

Sustainable and Ethical Procurement Policy

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Document Control

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V2	Procurement Buyer	Procurement Manager	Head of Procurement/ Chief Executive Officer	Annual review and comprehensive re-write	Apr 2026	May 2027

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Scope

The policy encompasses all procurement activity of Muntons plc operating in the UK. The Procurement requirements of ISO 50001, ISO 14001 and SEDEX are also covered by this policy.

Purpose

This policy is to ensure that sustainability is embedded in all procurement processes and decision-making across the entire procurement lifecycle. It supports Muntons' overarching sustainability goals and objectives. This also ensures that Muntons' procurement decisions are ethical, backed by strong governance and make a positive contribution to the environment, social standards and economic growth.

Aims

To ensure that the appropriate procurement strategies are adopted to mitigate environmental, social and governance (ESG) risks across the whole supply chain. It should actively promote the following behaviours:

Environmental

- Encourage life cycle thinking
- Promote resource efficiency and waste reduction
- Support low-carbon and eco-friendly sourcing

Social

- Embed respect for human rights and labour standards
- Promote fair working conditions across the supply chain
- Encourage supplier diversity and local economic development

Governance

- Strengthen procurement governance and accountability
- Enhance transparency and stakeholder engagement
- Manage reputational and compliance risks

Framework

Muntons maintains alignment to global sustainability frameworks and reporting. ISO 20400:2017 Sustainable Procurement Guidance either aligns, supports or complements all UK and internationally recognised sustainability frameworks and mechanisms. It is based on ISO 26000 Social Responsibility. The relevant Sustainability Goals, Initiatives, Principles and Declarations include:

- UN Sustainable Development Goals (SDGs)
- UN Global Compact
- ILO Human Rights Principles
- UN Universal Declaration of Human Rights

Muntons' Procurement Team has chosen to follow the ISO 20400:2017 as it is specifically designed to help companies integrate ESG into their procurement activities.

Roles and Responsibilities (Governance)

Muntons' Procurement Team is accountable for managing and communicating policies and procedures and ensuring that all procurement decisions adhere to them. The following roles within the Procurement Team have decision-making authorities for policy and procedures:

- Buyers
- Procurement Managers
- Head of Procurement

All Muntons' employees involved in the Procurement process are bound by the Procurement Policy and procedures.

Muntons has a suite of procedures and templates incorporating the aims and objectives of this policy to ensure that sustainability is fully integrated into its Procurement activities.

Transparency

Muntons' Procurement processes and procedures are incorporated into its integrated management system and accessible to all employees on its intranet.

Muntons' ESG evaluation and selection criteria for suppliers of contracts over £100K are laid out in a standardised document pack and clearly disclosed to suppliers in the tender documentation.

Ethical Behaviour

Muntons has an Anti-corruption and Anti-bribery policy which binds all its employees and annual training is undertaken.

The Procurement Team undertake additional training in Ethical Procurement and Supply provided by the Chartered Institute of Procurement and Supply.

All Muntons's suppliers must sign up to its Supplier Code of Conduct which outlines Muntons' expectations of its Tier 1 suppliers' obligations in respect of the following:

- Human Rights
- Anti-bribery and Anit-corruption
- Environmental Management

The Supplier Code of Conduct sets out Muntons' rights to audit its suppliers and terminate any contract should a supplier be in breach of its obligations.

Respect for Stakeholder Interests

Muntons recognises that its procurement decisions may have an impact on different stakeholder groups. Muntons commits to identifying and engaging all impacted stakeholders in its procurement activity and where possible adapting its procurement strategies to take account of stakeholder concerns. Muntons conducts an annual materiality and ESG assessment on the goods and services it procures and engages with its suppliers to identify any ESG risks relating to a wider stakeholder group.

Respect for the Rule of Law

Muntons' procurement processes, procedures and decisions are compliant with local and international law. Muntons' Procurement team keeps itself informed of legal changes through its governing body, CIPS. Muntons expects all its suppliers to act lawfully, as laid out in the Supplier Code of Conduct.

Respect for International Norms of Behaviour and equal opportunities

Muntons promotes inclusive sourcing practices that support equal access to economic opportunity and prohibit discrimination in all forms. Its commitment to upholding internationally recognised standards of ethical conduct, environmental practices and human rights is embedded throughout our procurement and supply chain activities. Suppliers are also required to follow international norms, as well as ensuring dignity, rights and fair treatment of all individuals are upheld across all levels of their businesses and within the supply chain.

And as outlined in its Supplier Code of Conduct, Muntons has zero tolerance for harassment, bullying, abuse, intimidation, or any form of degrading or inhumane treatment within our supply chain. The Procurement team ensures this awareness is well communicated with suppliers and regularly monitored.

Where feasible, Muntons seeks to encourage engagement with diverse suppliers, including small and medium-sized enterprises (SMEs) and enterprises owned or led by under-represented groups, as part of our commitment to inclusive economic development.

Respect for Human Rights

Muntons conducts an annual materiality and risk assessment of the goods and services it purchases and the suppliers it purchases from. To support this assessment, all suppliers falling into the risk assessment must complete an ESG self-assessment questionnaire. Where human rights are flagged as a potential risk, targeted questions are asked to address any concerns. Muntons considers this a form of supplier audit. If the responses do not satisfactorily address any concerns, a site audit by a 3rd party qualified auditor would be conducted. In addition to desk audits, Muntons reserves the rights to

conduct spot site audits to further ensure our suppliers' compliance to our ESG requirements is as declared.

The supplier questionnaire does not replace the human rights sections of the Supplier Code of Conduct which is in addition to the questionnaire and is agreed to by all Muntons' suppliers.

Muntons occasionally purchases temporary labour for its onsite operations. This is relatively low spend and does not fall into the annual materiality and risk assessment. Muntons only sources temporary labour suppliers licenced under the Gangmasters (Licensing) Act 2004.

If any supplier is found to breach of human rights legislation or falls short of Muntons' expectations laid out in the Supplier Code of Conduct, Muntons will either work with the supplier to remedy the breach within a reasonable time or terminate the contract immediately depending on the severity of the breach.

If Muntons decides that a breach merits working with the supplier to find a remedy, it will visit the supplier site where the breach occurred and work directly with the nominated supplier representative to investigate the cause of the breach, put the relevant corrective and preventative actions in place and attend follow-up visits over the following 6 months to ensure that preventative actions are working and any new policies and procedures are being adhered to.

Metrics & KPIs

The following metrics and KPIs are used to monitor Muntons' Procurement performance in ESG.

Environment

To align with our ambition to achieve Net Zero by 2040, the Procurement Team is committed to supporting Muntons' decarbonisation journey through sustainable energy sourcing. Its commitment includes:

- Achieving 100% electricity procured from renewable sources by 2030

To drive its continuous leadership in Sustainability, Muntons considers product lifecycle management. Although packaging has been identified as immaterial due to the majority of sold products being in bulk, nonetheless, it is committed to:

- Purchasing >99% of recyclable packaging annually to 2030 (UK/EU food contact legislation permitted)
- Achieving >90% Plastic packaging purchased containing recycled content by annually to 2030 (UK/EU food contact legislation permitted)

Having identified downstream transport emissions as a material Scope 3 category, the Procurement Team has been actively exploring sustainable fuels to decarbonise across our downstream logistics. Its commitment includes:

- Achieving >10% sustainable fuel used in 3rd party logistics operations by 2026

To strengthen Muntons' resilience to climate risks & supporting biodiversity in terms of grains sourced, the Procurement Team has been actively developing an at scale Regenerative Agriculture programme. It is committed to:

- Achieving 30% hectare grown in Regenerative Agriculture Practices by 2030

Social

The Procurement team is committed to embedding social responsibility standards into supplier relationships. Recognising that suppliers play a critical role in upholding international norms of behaviour, Muntons requires clear and consistent alignment with its ethical expectations. Its commitment includes:

- Ensuring 100% suppliers signing up to Supplier Code of Conduct as contracts come to renewal annually to 2030

Economics & Governance

To support long-term value creation, strong governance, and responsible business practices, the Procurement Team is committed to integrating sustainability and ethical considerations into commercial decision-making. Muntons will prioritise engagement with suppliers that demonstrate robust environmental, social, and governance (ESG) practices. Its commitment targets include:

- Allocating 100% spend with sustainable suppliers by 2030 from a baseline of 59% in 2025

*The pass rate for the ESG assessment is 45%. Suppliers scoring 45% and above are considered a sustainable supplier and listed on the Sustainable Supplier List.

Training

Procurement employees are members of Procurement's international governing body, Chartered Institute of Procurement and Supply (CIPS) and undertake CIPS annual training In Ethical Procurement and Supply. This training covers the following topics:

- Understanding Ethical Responsibility
- Preventing Fraud, Bribery & Corruption
- Safeguarding Human Rights
- Protecting the Environment
- Commitment to Sustainable Supply Chains

Key Suppliers

95% of Muntons' regular procurement spend is with approximately 100 suppliers and who it spends over £100,000 with annually. The majority of this spend is on barley, logistics and energy. Muntons prioritises these suppliers and spend categories when assessing ESG risks. One-off suppliers engaged for capital projects are not classified as a key supplier.

Sustainable Procurement Procedures and templates

Materiality Assessment

A materiality assessment is completed annually for our key suppliers. Specific industry ESG risks identified by the International Financial Reporting Standards foundation are mapped in a matrix alongside our suppliers.

Supplier ESG Assessment

The supplier ESG questionnaire is issued annually to all our key suppliers. Raw material and packaging suppliers under the £100,000 annual spend also receive the questionnaire. It has 2 sections; the first contains questions on certifications, endorsements, policies, reporting and net zero targets. The second section contains industry-specific questions designed to address the risks identified by the IFRS foundation and mapped in the materiality matrix. A sustainability score is generated from the answers and suppliers scoring 45% or over are entered onto our Sustainable Supplier List.

Supplier ESG Gaps and improvement

The questionnaire responses are analysed to highlight any reported breaches or concerns about potential breaches following which direct engagement with the relevant supplier(s) will be started to remedy the breach or address the concern. To continuously improve ESG standards across our supplier base, KPIs are generated based on the questionnaire results and reported to our suppliers.

Country of Origin, Child Labour and ESG Country Risk Assessment

Muntons assesses the country and trading risk of its suppliers annually using OECD, UNICEF and Risk Watch Initiative. The ESG risk profile of Muntons' supplier base is Low and Very Low.

Code of Conduct for Suppliers

All key suppliers completing the annual ESG questionnaire reconfirm their compliance to our Code of Conduct for Suppliers. All new suppliers are asked to sign up to the Code as a condition of becoming a supplier to Muntons.

Muntons purchase orders have text at the bottom of them binding all suppliers to comply with the Code of Conduct for Suppliers.

Tender Template for contract values >£100K

Muntons uses a standard Request for Proposal template that includes a section on ESG. Specific to ISO 50001 requirements, the energy performance of the product, equipment or service being sourced by Muntons is requested in the tender template and suppliers are advised that it will be used in the selection criteria, along with the supplier's own energy performance. The tender template is used as standard for product, equipment and services. If the contract value is under £100K but the annual energy consumption of the product, equipment or service is expected to be 100,000 kwh per year, the relevant sections of the tender template will be used.

Supplier ESG endorsements and policies questionnaire

When engaging potential new suppliers falling under the £100K threshold, suppliers will be sent a shortened version of our ESG questionnaire covering endorsements and company policies. Suppliers will be advised that their responses will be part of the selection criteria.

Review

This policy will be reviewed annually by the Procurement Team or sooner if there is a relevant incident or change that prompts an update.

Contacts

- General queries: The Procurement Team
Procurement@muntons.com
- Compliance concerns: Confidential and anonymous Whistleblowing channels
 - Call – 0800 988 6818
 - Report online = www.seehearspeakup.co.uk/en/file-a-concern