity, and death in accordance with local worker compensation laws, as a minimum.

### **Mandatory Management Systems**

## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.

2.11 A written policy on wages and compensation is in place, transparent and explained to all workers in a language they understand.

2.12 A process to understand legal requirements for wages, overtime pay, benefits, holidays, and deductions and to monitor any changes to these, is in place and implemented.

2.13 Records are maintained that demonstrate that workers are paid accurately for standard and overtime hours worked, based on an appropriate hours and wages system.





### 3. Health & Safety

All employees work in a safe and healthy environment that identifies and reduce risks to accidents, illnesses, and injuries.

#### Mandatory Requirements

3.1 A safe and hygienic working environment shall be provided for all workers, 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.

3.2 All workers and other people who enter business premises are clearly informed (inducted) about the inherent dangers of the workplace and are provided with adequate knowledge and personal protective equipment to avoid such dangers, and there is clear and appropriate signages or information provided on how to evacuate in the case of an emergency.

3.3 All workers, visitors, and people who enter the premises to provide any operational services or deal with products are properly trained and informed about the appropriate actions to take should a health and safety incident occur.

3.4 All workers have access to clean toilet facilities and free potable water, and, if appropriate, sanitary

facilities (canteen, kitchen) for food storage shall be provided.

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

#### Mandatory Management Systems

3.6 Clear and effective policies and procedures are in place for occupational health and safety and are updated regularly.

3.7 Occupational health and safety policies and procedures are widely communicated and cascaded effectively throughout the organisation, with a mechanism to ensure relevant information is provided to all visitors.

3.8 All workers shall receive regular, recorded and repeated safety training including evacuation drills. This also applies to contract workers and security guards. This training shall be repeated for new or reassigned workers.

3.9 Business partners shall assign responsibility for health and safety to a senior management representative and oversee the safety plan for each work site.

## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.

3.10 The effectiveness of safety plans is regularly tested through drills and other means.

3.11 An effective Health & Safety Committee, with roles that are clearly understood by workers and managers, proportional to the size and risks of the work site, is in place. The Committee should identify, monitor and ensure improvement plans are implemented to reduce health and safety risks, in order to protect workers from work-related accidents, injury and illness.

3.12 The structural integrity and fire safety of work sites are specifically and regularly assessed, and identified issues are addressed.

3.13 Operations are regularly evaluated for safety issues, including areas for equipment and worker housing, where provided







#### **4. Access to Grievance Mechanisms & Redress**

All workers have access to grievance mechanisms with fair procedures and remedies without fear of retaliation.

##### **Mandatory Requirements**

4.1 All workers are provided with transparent, fair and confidential procedures that result in swift, unbiased and equitable resolution of issues which may arise as part of their working relationship.

4.2 The grievance mechanisms are in line with the UN Guiding Principles on Business and Human Rights and are well communicated and accessible in order to enable workers to report any issue.

4.3 The grievance mechanisms guarantee the confidentiality of any complainant unless permission is given by the complainant to disclose to a given person.

4.4 Those reporting a grievance or participating in any investigation of a grievance must not be retaliated against.

4.5 Grievances are fully addressed in an effective, timely and respectful manner, and escalated to and overseen by the appropriate level of management

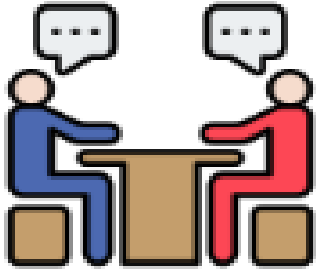
##### **Mandatory Management Systems**

4.6 There is a clear and documented process to address any grievance which ensures confidentiality (unless permission is given by the complainant to disclose to a given person).

4.7 There is a non-retaliation policy towards workers or whistle-blowers who report grievances, with specific measures to protect complainants from retaliation.

4.8 All employees are trained on the policy and procedures for handling grievances and managers are specifically trained to avoid recriminations and retaliation.

## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.



### 5. Freedom of Association and the Right of Collective Bargaining.

All workers are free to exercise their right to form and/or join trade unions and to bargain collectively without Suppliers' interference.

#### Mandatory Requirements

5.1 All workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively without fear of intimidation, harassment or obtaining prior approvals, unless legally required.

5.2 Workers know and understand their rights, including any legal right to strike. No other worker, manager or other company representative impedes them in the enjoyment of these rights.

5.3 Collective bargaining negotiations are entered into in good faith when requested from any legally recognised representative group of workers and collective agreements are concluded and implemented.

5.4 The employer shall adopt an open attitude towards the activities of trade unions and their organisational activities.

5.5 Worker representatives are not discriminated against, and unfair labour practices do not take place against them because of their role as worker

representatives. They have access to carry out their representative functions in the workplace.

5.6 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, alternative forms of worker representation, association and bargaining are allowed.

#### Mandatory Management Systems

5.7 Clear policies and processes relating to freedom of association and collective bargaining in day-to-day operations are in place and clarify that a worker's choice to form or join a trade union will not compromise their equal treatment (including treatment relating to hiring, discipline, promotion, wages, hours, grievances or employment termination).

5.8 When new policies and procedures are developed, worker representatives are engaged for input where possible.





## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.

5.9 Regular training of workers, managers and site security guards is carried out to ensure a worker's right to associate freely and to ensure the effective right to collective bargaining and good industrial relations practice (including consultation and negotiation).

5.10 An assessment is undertaken to identify potential risks to workers' right to freedom of association and, if identified, measures to address the issue are taken.

5.11 Clear rules governing the activities of recognized trade unions in the workplace are in place.

### PILLAR 1 – HUMAN RIGHTS

## 6. NO Child Labour

All workers are of an appropriate age and young workers are protected.



### Mandatory Requirements

6.1 There shall be no new recruitment of child labour. Suppliers shall not engage children under the age of 16, or under the national legal minimum age for work or mandatory schooling, in any form of labour.

6.2 Children and young persons under 18 shall not be employed at night or in hazardous conditions, including jobs that is detrimental to their development, and that is mentally, physically, socially, or morally dangerous or harmful.

6.3 Responsible remedial measures or programs are immediately implemented whenever any workers under the age of 16 are identified. These measures include immediately removing the child from all work and ensuring they are in a safe environment. Care and education of the child should be provided along with security of the same income to the family.

6.4 The goals and requirements set out in the International Labour Organization (ILO) Worst Forms of Child Labour Convention are met.

### Mandatory Management Systems

6.5 Suppliers shall develop and establish policies (which covers all workers, including those recruited directly or via an agency or third party) specifying the minimum age for all workers as well as remediation measures and programs if there is an incident of child labour detected which includes care, education, and income replacement. The policy should also outline the conditions under which young workers can be employed.

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

6.7 An effective age verification process, that includes proper documentation and record keeping systems, is in place in the workplace.

6.8 All relevant workers are trained to respect the provisions for young workers, inclusive of apprentices and interns, especially with respect to hours of work, night shifts, working hours during school terms and heavy or dangerous work.



## **7. Freedom from Harassment & Abuse Free**

All workers are free from harassment and abuse. No worker is subject to any physical, sexual, psychological, or verbal harassment, abuse, or intimidation.

### **Mandatory Requirements**

7.1 Workers are treated with dignity and respect. Physical abuse/sexual, verbal, or psychological abuse, any form of harassment, hate speech, intimidation, bullying, violence are prohibited.

7.2 Physical disciplinary measures like punishment are prohibited.

7.3 Procedure for reporting and addressing harassment are established and communicated to all workers.

7.4 All workers, and specifically managers, supervisors, and site security, who subject workers to harassment or abuse are subject to appropriate disciplinary measures.

7.5 There is zero tolerance of any abuse, threats, intimidation, or reprisals against human rights defenders.

### **Management Systems**

7.6 Policies and procedures are in place that prohibit any form of harassment or abuse and are communicated clearly to all workers, with regular training on how to recognize and prevent harassment and other forms of intimidation.

7.7 Written disciplinary procedures are communicated and explained clearly to all workers and records of all disciplinary actions are documented for the duration applicable by law.

7.8 A log is established and maintained for all reported cases of harassment, abuse, and intimidation.

7.9 Assessments on harassment prevention are conducted when building teams and supervisory roles. Specific sensitivity training shall be given to managers or supervisors dependent on the demographic profile (for example gender and race) of the workforce.



## **8. Freely agreed terms & conditions**

Work is conducted based on freely agreed & documented terms of employment for all workers.

### **Mandatory Requirements**

8.1 All workers, both permanent and casual, are provided with employment documents that are freely agreed and which, at a minimum, respect their legal and contractual rights.

8.2 Key components of the employer-worker relationship, including hours, overtime, pay, benefits, leave, and disciplinary and grievance systems, are freely agreed by the worker; documented in writing; and formally acknowledged by the employer and worker before the start of employment.

8.3 Terms and conditions of employment are in a language understood by the worker, are explained verbally or diagrammatically if required, and available throughout employment.

8.4 All workers receive a copy of their terms and conditions of employment in a language they understand for their records that matches those the employer has on file.

8.5 Any changes to the terms and conditions of employment are agreed in writing by both worker and employer.

agency workers are hired as permanent employees where the work involved is of a regular nature and is required all year round.

8.7 Workers are entitled to maternity, paternity, adoption, or parental protection, leave and benefits as required by law.

### **Mandatory Management Systems**

8.8 Key management functions such as hiring and contracting, grievance management, discipline, promotion, and employment termination have clear policy frameworks, procedures for implementation and training of those responsible for implementing them, with appropriate documentation kept.

8.9 There is a clear and transparent system of worker and management communication. Employees are provided with information relating to any decision that changes or affects their terms of employment and have the right to effective dialogue with management.

8.10 Ongoing training is provided for all workers to raise and broaden their skills to enable them to advance in their employment.

## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.



### 9. Working Hours are not Excessive

Working hours for all employees are reasonable and in compliance with the National Labour law.

#### Mandatory Requirements

9.1 Suppliers shall ensure workers' working hours comply with national laws and benchmark industry standards, whichever affords greater protection. Total weekly working hours including overtime must not exceed 60 hours for non-management workers even if local law would otherwise allow it, to prevent excessive physical and mental fatigue.

9.2 In any event, workers shall not on a regular basis be required to work more than 48 hours per week and shall be provided with at least one day off for every 7-day period on average, including statutory annual leave.

9.3 Overtime shall be voluntary, it shall not exceed 12 hours per week, it shall not be demanded on a regular basis and shall always be compensated at a premium rate.

9.4 If workers are required to work on a rest day due to a genuine need for continuity of production or service, workers must receive an equivalent period of compensatory rest immediately following to ensure a minimum of two days' rest in every 14 days.

9.5 Workers are entitled to reasonable meals and rest breaks, which, at a minimum, must comply with applicable laws.

#### Mandatory Management Systems

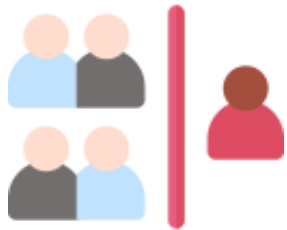
9.6 Written policies are in place and implemented for regular working hours and overtime; the policies clearly state that overtime is voluntary.

9.7 The expected work hours and schedules are communicated to all workers in a language and format that they understand.

9.8 Workers' consent to perform overtime work is documented.

9.9 There are defined and effective mechanisms for recording, documenting, and monitoring working hours and overtime for all workers, regardless of wage system (for example, piece-rate payment) or contract type.

9.10 Working time arrangements allow workers to attend to family and personal needs (for example, time off for medical appointments and flexibility and agility in work hours/shift coverage) without being penalized.



## **10. Freedom from Discrimination**

All workers are treated equally, with respect and dignity without any form of discrimination. Particular attention is paid to the rights of workers most at risk of discrimination.

### **Mandatory Requirements**

10.1 There is no discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national origin, religion, age, pregnancy, disability, gender, marital status, disability, union membership or political affiliation, or on any other grounds stated by national law is prevented.

10.2 Engaging in, supporting, or tolerating discrimination is prohibited.

10.3 Pregnancy testing, other forms of health screening that might result in discrimination, and mandatory contraception use are not tolerated. When health tests are mandated under local laws, the results cannot be used to dismiss workers or otherwise discriminate against them or treat them unfavorably.

### **Mandatory Management Systems**

10.4 Policies and procedures are in place that prohibit discrimination in any form during the recruitment, compensation, access to training, promotion, employment termination or retirement processes and these are clearly and regularly communicated to all workers, including management.

10.5 Selection criteria for all human resource decisions are objective and transparent and controls are in place to ensure these criteria are followed.

10.6 Procedures are in place to ensure that job vacancies are not described in terms that could exclude a group, or groups, of people, other than based on the skills, occupational requirements or training needed to perform the work.

10.7 Those responsible for hiring, paying, training, promoting, disciplining, and terminating the employment of workers are trained to avoid discrimination in the exercise of their duties.

10.8 All workers, and specifically managers, supervisors, and site security, are trained to avoid discrimination.



## **11. Respect for Local communities and Lands Rights.**

The rights of indigenous communities are respected and not infringed upon.

### **Mandatory Requirements**

11.1 Suppliers shall ensure its operational activities and development projects fosters full respect for human rights, dignity, aspirations, culture, and natural resource-based livelihoods of surrounding Indigenous Peoples.

11.2 Suppliers shall ensure the adverse impacts of its projects and activities on its host communities are anticipated and prevented as much as possible, however, in cases of accident or un-avoidable, systems must be established for addressing such impacts.

11.3 Suppliers shall promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner.

11.4 Suppliers shall establish and maintain an ongoing relationship based on Informed Consultation and Participation (ICP) with the Indigenous Peoples affected by its operational activities or project throughout the project's life cycle.

11.5 Suppliers shall ensure stakeholders within its host communities are constantly engaged and consulted

Prior taking decisions that could impacts on the livelihood, health, cultural beliefs, or image/reputation of indigenous communities.

11.6 Suppliers shall respect and preserve the culture, knowledge, and practices of Indigenous Peoples.

11.7. Suppliers shall not be involved in any form of land grabbing and there must be a zero-tolerance approach to land grabbing by others (your suppliers) with respect to any land acquired, leased or used

11.8 The legitimate land tenure rights of individuals and communities, including customary and informal rights, are respected, and due diligence is undertaken to uphold their established rights to property, land and land use.

11.9 When a change in land use is planned, the environmental and social impact is assessed and appropriately addressed with the participation of affected communities and published in a format and language accessible to those affected communities.

11.10 Land acquisition, land-use planning, change and land development are managed in a way that complies with national laws and respects human

## **Introduction – Fundamental Principles – Requirements – Reporting on Breaches.**

rights, including customary rights to land and resources, whichever offers the greatest protection.

### **Mandatory Management Systems**

When land use changes occur, there is a tendency that this can affect the rights of individuals or communities around.

11.12 Suppliers shall ensure written policies are in place that commits to zero tolerance to land grabbing, including respect for human rights. It shall also ensure its business partners adopt the same requirements.

11.13 Suppliers shall ensure an ongoing operational due diligence process is in place to effectively identify, prevent, mitigate and account for any violations of land rights in the suppliers' operations and how these are addressed and remedied.

11.11 Suppliers shall actively seek and document the effective implementation of free, prior and informed

11.14 Suppliers shall ensure sufficient resources are assigned to managing land rights issues and company-community engagement.

11.5 Suppliers shall ensure individuals responsible for land acquisition or land use changes are periodically trained on FPIC.





## **12. Circularity Approach to waste management**

Suppliers exercise conscious effort in the management of all generated waste, especially hazardous types. Including continuous reduction in waste to Landfill.

### **Mandatory Requirements**

12.1 Applicable laws and permits relating to the storage, handling, and disposal of waste directly or through waste sub-contractors are complied with.

12.2 Waste is stored, handled, transported, and disposed of in a way that protects the health and safety of people and protects the environment.

12.3 Suppliers shall ensure the 5R of waste management is implemented within its system for all types of waste, starting with Reducing the amount of waste generated, identify waste worthy of Reuse, Repurpose, Re-manufacture and Recycle, it shall ensure a waste management plan is established and maintained for ensuring waste circularity.

12.4 Suppliers shall ensure only accredited waste vendors are patronized. It shall ensure due diligence is conducted prior onboarding vendors: such as

registration with NESREA or other national or local waste statutory agencies saddled with waste management, annual audit of vendors, and establish a documented account of what the wastes are used for by vendors.

### **Mandatory Management Systems**

12.5 A documented waste management system is in place and updated periodically to identify and mitigate issues related to waste management and reduction.

12.6 A process to identify and manage the potential adverse environmental impacts and risks of waste, such as the Environmental Risk Assessment or register.

### **Future Mandatory Requirements**

12.7 Suppliers shall provide documented proof of its annual % reduction effort in waste management. GSC requires Suppliers to reduce by at least 2% year-on-year.



### **13. Emission Reduction**

Suppliers take conscious climate-related actions to reduce Greenhouse gas (GHG) emissions in operation.

#### **Mandatory Requirements**

13.1 All applicable legal requirements are complied with and permits held with respect to GHG emissions management and reduction.

#### **Management system**

13.2 Suppliers shall account for operational footprints; direct (scope 1) and indirect (scope 2). Accounting for this emissions shall be done through establish documented spreadsheet or advance data management softwares.

13.3 Suppliers shall disclose its annual emission information when requested by GSC for public reporting purposes. This should be done via an agreed methodology and include third-party verification.

13.4 Suppliers shall internally communicate its emission report to its stakeholders, and develop strategies for reduction.

#### **Future Mandatory Requirements**

13.5 Suppliers shall provide documented proof of its annual % reduction effort in emission management.

13.6 A public target and roadmap to reduce GHG emissions. GHG reduction targets are approved by the Science Based Targets initiative (SBTi), through: <https://sciencebasedtargets.org>.

13.7 GSC requires Suppliers reduce its emission by at least 2% year-on-year.

13.8 Carbon credits are used only for residual GHG emissions and after proven absolute reductions in line with SBTi and are reported separately from GHG reductions.



## **14. Water Conservation and Nature protection.**

Suppliers make conscious decisions to reduce water consumption and protect water bodies from pollution.

### **Mandatory Requirements**

14.1 Suppliers shall adhere to all applicable laws and permits related to water extraction, usage, and wastewater discharge. It shall ensure waster is analyzed and treated prior usage to promote food hygiene, documented proof shall be maintained and controlled.

14.2 Suppliers shall ensure water reduction strategies are in place during production, it shall continually optimize the use of water resources at all times using “best available techniques”, and with documented proves.

14.3 Suppliers shall ensure wetland and natural habitats are not altered, neither shall they be expolited for the benefit of its business. it shall ensure relevant applicable regulations are adopted to protect water habitats, it shall not discharge chemicals or any toxic waste into waterbodies without treatment and necessary regulatory permits.

14.4 Suppliers shall ensure environmental monitoring is conducted and with proves of report from 3<sup>rd</sup> party consultants, if adverse impacts are identified, it shall ensure mitgative measures are in place for reversing or controlling such impacts.

14.5 Suppliers shall ensure proactive measures are in place for managing water-stress, drought and other water related risks, it shall conduct assessments to prevent the risk to water contamination, over consumption and adopt technologies in addressing them, including any other acceptable controls in place.

14.6 Water related data shall be established and maintained by Suppliers using spreadsheets or other data management softwares, and shall be made available upon request from GSC, some examples of water key performnace indicators that shall be collated are; amount abstracted, consumed, discharge, and recycled within the system.

### **Mandatory Management Systems**

14.7 An environmental management system is in place, updated periodically, to identify and mitigate issues related to water management and wastewater discharge.

14.8 Environmental management policies and procedures are in place and are implemented for issues that present significant environmental risks relating to your operations.

14.9 sensitization and training is provided to all relevant workers on water conservation and

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management, including other environmental aspects material to your operational activities or projects.

14.10 All required data is shared with GSC where needed to allow GSC to use that data (on an anonymised basis, where the reporting or requirements allow anonymity) to comply with the

reporting and disclosure requirements of all relevant human rights, environmental protection and supply chain due diligence laws.

14.11 Relevant policies and procedures are widely communicated throughout your organisation, with appropriate training provided



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### 15. Legal and product compliance

Suppliers are required to comply with all national and applicable statutory obligations required for operation. Including compliance with product specification.

#### Mandatory Requirements

14.1 Suppliers shall ensure compliance with all national and local laws, regulations and business related statutory guidances,

15.2 Suppliers shall ensure a legal register is establish and manitained for documenting all applicable legal requirements, including required permits, for the countries where the business partner operates, as well as for all other applicable international laws and regulations.

15.3 Suppliers shall ensure it audit itself periodically ro ascertain complaince with all applicable laws and regulations.

15.4 It shall also disclose to GSC when there is a case of non-conformity with any law or regulation, and shall provide a plan for ensuring future compliance.

15.5 Suppliers shall ensure communication and training to employees are tailored to identified risks and past cases. The effectiveness of training is measured

#### Mandatory Management System.

15.6 Suppliers shall ensure the criteria contained in GSC business certification are met; some of which includes FSSC 22000, ISO 9001, ISO 27001 etc. The Suppliers shall not compromise in the established product quality, and if there is a drawback or breech in agreed quality, that Suppliers shall ensure it is communicated to GSC.

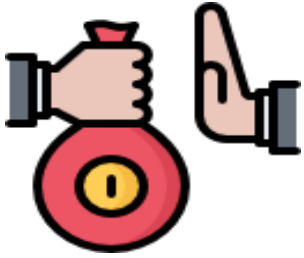
15.7 Suppliers shall ensure there is a competent employee or representatives available for implementing the requirements of any mandatory management system GSC is subscribed to;e.g., SEDEX, ISO 9001 & FSSC 22000 etc.

#### Future Mandatory Requirements

15.8 Suppliers shall shall consider subscribing to these management systems.



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### 16. Countering Corruption & Bribery

Suppliers are required to Maintain a system void of corruption and unethical practices.

#### Mandatory Requirements

##### Anti-bribery & corruption:

16.1 Suppliers shall avoid all forms of corruption; bribery, extortion, embezzlement and other mediums of unlawful payments. GSC prohibits financial fraud, money laundering, facilitation payment and extortion. Suppliers shall ensure a robust system is established to prevent all forms of corruption by establishing an effective system with proportionate procedures. Refer to <https://shorturl.at/NuCeB> for more information about corruption. Any breach of these requirements by the Suppliers shall be promptly disclosed to GSC, and shall attract penalties.

16.2 Suppliers are prohibited from offering anything of value to GSC employees to improperly obtain or retain business.

16.3 GSC employees are prohibited from soliciting any improper advantages from our business partners. A business partner must report any attempt by GSC employees to solicit bribes from business partners through our speak-up channels at [codeofconduct@fmnplc.com](mailto:codeofconduct@fmnplc.com) or 08172325000.

16.4 Suppliers shall comply with all money laundering laws and regulations in all applicable jurisdictions.

16.5 Suppliers shall not use a confidential information or privilege information in its possession to facilitate insider trading.

##### Gifts and hospitality

16.6 Suppliers shall not offer gifts or entertainment to any GSC employee as compensation for work done. However, promotional materials like pen, calenders, mug cups, etc are accepted as long as they are not intended to influence the decision of GSC employees now or in the future.

##### Avoiding conflicts of interest

16.7 All business transactions shall be free of conflicts of interest. Suppliers shall not act on behalf of an employee, nor have a personal relationship with GSC employee or immediate family member.

16.8 Any other conflict of interest in any business dealings with GSC, of which the business partner is aware, shall be reported to GSC to enable the company take appropriate action.



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### Mandatory Management systems

#### For all Mandatory Requirements

16.9 Suppliers shall ensure systems are in place to regularly communicate on business integrity, ethics and compliance topics to employees, led by senior leaders.

16.10 Suppliers shall ensure processes are in place to identify and assess key risks and to enable actions to

respond to them, taking into account company size, country of operation, business activities and external environment.

16.11 Suppliers shall ensure internal policies and guidance are designed, based on key risks, and communicated to employees as appropriate, given company size.

16.12 Suppliers shall ensure training is in place to mitigate key risks and embed a culture of integrity.

#### **Specific to accurate records, anti-money laundering and economic sanctions compliance:**

16.13 Suppliers shall ensure financial procedures are in place to facilitate proper recording of all financial transactions and enable the identification of any suspected money laundering, tax avoidance and breach of economic sanction activities.

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### 17. Safeguarding Information & Property

Suppliers shall ensure all information provided by GSC or other businesses is protected and used only for designated purposes. and personal data is collected, processed, stored, transferred, and disposed of responsibly.

#### Mandatory Requirements

##### Protecting GSC information and property

17.1 Suppliers shall respect and safeguard GSC confidential information and intellectual property. Suppliers shall ensure all information provided by GSC or another party that is not in the public domain is classified confidential and only used for its intended and designated purpose.

##### Competitor information

17.2 Suppliers shall ensure all its competitor information is obtained and used legitimately and in compliance with all applicable laws and regulations.

17.3 Suppliers shall not attempt to divulge to GSC, or to any other party, any commercially sensitive or confidential information about their competitors or the business partner's competitors.

##### Data ethics and privacy

17.4 Suppliers shall ensure all personal data is collected, processed, stored, transferred and disposed

of in line with applicable laws and with respect for the protection of privacy as a human right.

17.5 Suppliers shall ensure the risk to an individual associated with using their personal data is always considered and steps are taken to mitigate those risks and restrict the collection or use of personal data to only the purpose it is being collected for.

#### Mandatory Management Systems

##### Protecting GSC's information and property

17.6 Suppliers shall ensure procedures and mechanisms are in place to safeguard all confidential information, whether business or product related, is safely stored with limited access rights on a need-to-know basis only.

17.7 Suppliers shall ensure procedures and mechanisms are in place to secure appropriate consent before disclosing GSC's or another party's commercially sensitive or confidential information to third parties, or that of third parties to GSC.



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### 18. Enterprise Risk Management

Suppliers are required to establish and implement an enterprise risk framework that ensures risks are identified, assessed, controlled and monitored across all aspect of the business.

#### Mandatory Requirements

18.1 Suppliers shall set its risk appetite and establish a management philosophy that prevents incurring risk. Suppliers shall set objectives that support the mission and goals of its business company. These objectives must align with the company's risk appetite.

18.2 Suppliers shall deploy a top-down strategy aimed at identifying, assessing, and preparing for potential losses, dangers, hazards, and other potentials for harm that may interfere with it's operations and objectives and/or lead to losses. In assessing risk, Suppliers shall consider not just direct or physical risk alone but also transitional risks with controls.

18.3 Suppliers shall provide response to risk either through avoidance, reduction, shared risk etc. it shall ensure its organizational-wide surveillance is given precedence over autonomous/traditional (each business unit being responsible for its own risk management) method.

18.3 Suppliers shall ensure a risk management plan and action plan is available to all stakeholders as part of an annual report. It shall have a dedicated enterprise risk management team that oversees the workings of the firm; this way business risks that can impact on the entire organization are wholistically addressed or prevented.

18.4 Suppliers shall ensure internal control activities are in place to prevent and detect business risk while carrying out its operation; these may be like policies, procedures, systems etc.

#### Mandatory Management System

18.5 Suppliers shall establish a wholistic risk matrix that is applicable to all aspects of the buisness and can be used by any business unit. It must refrain from using different matrix for different opertional aspect.

18.6 An information systems that capture useful data must be established to better understand its risk profile and how these risks ought to be managed. The data should be analyzed and communicated to employees if it is relevant to mitigating risk. By communicating with employees, there is more likely to be greater buy-in for processes and protection over company assets.

18.6 Suppliers shall ensure there is an established system for risk monitoring. This may also involve getting feedback, analyzing company data, and informing management of unprotected risks.

18.7 Suppliers must have risk registers updated, documented and maintained. Including management review sessions showing details of how risks will be addressed.



## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.

### Reporting on Breaches

1. Any failure to meet the Mandatory Requirements of our **3S** in the case where the Suppliers is aware by means of signatory but has not resolved the non-conformity within a reasonable timeframe should be reported to GSC as soon as possible. Failure to do so will be a breach of our **3S**.
2. We strongly support a culture of speaking up for business partners and their workers without fear of retaliation against those who report actual or suspected breaches.
3. Business partners and their workers, communities and other stakeholders may report actual or suspected breaches of our **3S** (including any failure by GSC worker or anyone acting on behalf of GSC) to GSC by phone or through online platform. Reports can be submitted confidentially and anonymously through [codeofconduct@fmnplc.com](mailto:codeofconduct@fmnplc.com) or 08172325000.
4. GSC will investigate any concern raised and discuss the findings with the Suppliers. The Suppliers shall assist with any such investigation and provide access to any information reasonably requested.
5. If remediation is required, the business partner will create and inform GSC of their corrective action and implementation plans and timeline to resolve the breach effectively and promptly.

### Implementation Tips

1. Review your current policies, procedures and practices against the Mandatory Requirements to ensure you are not at risk of any of our **3S** breaches.
2. Speak to your GSC contact to discuss any areas you don't understand or share with us any challenges you may have in meeting the requirements of this standard.
3. Acquaint yourself with your stakeholders (employees and 3<sup>rd</sup> party workers, contractors etc) who play critical roles in the implementation of our **3S** and collaborate to achieve compliance.







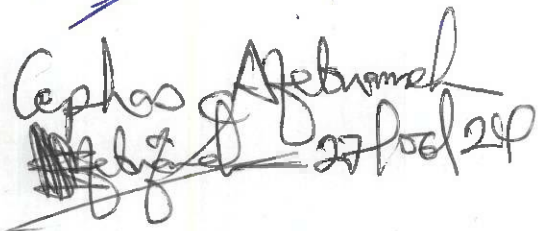
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### Appendix

The following principles, standards and conventions were used in preparing our “Suppliers’ Sustainability Standard” and may be a useful source of additional information:

1. ETI Base Code | Ethical Trading Initiative (ethicaltrade.org)
2. [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf)
3. Convention C111 - Discrimination (Employment and Occupation) Convention, 1958 (No. 111) (ilo.org)
4. Convention C100 - Equal Remuneration Convention, 1951 (No. 100) (ilo.org)
5. ILO Declaration on Fundamental Principles and Rights at Work | International Labour Organization
  
6. The Ten Principles | UN Global Compact
7. Convention C183 - Maternity Protection Convention, 2000 (No. 183) (ilo.org)
8. ICC | International Chamber of Commerce (iccwbo.org)
9. Convention C029 - Forced Labour Convention, 1930 (No. 29) (ilo.org)
10. Convention C182 - Worst Forms of Child Labour Convention, 1999 (No. 182) (ilo.org)
11. Convention C138 - Minimum Age Convention, 1973 (No. 138) (ilo.org)
12. International Labour Standards on Collective bargaining | International Labour Organization (ilo.org)

## Introduction – Fundamental Principles – Requirements – Reporting on Breaches.

			Designation	Signature
Date of 1 <sup>st</sup> Edition	May, 2024	Developed by	Sustainability Mgr. (GSC).	 27/06/2021
		Reviewed by	Director, Business Assurance. Head, Human Resources (Food Division).	 28/06/2021
		Approved by	Group Head of Procurement	
		Authorised by	Company Secretary/Group Director, Legal Services  Group Director, Supply Chain.	 12/7/24  27/06/24

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I ----- on this date ----- and on behalf of  
----- confirm that I have been  
fully being trained and sensitized about this policy. I also agree to fulfill the conditions outlined in this  
standard, and to report myself to the provided contact in situation where there is any breach to this standard.  
I shall be avail myself during audit and assessments or other means of verification when the time arises.

Signature -----

Designation -----