

Code of Conduct for Responsible Sourcing

To suppliers of the European bakery ingredients industry

Fedima, the Federation of European Manufacturers and Suppliers of Ingredients to the Bakery, Confectionery and Patisserie Industries, is committed to creating a favourable policy environment ensuring a sustainable and an innovative bakery industry.

The European bakery ingredients industry, represented by Fedima, is operating halfway along the supply chain, between 'farm' and 'fork'. We are at the crossroads between production and consumption of bread, patisserie and confectionery. Responsible sourcing is a growing challenge to all operators of the bakery value chain. Our members are working on providing ingredients responsibly sourced for the bakery sector.

This industry-wide Code of Conduct aims at providing our members common responsible sourcing standards that serve as a base for the European bakery ingredients industry.

Commitment

Fedima and its members commit to the application of the shared standards set in this Code of Conduct and demand the respect of these responsible sourcing standards by suppliers of the European bakery ingredients industry.

Companies that have not established their own supplier code of conduct should use Fedima's Code of Conduct and its shared standards as a responsible sourcing base to rely on.

Code of Conduct

Fedima's Code of Conduct on responsible sourcing is intended to serve as a guide for the bakery ingredient industry's sourcing activities directed to its suppliers. Companies of the bakery ingredient industry shall ensure that all of their suppliers are aware of this Code of Conduct and are committed to upholding its principles in addition to their own code of conduct.

Fedima shall ensure that this Code of Conduct is reviewed regularly and updated as necessary to reflect changes in applicable laws, regulations, and best practices. We recognise that responsible sourcing is an ongoing process that requires continuous improvement and collaboration among all stakeholders in the supply chain.

Compliance with laws and regulations

Suppliers of the bakery ingredient industry must comply with applicable laws and regulations related to food safety, environmental protection, labour, and human rights. Particular attention must be given to laws and regulations of the EU and associated European countries. Suppliers must also adhere to any relevant international conventions and agreements related to responsible sourcing.

Quality and safety of products

Suppliers of our industry must ensure the quality and safety of their products and raw materials, by implementing appropriate measures to prevent contamination, adulteration, and other hazards that could harm consumers' health.

Ethical business practices

Suppliers of the bakery ingredient industry must conduct their business operations in an ethical manner, including avoiding bribery and corruption, and complying with anti-trust and competition laws.

Respect for human rights

Suppliers of our industry must respect human rights in their operations and supply chains. This includes, but is not limited to, the following:

- No forced or compulsory labour, including slavery, human trafficking or child labour, is permitted in any part of the supply chain.
- Workers must be treated with respect and dignity and provided with fair wages and benefits, including working hours that do not exceed local laws or industry standards. Workers shall have the right to form or join a trade union.
- Suppliers must not tolerate any form of discrimination based on race, ethnicity, gender, sexual orientation, religion, or any other protected category. Suppliers should promote and respect diversity in their labour practices and operations.
- The recognition and respect of the rights of women, communities and traditional peoples to maintain access to land and natural resources. Acquisition of land for agricultural purposes must adhere to the principle of free, prior and informed consent of all communities.

Health & safety

Suppliers of our industry must ensure a safe and hygienic work environment for their workers by controlling, restricting and/or preventing specific hazards. When it comes to a decent work environment, they must guarantee, as a minimum, access to clean toilet facilities and drinkable water.

Physical, verbal or mental abuse or punishment as well as sexual harassment and other forms of intimidation, is prohibited.

Environment

Suppliers of the bakery ingredient industry must take steps to minimise the environmental impact of their operations and supply chains. This includes, but is not limited to, reducing greenhouse gas emissions, minimising waste and pollution, and promoting the sustainable use of natural resources.

In particular, suppliers of raw materials to the bakery ingredient industry must ensure sustainable agricultural practices and prevent that their activity causes deforestation in a direct or indirect way. This applies in particular to producers of palm oil, cacao, soy, wood and paper.

Animal welfare

Suppliers of our industry must ensure that the welfare of animals in their activities and their supply chain is respected and protected. This includes implementing appropriate animal welfare standards, providing appropriate living conditions, and avoiding cruel practices.

Supply chain transparency

Suppliers of the bakery ingredient industry must strive for supply chain transparency, including the identification of potential risks in the supply chain and taking steps to address those risks. Suppliers are encouraged to share best practices and collaborate with our industry to promote responsible sourcing practices.

Continuous improvement

Suppliers of our industry must commit to continuous improvement in their responsible sourcing practices. This includes setting measurable goals, tracking progress, and regularly reporting on their efforts to improve.

Endorsed by all Fedima members:

Verband der Backmittelindustrie (ARGE), *Austria*

Union des Fabricants et Importateurs de Matières Premières pour la Boulangerie,
Pâtisserie et Glacerie (UNIFA), *Belgium*

Syndicat National des Fabricants de Produits Intermédiaires pour Boulangerie, Pâtisserie
et Biscuiterie (SYFAB), *France*

Der Backzutatenverband (BZV), *Germany*

Association of the Raw Materials and Improvers Companies for the Bakery and
Confectionery Trades in Greece (FEDIMA HELLAS), *Greece*

Gruppo Prodotti e semilavorati per Panificazione e Pasticceria dell' Associazione Italiana
dell'Industria Olearia (ASSITOL-AIBI), *Italy*

Vereniging van Nederlandse Fabrikanten van Bakkerijgrondstoffen (NEBAFA), *Netherlands*

FEDIMA Polska, *Poland*

Associação Nacional de Comerciantes e Industriais de Produtos Alimentares (ANCIPA),
Portugal

FEDIMA Romania, *Romania*

Fedima España, *Spain*

Association of food ingredients & improvers manufacturers (GIDABIL), *Turkey*

Association of Bakery Ingredient Manufacturers (ABIM), *UK*

Annex

Implementing guidelines by companies of the bakery ingredients industry

This industry-wide Code of Conduct aims at providing our members common responsible sourcing standards that serves as a base for the European bakery ingredients industry. Fedima recommends companies that have not established their own supplier code of conduct to use Fedima's Code of Conduct and its shared standards as a responsible sourcing base to rely on.

To this effect, Fedima's Sustainability Committee has approved on June 2023 the following guidelines to help companies implement this Code of Conduct (or their own code of conduct, if inspired by this one).

Implementing guidelines

Monitoring & compliance

Using a risk assessment approach to implement Fedima's Code of Conduct or their own code of conduct to their suppliers, companies of the bakery ingredients industry should have a robust compliance system based on:

- *Monitoring*: suppliers should be required to monitor their compliance to these responsible sourcing standards and should be able to demonstrate such compliance;
- *Auditing*: companies of the industry should reserve the right to monitor compliance themselves or through a third-party independent organisation via inspection and on-site audits of the suppliers and their production sites;
- *Corrective actions*: the supplier's failure to observe the Code of Conduct requires them to implement corrective measures previously agreed upon with the customer;
- *Termination of the relationship*: companies of the industry should be entitled to terminate a contract, an agreement or the entire business relationship with a supplier in the following cases:
 - o if a supplier is found to be in non-compliance with the Code of Conduct and is unable or unwilling to apply corrective measures;
 - o if a supplier has committed an obvious and substantial breach to the standards of this Code and/or to applicable law.

Health & safety hazards

A safe and healthy working environment is a fundamental principle and right at work defined by the International Labour Organization. Guaranteeing occupational health and safety means controlling restricting and/or preventing:

- Chemical hazards;
- Biological hazards, including exposure to bacteria, fungi, viruses, microorganisms, and toxins;
- Psychosocial hazards, which is defined as work-related stress and burnout;
- Physical hazards, including ergonomic hazards, radiation, heat and cold stress, vibration hazards, and noise hazards.

More details and guidance are provided by the European Agency for Safety and Health at Work ([EU-OSHA](#)).

To control, restrict or prevent hazards, a broad range of strategies exist, including elimination, substitution, hygiene controls, administrative controls, personal protective equipment or prevention through design.

To demonstrate compliance, suppliers to companies of the bakery ingredients sector can choose to independently implement these requirements or obtain third party certifications demonstrating compliance with these aspects.

A non-exhaustive list of certifications active in this area are: Sedex (Smeta audits, where Safety and People pillars are included), Sa 8000, Ecovadis, etc.

Definition of animal welfare

At a minimum, suppliers to companies in the baking ingredient sectors should be able to demonstrate compliance to current EU regulation (Council Directive 98/58/EC and further specific implementations and updates) in terms of animal welfare, even for products derived from Extra EU.

All "five liberties" should be guaranteed:

- Freedom from hunger and thirst
- Freedom from discomfort
- Freedom from pain, injury and disease
- Freedom to express normal behaviour
- Freedom from fear and distress

These aspects, at a minimum, should be demonstrated by collecting and correctly managing all the required documentation required for the transfer and use of animal products in the European union (e.g. sourcing only from approved establishments, health certificates for products of animal origin, periodic auditing).

To demonstrate compliance, suppliers to companies of the bakery ingredients sector can choose to independently implement these requirements or obtain third party certifications demonstrating compliance with these aspects; the latter is strongly encouraged if requirements go beyond the law requirements (e.g. higher space per animal; specific dietary provisions; etc.)

A non-exhaustive list of certifications active in this area are: ISO / TS 34700: 2016; GlobalG.A.P., AGreenerWorld, Humane Farm Animal Care, Global Animal Partnership.

Supply Chain Transparency

Notwithstanding other mandatory traceability regulations, supplier of companies in the baking ingredients business should be encouraged to adhere to supply chain transparency initiatives to ensure traceability is independently managed and verified.

To demonstrate compliance, suppliers to companies of the bakery ingredients sector can choose to independently implement these requirements or obtain third party certifications demonstrating compliance with these aspects, either in a generic way (e.g. implementing a company wide ISO 22005 traceability certification) or by selectin specific raw materials groups (e.g. Soy, cocoa, palm oil).

A non-exhaustive list of certifications active in this area are: Rainforest Alliance, Roundtable for Sustainable Palm Oil, Fairtrade, Roundtable on responsible soy, etc.