



DO & CO Aktiengesellschaft | Stephansplatz 12 | 1010 Vienna, Austria
greenteam@doco.com

Sustainable Sourcing Policy

Date of revision: 03/2023

Distributed to all employees of DO & CO

A. Introduction:

DO & CO aims to have a positive impact on the environment and people throughout our entire value chain. An essential part of this strategy is our commitment to sourcing responsibly, ethically, and inclusively. To achieve this goal, we are formulating a Sustainable Sourcing Policy (SSP) that will be implemented throughout the enterprise, to standardise our approach and manage how we obtain our goods while striving to ensure respect for human rights and environmental laws in our supply chain. This policy applies to direct and indirect suppliers of DO & CO (whereby the applicable DO & CO Purchasing Conditions define “supplier” as every natural or legal person to which one or more orders from DO & CO are addressed).

Our procurement processes are designed to select and retain suppliers through a non-discriminatory bidding and tendering process. In addition to complying with the relevant food safety and personal health and safety standards, Company regulations and standards in the countries in which we operate, going forward, suppliers are asked to comply with our Supplier Code of Conduct. We as DO & CO also commit that our ongoing food and non-food procurement will be driven by our SSP to ensure that we act with integrity and respect towards the environment and people in our value chain.

To ensure accountability for the implementation of our principles and commitments, DO & CO will:

- Where applicable, incorporate our sustainable priorities described in the policy into legally binding contracts, requests for information (RFI) and requests for proposals (RFP).
- Engage our supply chain and suppliers to build an understanding of our sustainable sourcing policies.
- Source from suppliers who identify and provide specific products that meet our sourcing policies.
- Encourage suppliers to have policies and procedures in place to cover their specific industry impacts.
- Collect supplier data progress reports and supporting internal or third-party documentation demonstrating that suppliers meet or exceed our expectations, as detailed above.
- Expect swift and decisive action from suppliers in unforeseen cases of illegal, unethical, or unsustainable practices, or risk termination of our business relationship.

We have identified the key risk products and ingredients within our supply chain and will address environmentally and socially relevant risks by adjusting our purchasing practices.

Our top 12 risk ingredients (“priority ingredients”) at which this policy is targeted are:

- | | |
|------------|-------------|
| 1) Beef | 7) Seafood |
| 2) Pork | 8) Palm oil |
| 3) Veal | 9) Paper |
| 4) Chicken | 10) Soy |
| 5) Eggs | 11) Coffee |
| 6) Fish | 12) Cacao |



B. General ESG Issues throughout our Supply Chain

B.1 Biodiversity protection:

Definition: Biodiversity refers to the variety of life on Earth, including the diversity of species, ecosystems, and genetic diversity within species. Biodiversity is important for maintaining the ecological processes that support life on Earth, such as pollination, seed dispersal, nutrient cycling, and pest control.

Peatland protection refers to the conservation and sustainable management of peatlands, which are wetlands that are characterized by the accumulation of partially decayed plant material, known as peat. Peatlands are among the most biodiverse and carbon-rich ecosystems on Earth, and they play a critical role in regulating the Earth's climate and water cycle, as well as providing habitat for many species of plants and animals. Peatland protection includes activities such as protecting peatlands from conversion to other land uses, restoring degraded peatlands, and practising sustainable peatland management. This can include activities such as limiting drainage, reducing the frequency and intensity of the use of fire, and avoiding peat extraction.

Our Position: We believe that conserving the biodiversity of forests and peatlands is imperative to the well-being of our global community. By protecting biodiversity, DO & CO can help to ensure that the ingredients we use will continue to be available in the future, even as the effects of climate change become more severe.

Our Commitment & Targets: We commit to working toward No (legal and illegal) Deforestation* and No Peatland Loss** until 2030 for selected priority ingredients.

- We are committed to making our global supply chain deforestation and peatland conversion free by 2030 for beef, palm oil, soy, cacao and paper. ***

**For further information please check Annex iv.a.*

***For further information please check Annex iv.b.*

****Incl. purchase of certificates where no deforestation-free alternative exists.*

Besides adjusting our supply chain and purchasing activities we are committed to increasing our plant-based product ranges. Please find more information about our endeavours in our Consumer Health & Nutrition Policy.

The [Accountability Framework initiative \(AFi\)](#) – a globally recognized approach for setting, implementing, and assessing commitments on deforestation, ecosystem conversion, and human rights in agricultural and forestry supply chains – serves as the foundation for our supply chain approach. Specific details for *beef, palm oil, soy, cacao, and paper* are detailed below within the 'Approach for priority ingredients' section.

B.2 GMO-Products:

Definition: GMOs, or genetically modified organisms, refer to living organisms that have had their genetic material altered in a way that does not occur naturally by mating or natural recombination. This is typically done through genetic engineering techniques, where specific genes are inserted, deleted, or modified in the organism's DNA. GMO products are used in agriculture to create crops that are more resistant to pests, diseases, and environmental conditions, and to improve their nutritional content. The use of GMO products in agriculture is a controversial topic, and opinions on the safety and benefits of GMO products vary.



Our Position: We acknowledge the risks GMO products bear and the associated concerns from consumers. To ideally serve our customers we differentiate between GM food for human and animal consumption.

Our Commitment & Targets: DO & CO is committed to providing our customers with high-quality, safe, and delicious food.

- **Human consumption:** There is an ongoing debate and scientific research surrounding the potential health risks of consuming GM foods. While currently, the scientific consensus is that GM foods are safe to consume, we commit to identifying and phasing out GM animal-based ingredients for direct human consumption by 2025. We will continue to monitor new research and adjust our policy as necessary.
- **Animal consumption:** The use of GM crops in animal feed can have several economic benefits, including increased crop yields and reduced pesticide use. Additionally, GM crops can be designed to be more resistant to pests and diseases, which can lead to cost savings for farmers and food producers. In this respect, we will continue to buy from suppliers that feed their animals with GM food until an economic alternative is found and widely accepted.

B.3 Antibiotics:

Definition: Antibiotic use for animal products that are processed for human consumption refers to the practice of administering antibiotics to animals such as pigs, poultry, beef, and fish, to prevent or treat diseases, or to promote growth. These antibiotics can be used prophylactically, which means they are given to the animals to prevent the occurrence of disease, or therapeutically, which means they are given to animals to treat a specific illness. The use of antibiotics in animal agriculture is widespread and has been a common practice for decades.

However, this practice has been criticized for several reasons. The overuse of antibiotics in animal agriculture can contribute to the development of antibiotic-resistant bacteria, which can make it more difficult to treat human infections. Also, the continuous exposure of animals to antibiotics can lead to the development of antibiotic-resistant strains of bacteria within the animals themselves, which can be transmitted to humans through the consumption of animal products.

Our Position: We believe protecting the efficacy of antibiotics and preventing the development of antibiotic-resistant bacteria is imperative to the well-being of our global community. We recognize that antibiotics, used responsibly, along with good animal-care practices, help improve food safety, animal health and welfare and sustainability. We recognize CDP's One Health approach, which states that human and animal health is interlinked. Hence, we are committed to adjusting our supply chain and engaging with various stakeholder groups, such as suppliers, NGOs, and industry, in a manner that facilitates optimal consumer and animal health.

Our Commitment & Targets:

We seek to ensure that antibiotics are only used for the treatment of sick animals or control of an identified disease outbreak as deemed by veterinarians to ensure their appropriate and judicious use. We encourage the development of surveillance systems for the usage of antibiotics to monitor trends in resistance and effectiveness of prescribed antibiotics in livestock production. We are on a journey of continuous improvement and are prioritizing the reduction of antibiotics that are medically important to human health.

- We are committed to identifying and phasing out the routine use of antibiotics for use as growth promoters or disease prevention across poultry, beef, pork, fish, and seafood categories in our supply chain by 2030.

We recognize the inherent challenges in reducing or phasing out the use of antibiotics across poultry, beef, pork, fish, and seafood categories and remain committed to working with our suppliers to



understand, evaluate, and prioritize how to drive continuous improvement across these categories while caring for the health of both animals and humans. We will prioritize working with suppliers that demonstrate responsible and judicious use of antibiotics and overall reduction.

B.4 Animal Welfare:

Definition: Animal welfare refers to the ethical and humane treatment of animals that are used for food production. This includes ensuring that the animals are treated in a way that minimizes their suffering, and that their basic physical and behavioural needs are met.

Our Position: As stated in our Supplier Code of Conduct, we expect suppliers to respect the Farm Animal Welfare Committee (FAWC) Five Freedoms* of animal welfare (i.e., Freedom from thirst, hunger and malnutrition, Freedom from discomfort, Freedom from pain, injury and disease, Freedom to express normal behaviour, Freedom from fear and distress). Equally, we commit to sourcing animal products that abide by these standards and will phase out products that do not comply with the stated animal welfare principle.

We recognise that specific practices may vary across countries and regions depending upon differences in scientific insights, cultural norms, and consumer expectations, all suppliers in all countries must work toward these as the minimum standards.

Our Commitment & Targets: We are committed to offering meat, fish and seafood, egg, and dairy-based dishes from products that are sustainably produced, healthier for people, and from animals raised responsibly and humanely. Specific Animal welfare targets are stated within the 'Approach for priority ingredients' section.

**For further information please check Annex iv.d.*

B.5 Diversity:

Definition: Diversity in the supply chain includes diversity in terms of geography, culture, ownership structures, and type of supplier, as well as the variety of ingredients and products that are sourced.

A diverse supply chain can help to reduce the risk of supply chain disruption, improve the quality and variety of products, and promote innovation. It can also promote social and economic development by supporting small and medium-sized businesses, and by providing opportunities for suppliers from underrepresented groups.

Our Position: We value a diverse supply chain due to its potential for innovation and the quality of products. By working with a variety of suppliers, DO & CO can access new and unique ingredients, helping us to develop new and exciting products. We support a diverse supply chain and seek to promote social and economic development by supporting small and medium-sized businesses, and by providing opportunities for suppliers from underrepresented groups. Given its positive impact on the quality of our products and its effect on communities, we have a history of strongly preferring working with local suppliers – over 80% of our products are locally sourced!

Our Commitment & Targets:

- **Local sourcing:** We commit to sourcing 85% of our products locally by 2030*.
- **Diverse groups:** In addition, we commit to setting a target by 2024 for sourcing from diverse groups, such as from women-, minority-, disabled- or indigenous-owned businesses.

**For further information please check Annex iv.c.*



C. Approach for priority animal ingredients

C.1 Beef, Pork, Veal:

Animal welfare: We are committed to identifying all suppliers that provide beef, pork, and veal meat from gestation crate.

- We aim to engage with suppliers to supply meat from gestation crate-free sources or discontinue business relationships by 2030.

Biodiversity: Additionally, we are working towards sourcing beef and beef products from regions with no deforestation risk by 2030. We will require information from pork suppliers about the sources of soy utilized for animal feed and initiatives that are in place to ensure that no soy is sourced from deforested or converted land (i.e., deforestation-free, and conversion-free soy).

- We are committed to developing a responsible soy for beef, pork and veal feed target by 2024.

C.2 Eggs:

Animal welfare: We are committed to developing a cage-free egg (shell, liquid and processed*) target by 2024 and suppliers should expect associated changes in our sourcing practices.

*Processed eggs are defined as egg products that are further processed (e.g., dried, pre-scrambled). This does not include eggs as an ingredient such as the eggs in a prebaked or pre-packaged product.

C.3 Chicken:

Animal welfare: We encourage suppliers to provide chickens from enriched environments that include the provision of natural light, hay bales, litter perches and other practices considered under the Good Agricultural Practices (GAP).

- We are committed to phasing out business relationships with suppliers who engage in live dumping and shackling for chickens by 2030.

Biodiversity: We will require information from chicken suppliers about the sources of soy utilized for animal feed and initiatives that are in place to ensure that no soy is sourced from deforested or converted land (i.e., deforestation-free, and conversion-free soy).

- We are committed to developing a responsible soy-for-chicken feed target by 2024.

C.4 Fish and Seafood:

Animal welfare: We commit to purchasing fish and seafood from sources whether fished or farmed, that can maintain or increase production without jeopardizing the structure and function of affected ecosystems, while maintaining healthy aquatic life populations, and respecting supply chain workers and communities. All fish and seafood must come from sources that are legally caught and landed, from environmental, social and governance perspectives. Suppliers shall not purchase from companies that buy from vessels listed on any official blacklist (IUU). If identified, it will lie at DO & CO's discretion to terminate business relationships if the breach of purchasing activity is not addressed within a reasonable timeframe, defined by DO & CO.

- We commit to developing a quantified animal welfare target for fish and seafood products by 2024. In the meanwhile, we will identify suppliers that buy from official blacklist (IUU) vessels.

Biodiversity:

- We commit to identifying fish and seafood species in our product range that are vulnerable, endangered, or critically endangered (as per IUCN red list) and discontinue the purchase of those species by 2025.



General Management: We focus on increasing the amount of certified sustainable fish we serve each year to assure that our products come from fisheries with socially and environmentally sustainable sources. In this respect, recognise the certification schemes benchmarked and recognised by the GSSI (Global Sustainable Seafood Initiative).

D. Approach for priority plant ingredients

D.1 Palm oil:

Biodiversity:

- We commit to sourcing 90% palm oil-based products from regions with no deforestation and peatland conversion risk and palm oil adhering to standards that meet the Roundtable on Sustainable Palm Oil (RSPO) by 2030.

Where we cannot source deforestation- and peatland conversion-free palm oil-based products, we commit to purchasing RSPO PalmTrace certificates (or similar certificates) to reward palm producers for working in a sustainable and responsible fashion. For this, close monitoring of our palm oil-based products will be performed.

We will require information from suppliers about the sources of palm oil utilized in their products and initiatives that are in place to ensure that no palm oil is sourced from deforested or converted land (i.e., deforestation-free and conversion-free soy).

D.2 Soy:

Biodiversity: Since the largest volume of DO & CO's soy footprint comes from soy for animal feed, we will engage with our suppliers to eliminate soy for animal feed from regions that are at risk of deforestation or peatland conversion, e.g., requesting from our suppliers to deliver data on the share of products sold to DO & CO that are traced back to the source or verified the source by 3rd parties. Hence, our targets for soy are:

- **Soy for direct human consumption:** We commit to sourcing all soy-based products for direct human consumption from regions with no deforestation and peatland conversion risks until 2030.
- **Soy for animal feed:** We commit to developing deforestation- and peatland conversion-free targets for soy for animal feed by 2024.

Our suppliers should consider the following actions to provide deforestation and conversion-free animal feed. Potential actions include, and can be followed sequentially or simultaneously:

- Sourcing soy from countries and regions with no deforestation risk (with a preference for local, if possible).
- Sourcing of certified soy (e.g. physically certified RTRS).
- Sourcing alternatives to soy in animal feed (e.g. grains, vegetable proteins, human food chain by-products, or incorporating insect proteins, algae and/or seaweed).

D.3 Cacao:

Biodiversity:

- We commit to sourcing cacao and cacao-based products from regions with no deforestation and peatland conversion risks until 2030.

By then, all our cacao should be certified by the Rainforest Alliance or be sourced by comparable standards, such as the Forest Stewardship Council or the Sustainable Agriculture Network.



D.4 Coffee:

Biodiversity:

- We commit to sourcing coffee and coffee-based products from regions with no deforestation and peatland conversion risks until 2030.

By then, all our coffee should be certified by the Rainforest Alliance or be sourced by comparable standards, such as the Forest Stewardship Council or the Sustainable Agriculture Network.

E. Approach for priority non-food products

For our non-food products, we follow the reduce, reuse, recycle, recover hierarchy to improve the environmental impact we have through these commodities. Our two main non-food commodities with significant environmental impact are single-use plastic and paper. Hence, we will focus our sustainable sourcing efforts on these prioritised commodities.

E.1 Single-use plastic:

Biodiversity: We recognise that the production and disposal of single-use plastic are a significant threat to terrestrial and aquatic ecosystems. Hence, we are committed to reducing our single-use plastic items, such as bags, lids, straws, packaging, and others, to support the preservation of ecosystems.

- We commit to fully eliminating all single-use plastic products by 2030* by switching to reusable, recyclable, or compostable alternatives.

**Where possible according to food-safety regulations. Where regulations require single-use plastics, this target does not apply.*

Suppliers should expect that we will prioritize business relationships where single-use plastic alternatives can be provided and fully phase out purchasing partnerships where these conditions cannot be met.

E.2 Paper:

Biodiversity: We have identified the 3 paper product groups that largely drive our paper consumption: Office Paper, Menu Cards, and Hygiene Paper (incl., napkins, hand paper towels, toilet paper and kitchen wipes).

- We commit to sourcing paper for our stated 3 paper product groups from regions with no deforestation and peatland conversion risks until 2030. Instead, we will seek to use paper from certified renewable materials or recycled materials.

F. Implementation

We will develop, refresh, and regularly update commodity-specific policies and strategies for our 12 priority ingredients. We will ensure that these policies are part of the group supply management requirements and addressed in suppliers' purchasing specifications wherever appropriate.

Acknowledging that every commodity's supply chain is unique, the responsible sourcing strategy for each commodity will include, among others, the following clauses:

- Adjust our initiatives to reach our targets more effectively.
- Supply chain mapping and traceability for each commodity at the global and country level.
- Internal engagement with and training of the Supply Chain and Purchasing teams.
- Supplier engagement, both in cases of compliance and non-compliance and assessment (incentive mechanisms, evaluation, verification, improvement, grievance mechanism).



- Engagement in cross-sector collective action to drive systemic change for our priority commodities, such as Roundtable for Sustainable Cacao, Roundtable for Sustainable Palm Oil, Consumer Goods Forum, and others.
- Use appropriate verification methods for each commodity to credibly trace ingredients to demonstrate progress.
- Ad hoc audits of suppliers to verify sustainable practices.
- Data collection and regular measurement of progress for each commodity at the group level.

G. Responsibilities

The Board: The Management Board Members, Attila Dogudan and Gottfried Neumeister, hold managerial responsibility for overseeing and operationalising the Sustainable Sourcing Policy throughout DO & CO global operations.

Purchasing Department: The purchasing department is responsible to source products according to our commitment and standards. Supplier and supply chain audits will become the norm to check that these policies are adhered to. They must also claim a signed statement from possible and current suppliers.

Human Resources Department: The HR department holds responsibility for assisting in the communication of the above actions, training programs and awareness campaigns, in order to assist with the successful implementation of the above-mentioned measures and for achieving the outlined goals.

Sustainability Team: The sustainability team ensures that the policy is always up to date and reflects on stakeholder inquiries regarding external communications. The policy is therefore reviewed on an annual basis and cross-checked with the other responsibility holders to inform them of any changes that might have occurred.

Legal department: The legal department is responsible for compliance with national and international legislative frameworks. It will therefore inform the external communications team of any contractual conditions regarding the topic of external communications with partners. Furthermore, it will provide the Sustainability Team with information regarding the changes in legislation such as the EU Supply Chain laws, which might result in the adaptation of the external communications policy.

H. Managerial Responsibility Statement

DO & CO's Members of the Management Board, Attila Dogudan and Gottfried Neumeister, hereby state that they hold themselves accountable for the application, operationalization, upholding and general oversight of the above-outlined Sustainable Sourcing Policy. The above statement entails that management is responsible for monitoring, steps taken by DO & CO Units in close collaboration with all relevant Departments. The Management Board Members also commit to enforcing all procedures necessary to abide by the policy and monitor the efforts of the Legal and HR Departments to communicate and implement the content and procedures of the given policy to the staff.



MANAGEMENT NAME: Attila Dogudan

SIGNATURE _____

A blue ink signature of Attila Dogudan written over a horizontal line.

MANAGEMENT NAME: Gottfried Neumeister

SIGNATURE _____

A blue ink signature of Gottfried Neumeister written over a horizontal line.

The company was guided by international GRI, ILO, EU, UN and WHO standards during the preparation and presentation of this policy.

A draft of the policy was reviewed and pre-approved by a Board of Directors on 20/03/2023.



I. ANNEX

i. General points:

For informational purposes the following section serves as an overview of the most common environmentally unsafe practices connected with certain food and non-food products:

- **Deforestation***: Associated with soy production for animal fodder, coffee, paper, and palm oil production.
 - **High-risk areas**: South America (Brazil, Paraguay), Nordic Countries, Southeast Asia (Indonesia, Vietnam, Japan)
 - **High-risk products**: Beef, soy, palm oil, coffee, cacao, paper, wood

**Please refer to the [globalforestwatch.org](https://www.globalforestwatch.org) website for deeper insight into deforestation-prone areas*

- **Peatland conversion***: Associated with expansive agricultural practices.
 - **High-risk areas**: South America/Central America, Central Africa, Central Europe (German, Poland, Russia, UK)
 - **High-risk products**: Beef, soy, palm oil, coffee, cacao, paper, wood

**Please refer to the [IUCN.org](https://www.iucn.org) website for deeper insight into peatland conversion-prone areas*

- **Animal Welfare***: Associated with the 5 Animal Freedoms, regarding the production of food and non-food products (animal testing).
 - **High-risk areas**: South America/Central America, North Africa, Eastern Europe South-east Asia
 - **High-risk products**: All animal-derived products

**Please refer to the [nationalarchives.gov.uk](https://www.nationalarchives.gov.uk) website for deeper insight into Animal Welfare*

ii. Preventive measure suggestions

- ***Supplier Screening***: Thorough screening, monitoring, and auditing of new suppliers and traders.
- ***Certifications***: Requesting relevant certifications for all high-risk products
- ***Alternative acquisitions***: Based on the menu formulation and in collaboration with the chefs substitute high-risk products with the following suggestions:
 - **Animal Products**: Pea Protein, Tempeh, Seitan, Jackfruit, Tofu, Lentils, Black Beans, Chickpeas, Plant-based dairy products
 - **Soy**: Canola meal and other oilseed meals, Pulses (peas and beans), Insect meal, Brewer's spent grains, Single-cell protein
 - **Palm Oil**: Canola and Sunflower Seed Oil, Palm-oil free products
 - **Commercial Timber**: Recycled products

Although it would be hard to eliminate the abovementioned products from the production and supply chains, the responsible entities can reduce deforestation risk by:



Sustainable Feed Sourcing

- Raise all meat on a feed from suppliers verifiably implementing practices to prevent agricultural run-off pollution, soil erosion, and native ecosystem clearance across their supply chain.
- Enrolment in nutrient optimization plan to prevent excess fertilizer application.
- Implementation of cover crops and conservation tillage to protect soil health and reduce run-off.
- Policy against clearing native ecosystems.
- Incorporation and support of diverse crop rotations to improve soil health.

Responsible Manure Management

- Provide centralized processing facilities to process manure generated
- Policy against the placement of new or expansion of CAFOs in watersheds already classified as “impaired” from nutrient pollution

Greenhouse Gas Emissions Reductions

- Time-bound goals to reduce emissions across the supply chain
- Require meat suppliers to reduce emissions from direct and contract suppliers as well as feed production

➤ ***IMPORTANT NOTE:*** *The alternatives must be screened based on the same criteria as the ones for high-risk products. Agricultural food and non-food products are prone to high-risk deforestation and peatland conversion risks.*

iii. Suppliers’ policy outline and company’s commitments

a. Deforestation risk – Summary of recommended actions for DO & CO Purchasing Department:

- Familiarise yourself with [CDP Accountability Framework](#).
- Ensure supplier’s compliance with the no-deforestation policy.
- Check whether the supplier has deforestation targets and certifications (e.g., [FSC](#), [Rainforest Alliance](#), [Responsible Soya](#), [Palm Oil Scorecards](#) and others).
- Regularly assess and monitor whether the supplier complies with the deforestation commitments and targets.

Relevant Certifications for deforestation-free practices:

Timber products: FSC Chain of Custody, PEFC Chain of Custody, FSC Forest Management certification, FSC Controlled Wood, FCI Chain of Custody, SFI Fiber Sourcing certification, PEFC Sustainable Forest Management, SFI Forest Management Standard/ Rainforest Alliance

Palm oil: RSPO Mass Balance, RSPO Segregated, International Sustainability and Carbon Certification, RSPO produce & grow certification.

Soy: ProTerra certification, RTRS credits, RTRS mass balance

Following the Accountability Framework, the prime cause of deforestation is the unsustainable production and supply chains of cattle, palm oil, and soy. Namely, cattle ranching to produce beef is a significant contributor to deforestation in Latin America and is responsible for destroying an average



of 2.71 million forest hectares a year (CDP, 2022). Palm oil production drives deforestation in Southeast Asia and other tropical regions while being frequently used in a wide range of food and household products, as well as in biofuel production. Soy is used not only for fuel and food but also as animal feed, which leads to deforestation and the conversion of native vegetation in Latin America (CDP, 2022). The primary task of the Accountability Framework is to provide guidelines for actions, enabling companies to measure and manage forest-related risks and opportunities, transparently report on the progress, and commit to progressive action for the restoration of the forest systems.

Following the Framework, suppliers, whether traders or producers are obliged to publish (general or commodity-specific) policies that outline a commitment to eliminate deforestation based on the definitions of deforestation outlined by the Accountability Framework. These commitments should be applied to all the relevant operations and cover 100% of production and sourcing with the relevant target established for a specific date to restore and compensate for any past damages. In addition, suppliers should establish systems and processes that would effectively promote and facilitate the implementation of these commitments, which would be ensured by the established internal management systems. Suppliers are also responsible to demonstrate that their production or sourcing procedures are compliant with the company's commitments, and in cases when these are not met, the supplier is obliged to exhibit transition steps towards more sustainable practices. Such commitments may promote the practices that would substitute deforestation risk products (beef, soy, palm oil production, etc.) but also apply to less risk-prone goods (pea protein, canola meal, sunflower seed oil, etc.)

On a company level, effective means to address noncompliance and evaluate the commodities supplied should be put in place to full proof the company's compliance and upholding of their commitments to tackle deforestation as related to the Accountability Framework's scope. These could be done through the combination of monitoring systems, employee training, supplier engagement programs, and grievance mechanisms (CDP, 2022). The Purchasing and Sustainability Department is also encouraged to engage with any non-compliant supplier to incentivize and boost compliance in the long run. Risk assessments should be used to ensure the transparency of the supply chain and its relevant management activities and should follow sufficient practices for credibility as well as possess accurate risk characterizations and expectations. The company needs to adopt relevant monitoring practices following its social, environmental, and land use commitments. These would not only ensure adaptive management of its supply chains.

b. Peatland conversion risk

The company should also consider whether the product is supplied from an area which is free from the peatland conversion risk. Damage to peatlands is caused by drainage, burning, and extraction, activities related to ecosystems and environmental degradation.

- **Burning** refers to the intentional use of fire for vegetation management in areas such as agricultural fields, orchards, rangelands, and forests.
- **Drainage** means the removal of excess water either from the ground surface or from the root zone.

To ensure the suppliers' commitment to a peatland conversion risk-free supply, the supplier should outline the commitments to minimize or eliminate peatland conversion risk. This could be done through the limit of farm traffic, usage of grass layers to enhance organic matter, usage of plants with large roots, etc.

c. Local product

In the United Kingdom, a local product is defined as foods grown, caught, and/or processed within a **250-mile radius** (extended to **500 miles for meat**; for products with multiple ingredients, like baked goods, 50% of ingredients must be sourced from within 250 miles) in accordance with the [Real Foods Standards Package](#). According to European Definitions, local product occupies a 30 – 50 km radius according as outlined by the [EU Rural Review](#). [In the United States as stated in the 2008 Farm Bill, outlining the federal requirement, local product is defined by a radius of](#) fewer than 400 miles from a product’s origin or within the state in which it was produced.

d. Animal Freedoms

Companies must also ensure that the supplier complies with the Five Animals’ Freedoms. Freedom from hunger and thirst should be ensured by access to fresh water and diet, ensuring the animals’ adequate nourishment thus keeping them content, healthy, and energetic, given their age, gender, and breed characteristics. Freedom from discomfort should be met by keeping the animals in a safe and healthy environment free from stressful conditions. Freedom from pain, injury, and disease, by prevention of toxic behaviours towards the animal or in case of disease, rapid diagnosis, and treatment. Freedom to express normal behaviour, by providing sufficient space, proper facilities, and the appropriate company of the animal’s kind. Freedom from fear and distress, by ensuring conditions and treatment, which avoid mental suffering.

Animal Freedoms Criteria

Welfare criteria	Welfare Principle	Example of Assessment Measure	Exemplary Proof by the supplier
Good feeding	Absence of prolonged hunger	Body Condition Score	Tracking animals’ weight
	Absence of prolonged thirst	Quality of water provision	Regular water provision schedule
Good housing	Comfort around resting	Cleanliness, abnormal rising	Regular cleaning and ventilating
	Thermal comfort	Panting	Temperature control
	Ease of Movement	Tethering, slipping	Ensuring sufficient space per animal
Good health	Absence of injuries	Injuries, lameness	Tracking animal injuries and their causes
	Absence of disease	Mastitis, diarrhoea	Regular animal health checks
	Absence of pain induced by management procedures	Dehorning, tail docking	Preventive measures to avoid pain
Appropriate Behaviour	Expression of social behaviours	Agnostic behaviours	Ensuring social frame for animals
	Expression of other behaviours	Stereotypical behaviours	Ensuring that an animal expresses



			such behaviours as playing and grooming
	Good human-animal relationship	Avoidance distance	Emotional and physical interactions between people, animals, and the environment
	Absence of general fear	Reaction facing a novel situation	Ensuring a stress free environment (no loud noises, extreme temperatures, etc.)

Relevant Certifications:

Certified Humane standards by The Humane Farm Animal Care, Animal Welfare Certified program by the Global Animal Partnership, American Humane Certified by American Humane, Responsible Minimum Standards by the FARMS Initiative, Certified Animal Welfare Approved by A Green, World Consumer's Guide by the Animal Welfare Institute