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**SERVICE
FOODS**
BEHIND EVERY
GREAT CHEF

Corporate Policy: Sustainable procurement policy

Our Vision

At Service Foods, our vision is to be a leading New Zealand foodservice distributor who drives sustainability through our industry.

Strategies employed are as follows but not limited to: being efficient on our footprint, energy use, packaging use, water use and to drive a reduction on general waste.

It also means looking carefully at what we develop and procure, getting our colleagues, suppliers and customers involved and engaging with communities locally. Sustainability is very much aligned with our company brand values and we're pushing on with the process of embedding it firmly into the way we do business.

We aim to source goods and services responsibly to satisfy the company's commercial and operational needs, in a way that creates a positive impact on society and minimizes damage to the environment and as such, we are asking all our suppliers to sign up to our Sustainable Procurement Policy. The policy lays out the standards that we at Service Foods adhere to and that we expect from our suppliers and is in line with key international standards such as the International Labour Convention (ILO) fundamental conventions and the United Nations (UN) Convention on Human Rights.

Our Commitment

All staff with a key responsibility for procurement will be given ongoing training and support in sustainable procurement practices. The sustainability criteria outlined in this policy is built into our procurement process from sourcing and selection to contract award and ongoing contract management and will become a pre-

requisite during the 2016/2017 year for all Service Foods suppliers.

Working Conditions

We expect our suppliers to provide safe and fair working conditions for their employees, as we do within Service Foods. Standards should, at a minimum, meet national laws and include the following:

- Suppliers must not use child labour (defined as anyone under 15 years of age, or that stipulated by local legislation, if this is higher);
- Employees should be free to choose to work for an employer and free to leave after reasonable notice is served;
- Employees should be paid a fair wage – if a minimum wage exists within the country, employees must as a minimum receive this, but ideally they should be paid a living wage, defined as one which meets the basic needs for an employee and their family, or as defined within the country of operation. Employees must be paid in cash rather than paid in kind;

- Employees should be given an easy to read contract regarding their employment which details their role, remuneration and rights, including the appeal procedure. For those employees who are unable to read, the contract should be read to them prior to their signature, by the employees chosen representative;
- Employees should be allowed freedom of association. Where the law restricts freedom of association and collective bargaining, employers should facilitate alternative means of representation by staff;
- Employees working hours should comply with national laws and industry standards at a minimum. They should have at least 1 day off in 7 on average, and overtime should be voluntary and comply with local working law legislation. Employees should also be given regular breaks;
- Working conditions and any living quarters must be safe, comfortable and hygienic, with access to clean toilets and water for drinking and washing. There should also be access to medical care when needed;
- All employees should be provided with full and appropriate training to carry out the role required;
- Employees should not be penalised through wage deductions as a result of disciplinary action;
- Employees should not be submitted to harsh or inhumane treatment and all disciplinary procedures should be held on record;
- Employees should not suffer discrimination in employment on any grounds including but not limited to: race, age, gender, disability, religion, political affiliation, sexual orientation, medical condition or freedom of association;
- Where medical conditions such as HIV / AIDS, Malaria, Hepatitis B etc. are a significant issue, employers should raise awareness to their employees on the risks of these medical conditions and assist in providing access to education, treatment and medication where possible. Employers should not subject employees to mandatory testing or ask employees to disclose their status;

- Employers should not subject employees to mandatory pregnancy testing or ask employees to disclose their status, unless in not doing so could put the pregnancy at risk
e.g. exposure to x-rays or radioactive substance, heavy lifting, flying at altitude etc;
- Employees should receive regular health and safety training and guidance, with clear health and safety procedures for all staff in the workplace. A senior representative should hold responsibility for the health and safety of all staff and all accidents should be logged;
- Appropriate protection should be given to all employees exposed to potential hazardous or harmful situations;
- Emergency procedures should be tested annually at a minimum.

Environment

As a business, we take the environmental impact of our fleet and operations very seriously, and work hard to minimise our impacts as far as possible. As an overall strategy we set out our targets and commitments on our key environmental impacts. We can't do this without the help of our suppliers to

support us to achieve those targets and in reducing their own impacts. Some examples of how this can be done are:

- As a minimum, we expect all suppliers to comply with local and national environmental legislation;
- We also expect our suppliers to have an environmental management system in place, whereby they monitor their environmental impacts and take steps to reduce these impacts specific to their business;
- For all products, suppliers can help us minimize our carbon emissions by providing us with less dense and fully recyclable packaging, and where possible allow return of packaging for recycling (without detriment to the safety or security of that product);
- Suppliers can help us reduce the carbon footprint of our products through utilising efficient manufacturing processes, and by using materials which do not require excessive energy to extract or produce;
- The use of environmentally damaging chemicals should be kept to a minimum. Where possible low chemical or natural alternatives should be used. Disposal of any chemicals, including cleaning fluids, should be done in a way to ensure against impact on the environment;
- Suppliers can help us reduce our waste by providing re-usable or recyclable products (with clear labelling to show this), and by reducing the amount of packaging supplied to us. Suppliers can also help us reduce our waste by providing us with products which are durable and long lasting, so they will not need to be replaced as often;
- Suppliers can also help us minimise our use of natural resources, by aiming to source all materials from sustainable or renewable sources. For example, all paper/wood products should be either made from FSC certified or recycled paper. Or through providing us with energy or resource efficient products e.g. energy efficient lighting, fuel efficient cars, renewable electricity or low water use appliances;
- We source meat, fish and dairy produce for our customers and we expect suppliers to provide assurance that products use credible animal welfare and sustainability standards.

Business Ethics

We have a strict anti bribery policy and expect our suppliers to uphold high standards of integrity, transparency and governance. At a minimum we expect:

- Suppliers to comply with all relevant local laws and regulations;
- Suppliers must not take part in forms of bribery or corruption and must not be associated with any group that supports acts of violence or terrorism;
- Suppliers should act with integrity, constantly striving to uphold the highest standards of ethical and environmental practice.
- To sign up to this policy;
- To commit to embracing the policy and assign a senior member of the business to promote compliance;
- To set up a monitoring process to verify standards are met and continually reviewed to ensure compliance, with a process for corrective actions to be set up and followed through;
- To look to impose a policy of similar or higher standards on their own supply chain, including any sub-contractors they work with. The expectation is that each supplier in the supply chain will monitor their own compliance with a view that Service Foods may wish to audit any tier in the chain if this is required;
- The Supplier's workforce (including those not directly employed by the Supplier i.e. agency staff,

For more details, please refer to our Service Foods anti bribery policy

Our Supplier Engagement Process

We are working hard to communicate our Sustainable Procurement Policy with our suppliers. This will help us to ensure all of our new and existing procured products and services are more sustainable. We expect openness and transparency in our relationships with our suppliers and will support continuous improvement with any of our suppliers who need help in any area of this policy. We will be carrying out continuous training of our procurement personnel to support their expertise in this area. Ultimate responsibility for this policy is held by our Head of Procurement with full endorsement by our board of directors

We ask our suppliers to commit to the following:

contractors and subcontractors) should be made aware of the policy or the Supplier's own policy, if this is to a higher standard and provided with the appropriate training to continually improve the supply chain.

I have read and understood this policy. I am committed to the continuous progress of my company on all of the criteria laid out in this policy.

Signed..... Print
Name.....

Company.....
Position in Company.....

Dated.....

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