

Due Diligence Report 2022

Version 1.0, 30 September 2023

Introduction

At Berries Pride, we work with our partners to make sure everyone can enjoy healthy and delicious berries at any desired moment. Through our global network, we supply the most delicious strawberries, blueberries, raspberries, blackberries, redcurrants and speciality berries all year round. We do this by forming long-term and sustainable partnerships with growers and other partners in the supply chain who share our passion for continuous improvement. By doing business together and sharing knowledge, we ensure a fully optimised supply chain and constantly strive for the perfect balance between flavour, quality, price and sustainability. This revolves around taking care of people and nature. From field to fork, every step in the supply chain is taken with love and care, together with our partners. This is how we work together to provide a complete range of the most delicious, fair, high-quality berries that everyone can enjoy. We have been very proud of that, since our founding in 2020 and before as part of Nature's Pride.

As an industry pioneer, we set the standard in sustainability, for people and nature. We work according to our Sustainable Business Plan, which includes ambitious targets for raising the living standards of workers and communities in our growing areas, reducing food waste and reducing our impact on the environment

We are aware that the production of our product range and our own operations may involve risks to people and the environment. To identify and address these risks in a structured and systematic manner, we follow the due diligence process as prescribed by the United Nations and the Organisation for Economic Cooperation and Development (OECD). Specifically, these are the 'United Nations Guiding Principles on Business and Human Rights' and the 'OECD Guidelines for Multinational Enterprises'. The upcoming European Corporate Sustainability Due Diligence (CSDD) legislation also refers to these guidelines. In addition, we subscribe to the following international declarations and conventions;

- The Universal Declaration of Human Rights;
- The International Covenant on Civil and Political Rights;
- The International Covenant on Economic, Social and Cultural Rights;
- International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work;
- United Nations Sustainable Development Goals.

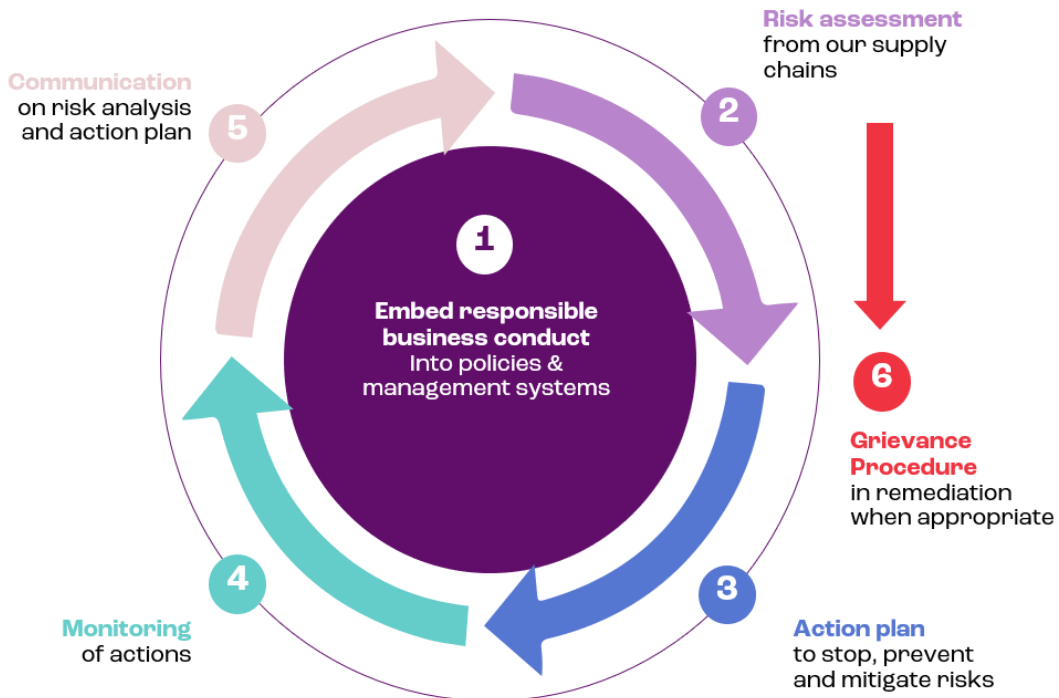
This document explains our due diligence approach.

What is Due Diligence?

Due diligence is a process meant for companies to “efficiently identify, prevent, mitigate and account for the negative impacts of their activities or those of their subsidiaries, subcontractors, and suppliers’ as defined by the European Coalition for Corporate Justice (ECCJ). As an organisation, you take responsibility for risks that may arise for people, animals and the environment as a result of your activities. It concerns not only the risks associated with your own organisation, but also the potential and actual risks that take place in the company's value chain.”

The United Nations and OECD guidelines describe the steps a company must take. This starts with integrating sustainability themes into business processes. The next step is to identify the biggest risks so that you can take measures to stop, prevent, or mitigate these risks, monitor their progress and communicate about them transparently. In addition, the United Nations and OECD guidelines also expect a company to ensure that it has a well-functioning grievance mechanism and remedial measures in place so that if something does go wrong, it can be reported and the organisation can provide remediation. Going through these steps is a continuous process, in which companies continue to improve and learn.

In the visualisation below, we have translated the 6 steps as prescribed by the OECD for Berries Pride. In this document, we use these 6 steps to explain how we implement due diligence.



Source: OECD Guidelines for Multinational Enterprises

1. Due Diligence at Berries Pride

In 2022, together with experts from Enact Sustainable Strategies, we started working on our due diligence report in line with the above guidelines. The Sustainable Business department facilitates the creation of this report and advises the rest of the organisation on it. The department reports to the CEO, who bears ultimate responsibility for sustainability and due diligence. To ensure that our management and relevant colleagues in our organisation are familiar with due diligence, we organised several due diligence training courses in 2022. This way, our colleagues know what is expected of them and what this means for their work, and we are working towards ensuring that this is carried throughout the organisation and further embedded in our daily work.

2. Identifying Risks

In 2022, together with experts from Enact Sustainable Strategies, we started identifying the high-risk products and countries within our range of products in terms of human rights, environment and governance. Based on the guidelines from the OECD-FAO for the agricultural sector, we started the risk analysis at our growers. This is also where the products are packaged. It is common knowledge that in this link of our value chain the risks for people and the environment are high. In the future, we will extend the risk analysis to other parts of our value chain, such as transport and our own organisation.

The international guidelines prescribe that, as an organisation, you can prioritise which issues are salient to your value chain. You do this by first looking at which issues are most severe and then which of these issues have the highest likelihood. The OECD-FAO guidelines already prescribe for the agricultural sector which issues are the most severe (OECD-FAO, page 20). We took these issues as the basis for our risk analysis and supplemented them with issues from the IMVO food covenant, the Global Reporting Initiative (GRI) guidelines for the agriculture sector and our own expertise. We then determined for all our products and the countries where our growers are active how likely it is that this risk takes place with this product or in this country. We determined this based on desk research and internationally recognised sources, such as UNICEF, ILO, UNDP and WWF. We also verified product-level data internally with our buyers and presented it to various internal stakeholders.

This part of the risk analysis gives us insight into which products and which countries are high-risk within our product range. The results show that as much as 70% of our product range is a combination of a high or very high-risk product and country of origin. The visualisation below shows the countries and products we have identified as very high-risk:



Product	Land
 Outdoor Strawberry	Egypt, Morocco, Spain
 Blueberry	Argentina, Chile, Morocco, Peru Portugal, Serbia, South Africa, Spain.
 Outdoor Red Current	Chile, Portugal
 Outdoor Blackberries	Mexico, Spain
 Outdoor Raspberries	Mexico, Morocco, Portugal, Spain

Based on the analysis, we gained more insight into which themes are most important in our value chain. Most of these themes were already known to us, such as risks associated with working conditions, reducing food waste and reducing our negative impact on the environment, such as responsible water management and climate change mitigation. These themes are part of our Sustainable Business Plan 2023 since 2018. The themes are embedded in our daily work throughout the organisation; for example, responsible water use and good working conditions are a buying criterium for growers to work with us. However, the risk analysis also shows that there are other themes that are also important for our organisation, such as biodiversity; deforestation and the importance of healthy soil. We take these insights into account in the development of our 2028 strategy for people and nature.

3. Cease, Mitigate or Prevent Risks

Berries Pride has been moving toward a more efficient, fair and sustainable food chain since its foundation. We do this by doing good business with care for people and nature. Sustainability is therefore closely woven into the decisions we make. For example, sustainability is a standard part of our purchasing conditions; sustainable business

practices are the norm for us. Where we as Berry's Pride used to be part of Nature's Pride, some of the steps we have taken in recent years have been part of Nature's Pride's Sustainable Business Plan.

Supplier Agreement and Code of Conduct

Our Supplier Agreement containing the Code of Conduct forms the basis of our cooperation with our suppliers. The Supplier Agreement contains the social and water monitoring protocol that contains the guidelines for doing an annual independent audit for labour conditions and water. All our suppliers are asked to sign this Supplier Agreement.

In the Code of Conduct, we describe what we expect from our suppliers in terms of labour conditions, such as preventing child and forced labour, respecting freedom of association and preventing negative impacts on the environment. We expect both our suppliers and any subcontractors of our suppliers to comply with this Code of Conduct.

Labour Conditions: ethical guidelines and independent social audits

Back in 2006, Nature's Pride created an ethical guideline that we had our growers sign. These were based on International Labour Organisation guidelines and were among the first ethical guidelines in the sector. In 2011, as still part of Nature's Pride we decided to independently monitor social welfare among its growers in high-risk countries using the Fair For Life audit. At the time, it was the most advanced audit on the market and included a premium payment for social projects. This made us one of the first organisations in the sector to actively work on improving the living and working conditions of workers at our growers. In 2019, we required all our suppliers, regardless of country of origin, to undergo an annual independent social audit. Since the establishment of Berries Pride in 2020, we have continued to work in the same way.

Water

Besides impacting living and working conditions, growing, harvesting and packing our fruits and vegetables also affects the environment and nature. Therefore, we take various measures in this area too.

In 2018, when Berries Pride was still a part of Nature's Pride, we started activities to radically improve our understanding of water in our value chain. We appointed a person internally dedicated to this theme, created an internal working group on the management and board level, and hired water experts. We engaged with our growers, created water risk maps, and developed our water strategy. You can read more about our work on water stewardship via this link.

We take action on 3 levels:

1. **With our growers:** responsible water management is a procurement criterion for us. Growers in high-water-risk areas do an annual water audit and our buyers are trained on key aspects of responsible water management. Specifically for our strawberry growers in Southern Spain, taking into account the delicate situation in relation to the Doñana National Park, Berries Pride was the first to complete an additional check on best water management practices of our growers, using a guide that WWF developed specifically for this region. This way Berries Pride showed its strong commitment to responsible water management in Southern Spain. You can read more about it [here](#).
2. **In the sector:** we actively cooperate in the sector to promote responsible water management. As co-founder of the sector covenant Sustainability Initiative Fruits and Vegetables (SIFAV) and chair of its board, we have played a very active role in formulating SIFAV's objectives on water. Our aim is to make responsible water management an absolute priority in our sector and take collective action of our sector to the next level.

- 3. The Catchment:** Besides work with our direct suppliers and in our sector, we also work to improve water management in priority catchments in countries of origin. A catchment is an area where water (rain, snow etc.) is collected and used by multiple water users (cities, industry, tourism, agriculture etc.). In order to achieve responsible water management one needs to look beyond one farm or one water user. Instead, we have to look at the water balance: how much water is coming in to the area and how much is being used by all users in total. Under our sector Covenant SIFAV (Sustainability Initiative Fruits and Vegetables) nearly 50 companies like Berries Pride have agreed to work collectively on balancing water demand with water availability in three priority catchments in the world. One of the three is the Doñana area in Southern Spain, a key sourcing area for Berries Pride for strawberries. During 2022 and 2023 we have organized ourselves as a sector to take collective action for responsible water management in this area in 2024.

You can read more about our work on responsible water management in our [Water Monitoring Protocol](#).

Climate

Since 2017, as still being part of Nature's Pride we have been calculating the carbon footprint of our top 24 most important products for scope 1, 2 and 3 on an annual basis. Our scope 1 and 2 emissions consist of emissions from our own facilities, purchased energy and commuting. Scope 3 emissions consist of emissions from purchased fruits and vegetables, transport, packaging, food loss and business travel. The calculations are done in line with the Green House Gas Protocol guidelines. From our baseline footprint in 2017, we have identified measures to reduce emissions in the areas of transport, packaging, energy, mobility and food loss and waste. On 12 November 2020, our CO2 reduction targets for scopes 1 and 2 were validated by the Science Based Targets Initiative (SBTi). This made us the first importer in the fruits and vegetables sector worldwide to have our targets validated and approved. By doing this we show that our climate goal is in line with the level of decarbonization required to meet the goals of the Paris Climate Agreement and that we are taking the appropriate measures to limit global warming to 1.5 °C. The Science Based Targets Initiative is a collaboration between CDP, the United Nations Global Compact (UN Global Compact), the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). You can find more information on the website of Science Based Targets.

Close cooperation in the value chain

For all the above measures, cooperation with our growers and customers is essential. Only by working together in the value chain, we can achieve sustainable change. Our buyers and account managers play an important role in this, technically supported by our advisors from the Sustainable Business department. Our buyers and account managers regularly visit our growers and customers and discuss important sustainability topics such as working conditions or (the importance of) responsible water management with them. The sector covenant Sustainability Initiative Fruits and Vegetables (SIFAV, see below) is also an important platform for sector collaboration.

Sustainability Initiative Fruits and Vegetables (SIFAV)

In 2012, as still part of Nature's Pride team we founded the Sustainability Initiative Fruit and Vegetables (SIFAV) together with 12 other companies in the sector. Our goal was that by 2020, 100% of the fruit and vegetables we import from high-risk countries would meet one of the standards accepted within SIFAV in terms of working conditions and environment. In 2020, we were instrumental in shaping the new SIFAV covenant for 2025 and from its launch in early 2021 we officially joined as a partner. We have been on the SIFAV steering committee since 2016 and since 2019 our Sustainable Business manager has been steering the covenant as chairwoman. Since 2020 Berries Pride is a partner of SIFAV together with Nature's Pride and other companies in the sector.

The basis of SIFAV 2025 is having a sound due diligence policy. Partners of SIFAV are expected to carry out and report on their due diligence obligation. In addition, the programme focuses with concrete objectives on improving the living and working conditions of workers in the countries of origin and specifically on working towards living wages for these workers. In terms of the environment, SIFAV focuses on reducing carbon footprint, responsible water use and reducing food waste. More information on SIFAV's objectives can be found here.

Develop action plan

Based on the risk analysis, we will create an action plan for the key themes that emerged from the risk analysis. This is input for our 2028 strategy for people and nature. In 2023, we will further develop this action plan, actively taking into account how high the risk is for a particular product or country. We also evaluate the effectiveness of current measures to mitigate risks and strengthen them where necessary. For example, we are aware that there are also limitations to audits when it comes to identifying and mitigating risks related to human rights and environmental violations. For our 2028 strategy for people and nature, we are looking at how we can continue to use these audits effectively and what additional measures may be needed.

'Deep Dive in labour conditions, water and climate in Peru in partnership with the Dutch Government.

A great first example is that for blueberries from Peru, we are working in collaboration with the Dutch government (Rijksdienst Voor Ondernemend Nederland) on a 4-year trajectory, with the aim of understanding the risks in terms of working conditions, water and climate in blueberry production and preventing, limiting or ending negative effects. We start this trajectory by testing the risk analysis in the first year with local experts and stakeholders to make sure our findings fit the local context. With this, we develop an action plan which we implement together with a selection of growers in Peru in a region yet to be determined. We want to learn from this process and use it to develop a scalable approach for very high-risk products and countries in the Berries Pride product portfolio.

4. Monitoring

Internally, we monitor progress on targets on a monthly basis. We communicate our progress externally on an annual basis via our annual sustainable business report. International guidelines also require us to monitor and evaluate the extent to which the measures we take are effective in mitigating risks. With new insights from the risk analysis, we will assess our current measures as part of our 2028 strategy for people and nature and strengthen them where necessary.

5. Communicate

This is our first due diligence report. As due diligence is a continuous process where we are constantly learning and improving, we will review this report annually. We also publish an annual sustainable business report, which reports on progress against the targets in our Sustainable Business Plan. We also communicate about sustainability on our website.

Internally, we continuously keep our colleagues informed about our sustainable business work and progress through board, management and departmental meetings, training sessions and also our intranet. We also organise various meetings for colleagues, for example around the launch of our new sustainable business report. In addition, we organised training sessions for colleagues from different departments, such as procurement, sales and marketing, for example on due diligence, but also on water, climate and compliance. From 2023, we will also include these trainings in the Nature's Pride Academy and they will be part of the training curriculum for our colleagues.

We want our customers to enjoy the tastiest berries. In doing so, we take them with us on our journey to a better world. We regularly communicate our work on sustainability to our customers, so that they know how and under what conditions the products we supply to them have been grown, harvested and packed and how we ensure that, together with our dedicated growers, we produce these products as sustainably as possible.

6. Remediation

We are aware that despite the measures we take to address risks as much as possible, wrongdoing can still occur in our chains and our own organisation. International guidelines dictate that, as a company, you take measures to ensure that these wrongdoing can be properly reported to you as an organisation and you have the right internal processes in place to ensure remediation.

In 2023, we will draw up a plan of action on complaint mechanisms and remedial measures. This means, on the one hand, looking at how we can improve current mechanisms and, on the other, how we can support suppliers to also implement this in their organisation. The first step we take is to identify best practices and learn how we can use these in our own organisation and together with our suppliers.

Next Steps

In 2022, we took the first steps to further integrate due diligence into our organisation and our sustainable business plan. An important step was carrying out the risk analysis, which on the one hand gave us insight into the high-risk products and countries for our product portfolio. On the other hand, the risk analysis also gives us more insight into which risks are most important amongst our growers. In 2023, we will start the follow-up. We will integrate the outcomes of the risk analysis into our 2028 strategy for people and nature and draw up an action & monitoring plan to mitigate the main risks.

Activities in 2023

At Berries Pride, we work with our partners to make sure everyone can enjoy healthy and delicious berries at any desired moment. At the same time, we move the food chain towards a fairer and more sustainable chain, for and together with people and nature. In 2023 we will integrate the outcomes of the risk analysis into our 2028 strategy for people and nature and within it we will develop an action & monitoring plan for key themes and high-risk products and countries and develop a plan of action for grievance mechanisms and remedial measures.