

Ragus®



Pure Sugars

SOURCING : MANUFACTURING : CONSULTING : DELIVERING

Our Business in Global Society

Sustainable Procurement Policy

2023

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Ragus®



Ragus is a responsible business. Our commitment to corporate social responsibility (CSR) underpins our brand and is embedded in everything we do. It qualifies us to supply the most demanding customers in the industries we serve.

As the UK's leading independent importer and manufacturer of pure sugar products for industry, CSR runs through our health and safety; quality and talent management strategy, and employee behaviour; sustainability; supply chain management and customer service; risk management strategy, with zero tolerance of bribery and corruption and respect for human rights.



**Ragus Sugars
Manufacturing Ltd.
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1.0 Our approach to sustainable procurement

Ragus' sustainable procurement policy is a guide for our suppliers, contractors and partners, of what we expect from our supply chain. This policy also demonstrates to our wider stakeholders, such as our customers and their consumers, both our commitment to the principles of sustainable procurement and how we apply them in practice.

Our approach to sustainable procurement and this policy are underpinned by the core framework of ISO 20400, a supplier ethical questionnaire and supplier audits. Audits are conducted by our Quality Manager. A director may be present but has no official role in the audit.

This integrated approach enables us to evaluate and gain visibility of a supplier's commitment to sustainability, ensuring the procurement of goods and services is aligned with Ragus' values.



Governance and decision making

Do our suppliers embrace the same values we do, are their decisions ethical and responsible?

- Ragus and our suppliers, contractors, business partners and other stakeholders are expected to operate with environmental responsibility and ethical practice at the heart of their operations.
- We have governance processes detailed in section 2 below that detail how we apply this policy through risk assessment.



Human rights

Do our suppliers, and their supply chains, comply with current human rights and modern slavery legislation?

- We are dedicated to the adoption of internationally recognised human rights standards in all our operations, with the same care and respect Ragus offers its employees extended to our supply chains.
- Our Human Rights Policy details our approach to this.



Labour practices

Do our suppliers treat their workforces ethically, sustainably and according to local labour laws?

- Closely linked to human rights, ethical labour practices are vital to sustainable social development.
- Both our Human Rights policy and Modern Slavery Statement confirm our expectations of suppliers.



The environment

Are our suppliers both compliant with environmental and waste management legislation, and proactively seek out and apply net zero, zero waste solutions?

- Our suppliers and contractors are expected to operate in an environmentally responsible manner with care and respect for the health of the planet.
- ISO 14001 is a practical and public statement of intent to be sustainable. This accreditation is highly valued by Ragus and is expected of our suppliers.



Fair operating practices

- *We seek compliant suppliers who exceed statutory safety and quality legislation, who respect the rule of law and behave ethically, are industry leading in their promotion of ethical behaviour throughout their supply chains.*
- *Our expectations for ethical behaviours are detailed in our Anti-Bribery Policy, and we expect our suppliers to hold relevant accreditations.*

Consumer issues

Are we and our suppliers fair and transparent in our communications and dealings with our customers and their consumers?

- *We provide a range of operational and product information on our website designed to inform our customers, and their consumers, about our business. This includes making policies such as this and related policies available online.*
- *We expect our supply chain to adopt similar transparency.*



Community involvement and development

- *Community refers to residential or other social settlements located in a geographic area that is in physical proximity to an organisation's sites or within an organisation's areas of impact – our organisation and our suppliers'.*
- *Ragus is accredited by or a member of the following, embracing the duties required to support the communities local to our business, and selected suppliers: BRC, Fairtrade, Sedex and Bonsucro.*
- *We expect our suppliers to embrace the opportunities to support their local communities.*

2.0 Ragus sustainable procurement in practice - our processes

The objectives of our sustainable procurement processes are to:

- *Understand and manage the internal and external risks covering the factors detailed in section 1 above that are associated with our supply chain.*
- *Manage these sustainability risks, both negative and positive. If a supplier's values and actions are not consistent with ours, what resulting action do we take?*
- *Ensure our supplier risk management is ongoing through regular auditing and due diligence.*

Sustainability at Ragus is integrated at the highest and most strategic level of our procurement function. The bulk of our procurement team are directors and senior management who ensure company accountability and set clear intentions, directions and priorities for the whole organisation. As a result, we have immediate insight into our supply chains ensuring supplier compliance. Specifically, this approach enables us to respond quickly should a supply chain issue be identified.

Our raw materials procurement processes are simple and transparent:

- *Buyer scopes out raw material from supplier, which includes suitability, packaging, origin, certifications and price.*
- *Buyer requests a sample from supplier.*
- *Buyer instructs commercial team to generate internal raw material approval form to forward to Quality Control (QC).*
- *QC requests all the relevant details, such as specification, certifications and so on, from the supplier.*
- *This is a critical risk assessment stage – at this point we examine supplier certifications and approach to sustainability and assign a risk score.*
- *QC analyses the sample for suitability either as a syrup or a dried raw material.*
- *QC reports result to buyer and commercial team, who then generates relevant purchasing documentation for the supplier with the results.*
- *Buyer then informs operations and finance of product and supplier approval, price, contract period and tonnage.*
- *Depending on approval and product, the buyer may then request a trial batch to assess suitability of product in factory. The results are then reported back into the relevant internal teams.*
- *The supplier then issues a contract.*
- *Once the whole team are satisfied with the product, the buyer then finalises the contract.*

The objectives of this policy are identifying and managing risks during our procurement processes. To achieve these objectives, we have developed a straightforward four stage discovery, assessment, decision and monitoring process.

1. Discovery

Asking suppliers to complete our supplier ethical questionnaire. This includes identifying specific individuals within the supplier responsible for sustainability and requesting existing policies. If the supplier does not already hold key industry certifications, we have a detailed questionnaire that asks key questions about their operations and behaviours.

2. Assessment

Once we have been through the discovery phase, we assess each supplier according to specific criteria. The assessment is conducted by the Quality and CSR managers.

Category	Criteria	Risk
 Organisational governance	Policies / responses to questionnaires. How do they deal with us, a customer?	High Medium Low
 Human rights	Policies / responses to questionnaires – the latter is the primary criteria. Also monitor media/social media.	High Medium Low
 Labour practices	Policies / responses to questionnaires – the latter is the primary criteria. Also scan media/social media.	High Medium Low
 The environment	Policies / responses to questionnaires.	High Medium Low
 Fair operating practices	Policies / responses to questionnaires. Examine pricing policy. Use social media / media to evaluate reputation.	High Medium Low
Consumer issues	Policies / responses to questionnaires. Look at customer complaints / ask peer companies.	High Medium Low
 Community	Policies / responses to questionnaires. Identify visible activities from website and media / social media.	High Medium Low

3. Decision

Having evaluated potential suppliers, do they align with our and industry expectations, and so can we work with them? There are some suppliers that are business critical but may be high risk.

High risk – choose not to engage and find an alternative / or if business critical, feedback our concerns and review quarterly.

Medium risk – request changes to their operating processes that we consider medium risk and review annually.

Low risk – choose the supplier and monitor biannually. Also monitor quality, media reports etc. to identify and changes to performance.

4. Monitoring

We operate in a changing world. Legislation and best practice changes. Ragus and our suppliers' operating processes change. As a result, to retain the effectiveness and relevance of this policy, ongoing monitoring is essential:

High risk suppliers are monitored quarterly – we make contact every quarter and ask if their circumstances have changed since the last contact. If they have, this may mean a change in risk category. Our preference is to influence their behaviours positively because we can only drive change through participation.

Medium risk suppliers are monitored annually, with requests for improvements in areas of concern.

Low risk customers are monitored biannually, plus as our supplier base increases in size, we will conduct spot checks.

2.1 Small and local suppliers

We also work with small and local suppliers, who supply non-core services and materials. For example, local electrical and maintenance contractors, local laundry services, cleaners and so on.

We have chosen some of these suppliers for their proximity to our factory in Berkshire, UK, to reduce our transport miles; others to support the local small business community and local employment. The existing suppliers are considered to be low risk and therefore do not complete our supplier questionnaires.

When we engage with new small and local suppliers, the CSR manager will decide if the scope, value and nature of the services provided would pose a risk to the business according to this policy. If the new supplier is likely to pose a risk, then it will be added to the list of supplier required to complete the supplier questionnaires and undergo formal risk assessment.

Ragus Sugars Ltd. is accountable for its own impacts on society and the environment. In the context of procurement, this specifically includes accountability for our impacts and for those of the organisation's supply chains, with a life cycle perspective on goods or services.

This policy will be communicated throughout the firm and is available publicly. It will be reviewed on a biennial basis to evaluate continued relevance, monitor compliance and drive continual improvement.

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