

# AZZURRI GROUP

## **Business Code of Conduct**

## **Opening statement**

The Azzurri Group is a market leader in the UK hospitality sector. The Azzurri Group employs over 6,000 people, serving over 15 million meals a year in our growing estate of over 230 restaurants and shops.

The Azzurri Group is committed to upholding social and environmental best practices in line with “Recipe For A Better Future”, its sustainability strategy. This Business Code of Conduct is aligned with our commitments and the letter and spirit of the Modern Slavery Act 2015. We source ingredients from growers and suppliers all over the world and recognise our responsibility to support and protect the workers in those supply chains so that we continue to deliver safe, quality meals to our customers in a responsible manner.

At the Azzurri Group, integrity is paramount. We ask all our direct and indirect suppliers to commit themselves to our Business Code of Conduct, which is consistent with internationally agreed conventions on workers’ rights (ILO principles) and the Ethical Trading Initiative (ETI) Base Code. Suppliers are furthermore requested to become members of Sedex (preferred) or similar entity.

Customers trust us to deliver safe, quality products, sourced in a responsible way. We are dedicated to trading on fair, ethical and transparent terms and actively seek to work with suppliers who share our values.

Our intention is to see this code adopted as a set of minimum (not maximum) standards. Therefore, our suppliers are encouraged to use this code as the basis of driving and developing continuous improvement throughout their supply chains and the associated communities they operate in. Whilst we recognise understanding is required in certain local circumstances, it is important to note that all our suppliers must firstly comply with all relevant national and applicable laws and regulations (together “Applicable Laws”). In instances of duplication of themes between law and this Business Code of Conduct, suppliers are asked to apply provisions which afford the greater protection.

### **Scope**

The requirements outlined in this document apply to all suppliers across the Azzurri Group’s business portfolio and are in addition to all Applicable Laws (including all applicable local, regional and international legislation) and industry best practice, as well as other relevant Azzurri Group policies and procedures. It is our suppliers’ responsibility to ensure that they comply with all Applicable Laws to ensure they deliver safe, quality and legal ingredients, raw materials and products to the Azzurri Group and its subsidiary Brands.



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## **Responsibilities and accountability**

- Suppliers must appoint a senior member of their management team to be:
  - Responsible for ensuring their business is compliant with this Business Code of Conduct.
  - Responsible for communicating the code to their internal colleagues and suppliers, any subcontractors or independent service providers.
  - Accountable for monitoring compliance within their own business, supply base, subcontractors and independent service providers to this Business Code of Conduct.
  - Responsible for reporting any serious breaches of this Business Code of Conduct to the Azzurri Group.
  - Responsible for the prompt reporting of actual or suspected violations of law, confidentially via email.
- The Azzurri Group will actively monitor compliance with this code and reserve the right to conduct announced and unannounced on-site independent third-party audits of supplier's facilities, operations, and record keeping and conduct confidential worker interviews in connection with such audits. However, it is the suppliers' responsibility to implement this code and due diligence processes further down its own direct supply chains. Suppliers are requested to become members of Sedex (preferred) or similar entity.
- Upon receipt of any unsatisfactory audit results and supplier's failure to implement recommended corrective actions, the Azzurri Group, in its sole discretion, reserves the right to suspend any purchases from the supplier until corrective actions are implemented, or to terminate its relationship with that supplier.

### **Changes to this policy**

- We review and update this policy on an ongoing basis. We reserve the right to amend this policy at any time, for any reason, subject to Applicable Laws.

### **Transparency**

- By complying with this Business Code of Conduct, the supplier shall adopt a transparent approach to working with the Azzurri Group.

# **Commercial integrity**

## **1. Bribery, corruption, gifts & entertainment**

Suppliers should comply with all Applicable Laws relating to the prevention of bribery and corruption (including but not limited to the Bribery Act 2010). To that end, suppliers shall prohibit the offering, promising, giving, soliciting, requesting, or accepting of:

- (a) bribes, facilitation payments, or illegal political contributions;
- (b) money, goods, services, entertainment, or other things of value, in order to obtain or retain improper advantage; or
- (c) any other unlawful or improper payments or benefits.

- The Azzurri Group takes a zero-tolerance approach to anyone involved in any form of corruption. A bribe is the offer of a financial or other advantage, including excessive hospitality, intending that advantage to influence that person's views or ability to perform a relevant function or to reward a person for their behaviour.

## **2. Accurate financial records**

- The Azzurri Group's lenders and shareholders are entitled to financial statements that fairly represent their financial condition. Our ability to deal honestly and fairly with suppliers, customers and employees depends upon every transaction being recorded accurately and completely. It is the suppliers' responsibility to ensure that:
  - Invoices processed for payment have the appropriate approvals and are made with the intention that the payment will be used for the purpose described by the documents supporting the payment.
  - No undisclosed or unrecorded funds or assets are established or maintained for any purpose.
  - No false or misleading entries are made in any books or records for any reason.
  - Transactions are recorded in the proper accounting period and in the appropriate account and department.

## **3. Confidential information**

- Any information not publicly posted on any of the Azzurri Group's external-facing websites or within promotional or marketing materials is considered to be confidential, non-public information of the Azzurri Group and should always be kept confidential. Non-public information may include, but is not limited to financial records, business plans, sales & marketing data, employee records and technical information.

## **4. Competition**

- Suppliers must comply with all applicable competition laws, including but not limited to the Competition Act 1998 and those Applicable Laws relating to teaming and information sharing with competitors, price fixing and rigging bids.

# **Health and safety**

## **1. Workplace health and safety**

- Suppliers shall provide a safe, healthy, and sanitary working environment and comply with UK health and safety laws and other Applicable Laws where it operates. This includes, but is not limited to, implementing general and relevant industry-specific procedures and safeguards to prevent workplace hazards and work-related accidents and injuries. Where such hazards cannot be adequately prevented or controlled, the supplier shall provide workers with appropriate personal protective equipment to protect against hazards typically encountered in that scope of work.
- Working environments must meet basic human needs - as a bare minimum, clean drinking water and toilets must be available. Functioning and safe equipment should be provided as needed and appropriate steps should be taken to prevent accidents. In addition, suppliers should make every effort to:
  - Offer health & safety training to all staff members
  - Take reasonable precautions to ensure safety on the job and continuously strive to improve safety performance
  - Emphasise prevention, the removal of unsafe conditions and the elimination of unsafe behaviour
  - Follow safe work practices and procedures
  - Correct all safety-related deficiencies and non-conformances promptly
  - Not compromise health and safety in the workplace for any reason

## **2. Food Safety (applicable only to suppliers of foodstuffs)**

- All suppliers are expected to ensure that food supplied to the Azzurri Group is produced in legal, safe and hygienic conditions. All food supplied to the Azzurri Group and its subsidiary Brands shall conform to contractual specifications and records demonstrating this shall be made available upon request to the Azzurri Group.
- The Group's food safety and quality assurance requirements are outlined in policies shared with suppliers at the most appropriate time for onboarding. The core of the policies set out:
  - Certification to Global Food Safety Initiative (GFSI) benchmark standard. The Azzurri Group minimum standard for all suppliers' primary certification is BRCGS Grade B.
  - Where a supplier is unable to evidence BRCGS Grade B, or has significant non-conformances associated with their certification, the Azzurri Group will require additional evidence of food safety accreditation from suppliers and may commission a food safety audit by a third-party audit provider to the Azzurri Group's audit standards.

## **3. Food Fraud (applicable only to suppliers of foodstuffs)**

- Any supplier supplying foodstuffs to The Group and subsidiary Brands should conduct regular vulnerability assessments to counter food fraud in their supply chain and must report any suspected activity.

## **Sustainability and responsible sourcing**

The following commitments constitute minimum and not maximum standards, and we therefore ask our suppliers to not restrict themselves from going above and beyond compliance to this code, and we encourage them to do so. The environmental, social and governance (ESG) legislation landscape is ever evolving, and we expect suppliers to maintain compliance, as we will endeavour to do the same.

### **1. Environmental policies**

- We ask that all suppliers ensure that their operations comply with all applicable environment laws, including laws and international treaties relating to (but not limited to) climate change, waste disposal, emissions, discharges and the handling of hazardous and toxic materials.
- We encourage that all suppliers have an environmental policy, statement or strategy in place that addresses material sustainability issues. We further request suppliers to complete Sedex's Environmental Self-Assessment Questionnaire (ESAQ) or similar entities' equivalent.
- The absence of such documentation will factor in the Azzurri Group's evaluation of suppliers during ESG risk assessments.

### **2. Carbon**

- In line with the Azzurri Group's ambition to become a net zero carbon business by 2040, we require suppliers to align with the principles of emission reductions. Furthermore, we encourage suppliers to hold a carbon reduction commitment.
- We require suppliers' cooperation on providing information essential to the business' annual carbon footprint assessment. Suppliers will be required to participate in requests for information as instructed by the Azzurri Group as part of capturing the Azzurri Group's Scope 3 impact.
- With respect to foodstuffs, the Azzurri Group may request ingredient specific carbon impact (obtained through a Life Cycle Assessment). In the absence of such information, the Azzurri Group may request suppliers to collaborate on the research in an effort to decarbonize the business.
- In order to map our supply chain and improve traceability, as a minimum and upon request, we require all suppliers to provide country of origin (COO) for each product, ingredient or composite ingredient supplied to the Azzurri Group. This should be included on the product specification and suppliers are expected to proactively warn the Azzurri Group if there is a change to the COO. Where there are multiple sources listed for each ingredient, the supplier may be asked to provide percentages and/or further context (for example, seasonal variations).
- Should a supplier not be willing to share this information and not have a product specific carbon footprint to provide, the Azzurri Group will offer a non-disclosure agreement with a nominated third-party provider tasked to carry out the relevant analysis at the supplier's expense.

### **3. Deforestation, forest degradation and conversion free supply chains**

- All timber provided to the Azzurri Group for building and refurbishing must hold a sustainable certification such as: FSC, PEFC and SFI.
- Regulatory requirements related to deforestation and forest degradation are rapidly evolving: as such, the Azzurri Group encourages suppliers to constantly monitor changes in the regulatory and legal framework applicable to their commercial relationship with Azzurri Group and cooperate in providing relevant information upon request.
- In light of this evolving legal landscape, Azzurri Group may require suppliers of at-risk forest commodities (as defined by the European Union Deforestation Regulation) to provide detailed information on commodities' provenance, sustainable sourcing practices, due diligence practices and sustainability certificates. Failure to comply may

hinder progress in establishing a business relationship or result in the loss of existing business with the Group.

### **3.a European Union Deforestation Regulation (EUDR)**

- Any supplier of a product currently supplying or intending to supply any Azzurri Group entity based in Ireland (including both the Republic of Ireland and Northern Ireland) or in any other European Union member state (the “Suppliers to the EU Entities”) must strictly comply with Regulation (EU) 2023/1115 of the European Parliament and the Council of 31 May 2023 (the “EU Deforestation Regulation”), and any future amendments to such regulation.
- Any supplier of any product that contains, has been fed with or has been made using cattle, cocoa, coffee, oil palm, rubber, soya and wood, as listed in the Appendix to this document (EUDR Annex I, the “Relevant Products”), must hold a commitment that the Relevant Product be deforestation-free, that they have been produced in accordance with the relevant legislation of the country of production; and that they are covered by a due diligence statement.
- According to the EU Deforestation Regulation, any operator or trader (as defined in the EU Deforestation Regulation) that fails to comply with the “EU Deforestation Regulation” may be subject to corrective actions and/or penalties (the “Deforestation Penalties”). In the event that Azzurri Group incurs any Deforestation Penalty due, in whole or in part, to a supplier’s non-compliance with the EU Deforestation Regulation, Azzurri Group reserves the right to seek reimbursement from such supplier for any amounts disbursed as a result, in addition to any other measures that Azzurri Group deems appropriate, including delisting the supplier.

### **4. Commodity specific sourcing criteria**

- The Azzurri Group holds additional specifications for foodstuffs such as: eggs, palm oil, seafood, meat, sugar, rice and coffee. Please note requirements are constantly being monitored and reviewed. Please refer to the specific policy for more information.

### **5. ESG assessments and other certifications**

- The Azzurri Group reserves the right to assess suppliers’ ESG maturity as best practice and as expected to comply with relevant regulatory requirements. The Group requires suppliers invited to provide data during ESG risk assessments to comply and participate to the best of their ability.
- We require that suppliers disclose all sustainability accreditations they hold – at a company level and for specific products or ingredients - and that our suppliers proactively update the Azzurri Group with changes to their accreditations, as with any changes to ingredients or ingredient origins. To do so, suppliers will be expected to make updates on our nominated channels (FoodAlert and/or Sedex, as relevant).
- It is the suppliers’ responsibility to maintain this information’s veracity at all times.

## **Human rights and modern slavery**

Suppliers are required to comply with all Applicable Laws relating to anti-slavery and human trafficking in force from time to time, including but not limited to the Modern Slavery Act 2015, in any part of its supply chain.

This is applicable to all employees in the supply chain, including but not limited to farmworkers, those on factory floors, headquarters team members and warehouse operatives. Where the staff are not directly employed by our suppliers, we believe it our suppliers' responsibility to uphold these standards at a minimum (and not maximum).

These principles are built upon the foundations of the Ethical Trading Initiative Base Code ([www.ethicaltrade.org](http://www.ethicaltrade.org)), an internationally recognised code of labour practice, founded on the conventions of the International Labour Organisation (ILO) ([www.ilo.org](http://www.ilo.org)).

### **1. Employment is freely chosen:**

- There must be no forced, bonded or involuntary prison labour and no workers should be required to pay deposits or lodge their identity papers with their employer. All workers are also free to leave their employer after reasonable notice in accordance with their contract of employment, contract for services, and any Applicable Law.

### **2. Freedom of association and the right to collective bargaining are respected**

- All workers must have the right to join or form trade unions of their own choosing and to bargain collectively. The supplier shall adopt an open attitude towards trade union activities, and where the right to freedom of association and collective bargaining is restricted under law, the supplier should encourage in parallel, the development of independent and free association and bargaining. All workers representatives must have access to carry out their functions in the workplace and must not be discriminated against.

### **3. Working conditions are safe and hygienic**

- The working environment must be safe and hygienic (considering industry and specific hazards) and appropriate steps shall be taken to minimise the risk of accidents or injuries to health arising from the working environment. All workers must receive adequate, consistent and regular health and safety training, with new or reassigned workers repeating the training as necessary.
- Toilet facilities must be clean and access to potable water is imperative. If food storage is required, sanitary facilities shall be provided. Company-provided accommodation, if relevant, shall be clean and safe and meet the needs of workers.
- The supplier shall assign a senior manager to be responsible for the health and safety of all workers.

### **4. Child labour shall not be used**

- Child labour must not be used, and suppliers shall develop or participate in policies and programmes which provide for the transition of any child found to be performing child labour to enable them to attend and remain in quality education until no longer a child. Children and young persons under 18 shall not be employed at night or in hazardous conditions and all policies and procedures shall conform to the provision of relevant ILO standards. A child is any person under the age of 15 unless there is a higher local, minimum working age.

### **5. Minimum wages are paid**

- Wages and benefits paid for a standard working week must meet the minimum wage and benefits established by Applicable Laws, collective agreements, or industry benchmark standards, whichever is higher. Wages shall always be enough to meet basic living requirements and to provide some discretionary income. All workers, prior to employment, shall be given written and legible information about their

wages, and relevant conditions of pay. It is not permitted to deduct employees' wages as a disciplinary measure, and any deductions from wages must be in line with Applicable Laws or with written permission from the employees affected. All disciplinary measures should be recorded.

**6. Working hours are not excessive**

- Workers shall not be expected to work more than 48 hours per week or less if there is a lower national limit or an agreed industry norm (the "maximum weekly work limit"), unless the worker has chosen to opt-out of the maximum weekly work limit in accordance with Applicable Laws. Overtime shall be voluntary, and it shall be paid at a rate recorded in a contract of employment or in accordance with national legislation.
- There shall be proper provision for rest and sleep. Breaks, holiday allowance and rest periods shall be in full accordance with Applicable Laws.
- Individual workers shall have on average at least one full day's rest per 7 days or the equivalent if shift work is involved.

## **Employment and Inclusion**

**1. No discrimination is practised**

- The Azzurri Group is an equal opportunities company and discrimination (based on age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation, or any other characteristic protected by Applicable Law) is prohibited and shall not be practised by suppliers in the hiring, training, promotion, termination, retirement or compensation of workers or any employment-based practice.

**2. Regular employment is provided**

- Work performed must be based on recognised employment relationships established through Applicable Laws. Legal obligations to provide benefits or employment rights shall not be avoided by subcontracting, homeworking, apprenticeships (where there is no real intent to impart skills or provide regular employment), labour-only contracts or excessive use of fixed-term contracts of employment.

**4. No harsh or inhumane treatment is allowed**

- Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation is prohibited, and the supplier must take steps to ensure that managers ensure this does not happen.

**5. No harassment is practised**

- Harassment based on age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation, or any other characteristic protected by Applicable Law is prohibited. Everyone has the right to work in a professional atmosphere that promotes equal employment opportunities and is free from discriminatory practices including, without limitation, harassment.