

Group Deforestation Policy

Currently forests cover 30.8% of the global land area, totalling 4.06 billion hectares of which over 50% of this amount being only found in 5 countries (the Russian Federation, Brazil, Canada, USA and China)¹. Forests are home to more than just trees, with many different plants and animal species being present, for example 80% of all known amphibian species, 75% of all birds and 68% of all mammals making them their home¹. Forests supply water, mitigate climate change and provide habitats for many pollinators, which are essential for sustainable food production. It is estimated that 75% of the world's leading food crops, representing 35% of global food production, benefit from animal pollination for fruit, vegetable or seed production¹.

However, the proportion of total land area which is forest has decreased from 32.5% to 30.8% in the three decades between 1990 and 2020. This represents a net loss of 178 million hectares of forest (Just under 7.5 times the size of the UK). The annual decrease has reduced from 7.84 million hectares per year between 1990 and 2000 to 4.74 million hectares per year from 2010 to 2020¹. The loss is primarily caused by agricultural expansion, with cattle ranching and cultivation of soya bean and oil palm accounting for 40% of it.

Here at Cranswick, our Second Nature strategy is aligned with the UN Sustainable Development Goals. Goal 15 is "Life on Land" and hence we are committed to assisting the Global effort to continue the reduction in this annual decrease and to halt and reverse land degradation. We are signatories to the Business Statement of Support for the Cerrado (the world's most biodiverse savannah) Manifesto which calls for industry, civil society and government to work together to balance sustainable agricultural development and protection of this important natural ecosystem ([Business for the Cerrado - The Consumer Goods Forum](#)). We are also full members of the Soy Transparency Coalition (STC).

As a member of the UK Roundtable on Sustainable Soya ([UK-RT-on-Sustainable-Soya signatories-10https://www.efeca.com/wp-content/uploads/2019/12/UK-RT-on-Sustainable-Soya_signatories-10-12-20.pdf12-20.pdf \(efeca.com\)](#)) since its launch in July 2018, we pledge to ensure that our supply chain is made aware of the impact of soya on deforestation in particular areas of South America. To this end we continue to move towards certified sources of soya as we believe that effective collaboration across a number of retail, processing and production partners, encouraging the sustainable production of soya, will enable our ultimate goal of procuring secure, resilient supplies of sustainable soya to the UK and halting deforestation and further biodiversity loss through land clearance.

As a signatory on the UK Soy Manifesto ([The Manifesto | The UK Soy Manifesto](#)), we are committed to ensuring deforestation and conversion free soya (with a cut-off date of January 2020 at the latest) of any animal feed and embedded soya within our ingredients as soon as possible, but no later than 2025. This applies to all our products and we will encourage our suppliers to make similar commitments.

However, we realise that this is not something which we can achieve on our own and therefore, we are committed to the following approach:

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Scope:

As a major UK food manufacture which has a field to fork integrated supply chain for pigs and poultry, we are committed to engaging with our suppliers to make progress and embed sustainability, including responsible sourcing, throughout our entire process. Although we do not purchase forest related materials directly, we realise that there is an inherent risk of deforestation associated with some of the agricultural products which we purchase.

These products are:

- Soya for Animal Feed and Plant based products
- Beef from South America
- Paper and Cardboard for packaging materials
- Palm Oil

Governance:

In 2022, we established an ESG Committee, led by our Chairman to assist in driving our Second Nature strategy, including addressing deforestation practices within our own operations and direct and 3rd party suppliers. Our governance structure for Sustainability is detailed within our annual report which is available on the Cranswick plc website (www.cranswick.plc.uk).

Commitments:

Cranswick have, in addition to this policy, the Group Sustainable Procurement Policy. This has key commitments which assist in the reduction of the reliance on products which may result in deforestation within the supply chain. This policy is available on the Cranswick plc website. It is noted that currently only approx. less than 3%² of all the soya available Globally is certified under schemes such as the Forest Code in Brazil. As such we will continue to drive reductions, engagement and promotion of best practices through the following methods and research:

Own sites:

- Commitment to continue to lower soya in diets for pigs and poultry without compromise to their wellbeing.
- Continue to research and develop alternative protein sources for replacement of soya
- Where it is practical and not cost prohibitive, to use certified sources of soya for animal feed and within an NPD process for plant-based products.
- Wherever possible, to seek an alternative protein to soya for use in our plant-based products.
- Wherever practical to use certified sources for paper and cardboard packaging, e.g. Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) certified suppliers.
- Commitment to apply deforestation due diligence to all company operations and direct and 3rd party suppliers through the use of risk assessments for high risk suppliers by 2030.

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- To complete the CDP Questionnaire on Forestry and to target an A grade by 2030.
- To be certified against the RSPO Standard at a Group level and to have all sites where ingredients are handled which contain palm oil as an ingredient to be included within this certification by the end of 2022. Cranswick does not directly purchase any palm oil.
- Continue our commitment to ensuring 100% of our Beef from Brazil comes from cattle sourced from areas with no risk of deforestation and to actively investigate alternate geographical sources.
- We commit to reporting our progress towards the UK Soy Manifesto commitments annually from FY2023 onwards

Progress report April 2023:

From 1st November 2021 our Crown Milling operation switched to 100% RTRS Full Mass Balance Soya and in 2022 this accounted for 67000 mT. A further 7500 mT were certified to RTRS Full Mass Balance through a third party feed compounder and in addition to this 5500 mT were sourced from the northern hemisphere. A combined total of 80,000mT of our 107,500 mT owned farms annual usage. The remaining soya for 2022 calendar year was all certified to RTRS Regional Mass Balance and we are working with our remaining feed suppliers to transition to Full Mass Balance currently. Crown Milling primarily supplied into our poultry division but also supplied circa 14% of the feed for our Wayland Farms pig business.

Supply Chain:

- Commitment to ensuring that products within our supply chain which may come from areas at risk of deforestation are legally cultivated or farmed in a way that protects against destruction of forest and valuable native vegetation.
- Where appropriate and practical, we will support suppliers of our products which may come from areas at risk of deforestation to adopt programmes to avoid deforestation in line with the commitments of the UK Soy Manifesto.
- Commitment to make our supply chain aware of the impact of their activities on the deforestation in particular areas around the world.
- We have issued our Supplier Human Rights and Sustainability Policy to our tier 1 manufacturing suppliers and will be issuing to our tier 1 agricultural suppliers in Q1 2023/24 and this covers the following areas for deforestation:
 - Where the products which are being supplied are at a risk of deforestation, the suppliers are required to be approved to a certified scheme for the product they are supplying. Where this is not currently possible, suppliers are required to be driving reductions in deforestation and promoting reforestation through their policies and procedures.

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- Where palm oil is supplied within an ingredient, this is required to be from an RSPO approved supplier. Both the material and the supplier are required to be certified and the materials are to be certified to segregation level by FY23. Where Soya is supplied, this is required to be book and claim certified with a requirement to move to full mass balance certification from 2025.

Through these schemes, we are committed to maintaining traceability of certified products and support more transparent reporting across our supply chains.

Verification:

Through the quarterly Second Nature Agriculture Committee meetings, the continual process of feed trials will be monitored. Where supplier controls are in place, these will be monitored and verified through traceability exercises and supplier visits. Where we become aware that our commitments are not being met through the supply chain, we shall engage with the supplier to install a corrective action plan with a clear and appropriate timescale for completion to address any issues that are highlighted.

These corrective action plans will be reviewed and reported at the appropriate senior management meetings to ensure that actions are taken within a timely manner.

Where a continual failure to adhere to this policy is highlighted within the supply chain, then an appropriate range of options, including the delisting of that supplier will be considered.

For Cranswick plc:

Business Unit Director:



Adam Couch
Chief Executive Officer
April 2023

References:

1. [The State of the World's Forests 2020 – Forests, Biodiversity and People, Food and Agriculture Organisations of the United Nations, 2020](#)
2. Soy Transparency Coalition 2020

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History of Change:

Date of Issue	Version	Author	Reason
April 2023	004	Adam Bower	Annual review. Added history of change

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