FOOD FOR THOUGHT

Our approach to global sourcing with integrity

2021/2022 Annual report

WORLD WISE FOODS

21/22 HIGHLIGHTS

94+ million
units supplied

Our actions this year will reduce plastic by a projected
10+ tonnes
in 22/23

Transparent: Information on our supply chains shared on our website

100%
of our supplier partners have agreed to our Responsible Sourcing Code of Practice

72%
KPIs good progress/ completed

100%
fish sourced responsibly as defined by the Sustainable Seafood Coalition's Code of Conduct

19 days
of COVID safe visits to our suppliers

Top (AA) grading
for our BRC agents and brokers audit, for six years running

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"WE'VE MADE GOOD PROGRESS TO EQUIP SUPPLIER PARTNERS TO MITIGATE HUMAN RIGHTS RISKS IN OUR SUPPLY CHAINS. WE ARE DELIGHTED TO END THE YEAR WITH A STOP SLAVERY AWARD, IN RECOGNITION OF OUR EFFORTS."

John Burton
Chairman, World Wise Foods

I am pleased to be able to share with you another good year of progress delivering our Food for Thought sustainability commitments with 72% of our KPIs "achieved" or making "good progress"

2021/2022 has been a year of change for World Wise Foods. After over a decade as Chief Executive, I will be continuing as Chair of the Board, and my son David Burton will be leading the business as Chief Executive. David has many years of experience at World Wise Foods as Operations Director and we look forward to another successful decade under his leadership.

COVID continues to impact our day-to-day business in many ways, from shipping challenges and cost increases to the frequency of supplier partner visits. As restrictions lift, I have been delighted to re-connect in person with our supplier partners; our long-term relationships with our supply base are key to our success.

Small Scale Fisheries (SSFs) continue to be central to our business. They deliver real benefit to the communities that rely on them, but face many barriers to access profitable markets. This report shares more on this issue, including how sourcing from such fisheries promotes the global Sustainable Development Goal agenda. My foundation, Sustainable Fisheries and Communities Trust continues to support these fisheries and we look forward to collaborating with World Wise Foods to advance this shared agenda.

Finally, our work to equip our supplier partners to mitigate any human rights risks in our supply chains has made good progress in 2021/2022. Our unique approach to provide hands-on training and capacity building has led to our first supplier partner adopting the Employer Pays Principle. We are delighted to end the year with a Stop Slavery Award, in recognition of our efforts in this area.

John Burton
Chairman

ACCOUNTABILITY FOR DELIVERING OUR KPIs

Annual Public Report

Chief Executive and Board – Quarterly progress review

Senior Manager – KPI leads

Day-to-day oversight: Head of Sustainable Sourcing

OUR APPROACH

Sarah Eames, Director of Technical & Sustainability (click picture to see vlog)

Exceeding customer expectations
Listening to our customers' needs is at the heart of our business; whether it is our work on food safety or product benchmarking, we do much more than supply our customers with products.

Long-term supplier partnerships
World Wise Foods is built on relationships. We partner with our suppliers to build openness and transparency. These partnerships deliver high-quality products for our customers, and keep sustainability central to our business.

High-quality products
Our supplier partners around the world enable us to source high-quality raw materials, and our team of product developers drive the culture of innovation that delivers year-on-year growth in our range of products and packaging.

SOURCING WITH INTEGRITY – OUR RAW MATERIALS

Our approach:
Our business started with the responsible sourcing of fish, and we are committed to applying the same principles to all our products, starting with our priority raw materials.

Why it matters:
Our planet's resources are being pushed to the limit. Agricultural production must have a positive impact on the environment, for farmers, their communities and global food systems.

What we've achieved:
Active projects to make sourcing more sustainable are in place for two thirds of our priority raw materials.

What's next?
In 2022/23 we aim to complete the mapping of raw materials, such as soy, back to source and continue our active projects on tomato and tuna.

RESPONSIBLE RECRUITMENT AT FARM LEVEL

Sustainable sourcing of priority raw materials covers both the people who grow the food, and the environmental aspects. In 2021/22 we have made good progress on a project with our Italian tomato supplier to explore ways of formalising recruitment processes at farm level to align with responsible recruitment principles.

As featured in our 2021/22 report, we pride ourselves in working with an Italian tomato supplier who has an operating model that protects them from the issues affecting so much of the industry. Developing a formal responsible recruitment policy adds to the supplier partner's 'supply chain 5.0' plan. The plan was launched this year, and sees good practices on areas such as traceability and environmental sustainability verified by third party auditors.

TRANSPARENCY AND TRACEABILITY

This year we continued to map our priority raw materials back to source. This understanding enables us to set sourcing principles that make our supply chains more sustainable. We completed mapping for pineapple and other tropical fruits and look to conclude mapping on soy and fish derivatives in 22/23.

At farm level, our mapping helps us better understand the different models that sit behind our priority raw materials. Models include individual small holders, co-operatives or large farms.

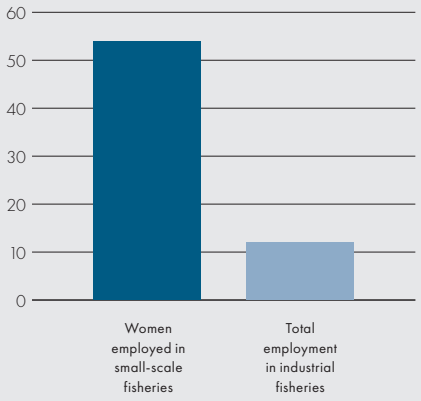
Being clear on farm sourcing models ensures we are aware of potential human rights risks, and how purchasing practices by our supplier partners contribute to making farming a sustainable livelihood.

OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

The food industry faces a significant challenge: how to produce food to serve growing populations in ways that support decent jobs and is environmentally sustainable. COP26 reminded us that our futures are connected, but negative impacts are disproportionately felt by the global south.

World Wise Foods success has been built on our commitment to only source one-by-one caught tuna from sustainable small-scale fisheries (SSFs). SSFs catch half the global catch and provide employment for 90% of the 120 million people involved in fishery value chains globally; 50% of which are women. SSFs are the ocean's largest employer and are characterised by labour intensive

Employment in fishery value chains globally (millions)[1]



harvesting methods, smaller vessel sizes and strong ties to social structure and culture.

The Sustainable Development Goals (SDGs) aim to promote global equity, ensuring no-one is left behind. The goals recognise the key part SSFs have to play singling them out for "sufficient, and distinctive protection". Given that 97% of SSFs are in developing countries, their growth and profitability has great potential to deliver positive economic and social impacts.

World Wise Foods believes there is more our industry can do to ensure the SDGs are realised. In particular we focus on SDG14b, which calls for all stakeholders to "provide access for small-scale artisanal fishers to marine resources and markets". At present, SSFs face many barriers to accessing markets, such as limited market knowledge and power imbalances in the negotiations that determine their catch allocations.

In 2021/22 we authored a paper with Sustainable Fisheries and Communities Trust which captures these challenges and focuses on three areas industry could help deliver SDG14.

Firstly, we believe the industry should not source from fisheries benefiting from harmful subsidies. Currently, 86% of subsidies go to industrial fisheries, giving them an unfair competitive advantage over SSFs.

Secondly, for many SSFs the cost of meeting market access requirements, for example MSC certification, is a barrier to entering profitable markets. We would like to see sustainable small-scale fisheries allowed to use less costly independent verification of their environmental credentials.

Finally, when our industry is involved in advocacy to promote sustainable fishery management, there is great potential for us to use our leverage to ensure that international legal frameworks, which require priority treatment for SSFs and Coastal States, are respected.

Global fish catches by fishery type (%)[2]

The underlying principle of the SDGs is equity – that everyone has a fair and just opportunity to access what they need to thrive. For SSFs to secure equity, our industry's sourcing practices need to pro-actively address market access barriers. If this fails to happen, the barrier SSFs face will worsen.

In 2022/23 we will continue to encourage others in our industry to support this agenda, both individually and through industry groups such as the Global Tuna Alliance.

If you would like to hear more about this agenda please contact ethicaltrade@worldwisefoods.co.uk

SOURCING WITH INTEGRITY: OUR PEOPLE

Our approach:
We risk-assess our supplier partners and go beyond audit by working closely with those in higher risk locations to ensure they meet our human rights policy requirements.

Why it matters:
The United National Guiding Principles (UNGP) on Business and Human Rights outline our responsibility to ensure human rights are respected in our international supply chains.

What we've achieved:
100% of our supplier partners are committed to our Responsible Sourcing Code of Practice. We have also exceeded our target, with 12% annual improvement of compliance to our human rights policy. In 2021/22 our first supplier partner adopted the Employer Pays Principle.

What's next?
With travel restrictions lifting we will be completing more on-site supplier partner visits outside of Thailand. In Thailand, our team on the ground have engaged with supplier partners throughout the pandemic. In 2022/23 we plan to adopt the Seafood Ethics Action Alliance risk assessment tool which will help us to prioritise fisheries based on potential human rights risks.

EQUIPPING OUR SUPPLIER PARTNERS

In 2021/22 we continued to invest in resources to support our supplier partners to own their risks and take long term actions to address them.

For example, training with one supplier partner led to greater clarity on the role of translators, who are a key interface between migrant workers, supervisors and HR teams. As a result, translators and HR set up a community of practice which meets regularly to discuss the challenges translators face, and how they can become more effective.

With another supplier partner, training led to a re-launch of grievance mechanisms that have stronger accountability to workers on resolution of any issues raised. A third-party independent hotline was also introduced.

The Employer Pays Principle

No worker should pay for a job - the costs of recruitment should be borne not by the worker but by the employer.

ADOPTING THE EMPLOYER PAYS PRINCIPLE

World Wise Foods has been discussing responsible recruitment with our supplier partners in Thailand for the last five years. In 2021/22 Merit Food Products, our supplier of coconut milk, cream and oil adopted the Employer Pays Principle. Systems are now being put in place to ensure workers recruited from Cambodia are recruited responsibly and do not pay any recruitment fees.

We recognised that responsible recruitment is complex. World Wise Foods has developed a toolkit, in Thai, and provides coaching to support supplier partners like Merit Food Products. There is a cost to business of adopting the Employer Pays Principle, and we commend Merit Food Products for proactively supporting our customers' commitment to address recruitment fees in our shared supply chains by 2025.

EMBEDDING SUSTAINABILITY: RESOURCE STEWARDSHIP

Our approach:
We are committed to ensuring resources are used responsibly in our own business and our supply chains, including packaging, food waste, water and energy use.

Why it matters:
The climate emergency is a global issue. Without collective action it will not be addressed.

What we've achieved:
We achieved or made good progress on 60% of our sustainability KPIs, including packaging, packing materials and food waste.

What's next?
This year we are continuing our project to adapt to the plastics tax both reducing the amount of plastic packaging we have on our products and increasing the percentage of recycled materials used in our packaging.

MEETING OUR PACKAGING COMMITMENTS

This year we made good progress towards our primary and secondary packaging commitments. Examples of this include;

- replacing the shrink film with a cardboard sleeve on multipack products including canned tuna.
- reducing virgin plastic use by replacing shrink film on sweetcorn multipacks with shrink film that contains at least 30% recycled content
- conducting production and transit trials to package our rice noodles in plastic film which is 100% recyclable

These changes mean that we will reduce plastic by a projected 10+ tonnes in 22/23.

REVIEWING CONTAINER PACKING MATERIALS

Packing materials are needed in containers for stability purposes to protect the product and minimise damages in transit. Packing materials also play a role in how a container can be unloaded and can make the process significantly more efficient.

In 2021/22 we reviewed the packing materials used by our highest volume supplier partners and the recycling services available to our warehousing partners.

We found, for example, that our highest volume supplier partner uses black plastic slip sheets which makes unloading more efficient and requires minimal additional packing materials, recyclable cardboard can be used for stability.

Although only carboard and polythene is recycled at the warehouse usually, our warehousing partner has managed to find a solution to ensure black slip sheets are either reused, or recycled. This prevents thousands of sheets going to landfill.

In 2022/23, we aim to complete our mapping of packing materials and to reduce any unnecessary materials, such as cable ties and netting, that we identified in 2021/22.

COLLABORATING FOR CHANGE: OUR STRATEGIC PARTNERSHIPS

Our approach:
We work with supply chain partners and industry stakeholders to make a contribution to the global sustainability agenda.

Why it matters:
Industry collaboration is essential to address issues that we cannot solve alone. It also encourages learning and innovation.

What we've contributed:
We contribute to the leadership of the Global Tuna Alliance (GTA) and Seafood Ethics Action Alliance (SEAA) by participating in their steering committees and working groups

How we've benefitted:
The SEA Alliance risk assessment tool is helping us assess our fisheries, specifically considering risks faced by fishers at sea. This helps us allocate resources to mitigate any risks strategically.

What's next?
In 2022/23 we will continue to support the SEA Alliance, in particular their work on Human Rights Due Diligence. We will co-lead the FNET responsible recruitment working group and champion the SDG14b agenda at the GTA.

FNET

GLOBAL TUNA ALLIANCE

SEAFOOD ETHICS ACTION ALLIANCE

Sustainable Seafood Coalition

CONTRIBUTING TO INDUSTRY CHANGE

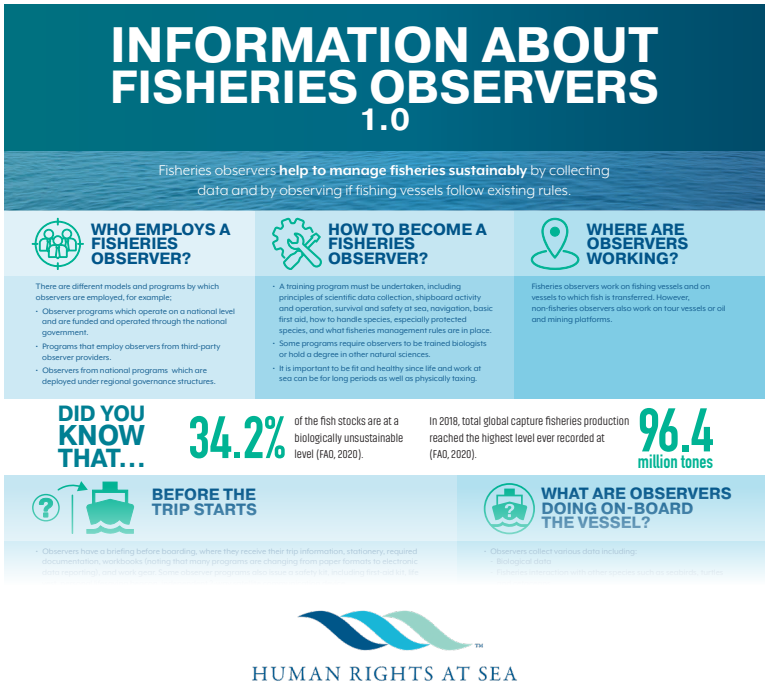
In 2021/22 we continued to support the Seafood Ethics Action Alliance (SEAA) in finalising the Fishery Risk Assessment Tool (FRRT). This is due to be adopted by several industry groups and will help to shape retailer alignment on key risks in fisheries. We actively supported SEAA activities seeking to address risk and build member capacity to complete robust human rights due diligence.

We continued to support groups such as the Food Network for Ethical Trade. With Tesco, we co-lead the FNET Responsible Recruitment Working Group.

At the Global Tuna Alliance (GTA), we champion the SDG14b/small-scale fisheries agenda, and our Chairman, John Burton, chairs the GTA working group which is exploring what this topic means for GTA partners.

We continue to support the work of Human Rights at Sea (HRAS) through our strategic charity partner Sustainable Fisheries and Communities Trust. Following the HRAS reports on observer safety, a useful infographic has been produced to help industry stakeholders understand the roles and risks of observers.

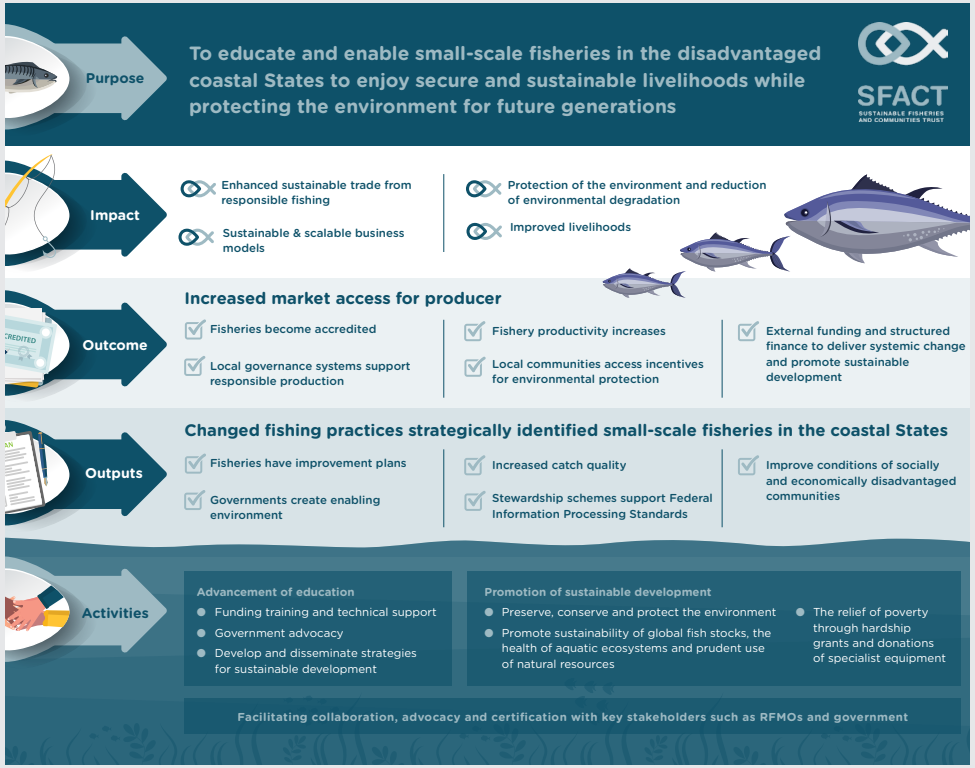
Alongside our strategic charity partnerships, we also supported a number of charities through donations or by match-funding colleagues' fundraising efforts including International Pole and Line Foundation, Synchronicity Earth, WILDAID and Medisave.



INTRODUCING SUSTAINABLE FISHERIES AND COMMUNITIES TRUST (SFACT)

This year we formed a new strategic partnership with SFACT, the foundation our Chairman John Burton established in 2020. SFACT seeks to protect fishing livelihoods and communities in marginalised Coastal States.

For Coastal States and their small-scale fisheries (SSFs), catches of fish can be worth up to half the total value of their traded commodities. Fisheries provide decent jobs and secure livelihoods, and ensure the general population, including the poorest communities, have access to a source of secure, nutritious food.



However, for reasons already outlined on pg.8 coastal states are not competing on a level playing field. This limits their ability to realise the potential of their ocean resources to drive economic growth and provide long term, sustainable livelihoods.

SFACT works with individual small-scale fisheries in places such as the Maldives, Indonesia, South Africa, Kenya and Madagascar to tackle the barriers limiting their potential. For example, SFACT supports PhD students to build capability of SSFs to manage their own resources sustainably, or funds negotiation training so SSFs can secure good outcomes at multi-national fishery management negotiations.

At a macro level, SFACT has supported the Blue Marine Foundation work on Responsible Drifting FAD use. It has conducted legal reviews of management of key species such as the Shortfin Mako Shark, and the work of HRAS, which has led to significant industry focus on observer safety.

We look forward to working closely with SFACT on our shared small-scale fishery agenda in 2022/23. You can find out more about SFACT here: https://sfact.org

SFACT
SUSTAINABLE FISHERIES AND COMMUNITIES TRUST

OUR REPORTING

Just starting out | **Progress needed** | **Good progress** | **Achieved**

Focus Area		Current Status
1. Exceeding Customer Expectations	KPI 1	Our annual reduction target for complaints per million units sold is achieved
	KPI 2	100% of on pack claims are verifiable through analysis or 3rd party certification
	KPI 3	75% new products developed and launched with customers remain on shelf for a minimum of 52 weeks and have been replenished within 13 months from launch
2. Strong Supplier Partner Relationships	KPI 1	Our investment in supply base relationships delivers a year-on-year improvement in supplier partner performance scores
	KPI 2	All suppliers are committed to working towards our Responsible Sourcing COP for Supplier Partners
3. Sourcing with Integrity: Sourcing Raw Materials Sustainably	KPI 1	100% of our fish products are compliant to our Sustainable Fish Sourcing commitments as outlined in our Sustainable Fish Sourcing policy
	KPI 2	Our planned actions for the responsible and sustainable sourcing of priority raw materials are delivered on target
4. Sourcing with Integrity: Ensuring People in our Supply Chains are Valued	KPI 1	Supplier partners in high-risk locations demonstrate year-on-year improvement in compliance with our human rights policy
	KPI 2	Supplier partners demonstrate measurable progress towards embedding responsible recruitment practices by 2025
	KPI 3	Risks in our transport and logistics supply chains are assessed in collaboration with supply chain partners by April 2021
5. An Open Business, Committed to Transparency	KPI 1	Our Modern Slavery Statement is published annually on our website
	KPI 2	Our supply chain transparency report is published annually on our website
	KPI 3	Our tax declaration is published annually on our website
	KPI 4	Our gender pay gap report is published annually on our website
	KPI 5	An assessment of our financial service providers use of World Wise Foods funds against our investment principles is completed by April 2021

OUR REPORTING

Just starting out | **Progress needed** | **Good progress** | **Achieved**

Focus Area		Current Status
6. We will Reduce the Environmental Impact of our own Operations	KPI 1	*The commitments in our Sustainable Packaging Plan are delivered on target within agreed time frames:*
	1.1	Our primary and secondary packaging targets are met
	1.2	Our targets on packing materials for use in distribution are met
	KPI 2	*The following commitments which support food loss and food waste reduction are delivered:*
	2.1	Our products are given the maximum appropriate shelf life and open shelf life
	2.2	Our third-party storage and distribution providers are actively working towards reducing food loss
	2.3	Our suppliers partners are actively working towards reducing food loss
	KPI 3	*The commitments made to ensure our business will have a positive, or neutral, impact on the environment are delivered:*
	3.1	We are a carbon neutral business (scope 1 & 2, and scope 3 for own operations)
	3.2	We send zero office waste to landfill
	3.3	We use 100% renewable energy in our office
	3.4	Our targets on container fill optimisation are met
	3.5	Our supplier partners are actively working towards improving their environmental impact

IMAGE CREDITS

IPNLF: With thanks for fishery images

ENDNOTES

1 https://www.fao.org/voluntary-guidelines-small-scale-fisheries/resources/detail/en/c/1257287/
2 https://www.fao.org/voluntary-guidelines-small-scale-fisheries/resources/detail/en/c/1257287/

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