



## DUE DILIGENCE

**Fruit At Work**

### **Managerial Summary**

As a family company, taking care of one another and the society in which we live is engrained in our blood. In order to assure a bright future for the next generation, we only seek to have beneficial effects on society. This report discloses the Corporate Social Responsibility risks of our supply chain. We found that labour conditions, wages, climate risks and soil/water contamination are the most critical human rights issues we are exposed to. To govern these risks, we commit to a certification-only policy and gradually adhere to the Baskets of Social Standards, a chain initiative from the fruit and vegetable sector. Our Fairtrade, "Prix Juste Producteur", BIO, Gender Equality and SDG Champion certifications also facilitates an improvement for social and ecological issues. Moreover, we maintain a strong focus on green transport and pesticide-free procurement.

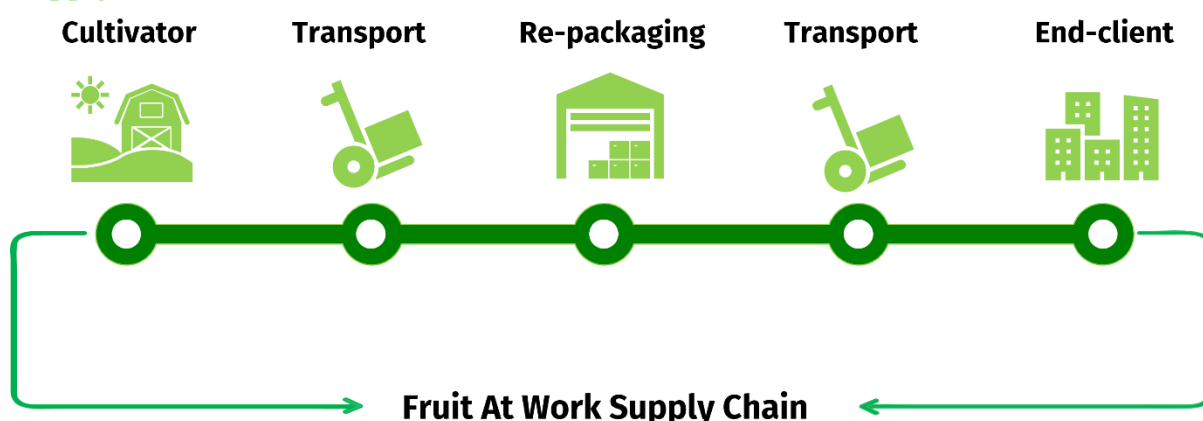
# About Fruit At Work

## The company

Fruit At Work values a good health and believes in the strength of fresh fruit to remain healthy. Moreover, we offer fresh, seasonal and fair fruit from a short supply chain. In this way, we ensure the company has a positive impact on people and the planet. This report discloses the importance we attach to Corporate Social Responsibility and more specifically, handling the CSR risks we encounter across the value chain. Doing business with respect for people and planet starts with identifying and preventing these risks.

This due diligence report has been established based on the UN Guiding Principles Reporting Framework (Shift Project Ltd & Mazars LLP, 2015) and Roadmap to CSR Risk Management (MVO Nederland, 2023a). The full reference list can be found below.

## Supply chain



To fully comprehend the potential adverse impact we hold in our supply chain, we review every part based on risk information for each specific country of origin and the sector of interest. In order to prevent or, when unavoidable, to mitigate any negative effects, we will regularly review and consider in decision-making the actual and possible consequences of our operations, processes, goods, and services throughout the course of their entire life-cycle. Impact evaluations ought to incorporate a cross-section of all important stakeholder groups.

## Policy commitment on human rights

We recognize the obligations we hold in the food value chain to our clients and all pertinent stakeholders. The company is dedicated to uphold all legal, ethical, and regulatory requirements, as well as those related to the environment, society, health, and safety. We acknowledge and commit to following tools:

- the Universal Declaration of Human Rights (United Nations, 1948)
- UN Convention on the Elimination of All Forms of Discrimination against Women (United Nations, 1979)
- UN Convention on the Rights of the Child (United Nations, 1989)
- ILO Declaration of Fundamental Principles and Rights at Work (International Labour Organization, 1998)
- UN Guiding Principles on Business and Human Rights (United Nations, 2011)
- 2030 Agenda for Sustainable Development (United Nations, 2015)
- OECD-FAO Guidance for Responsible Agricultural Supply Chains (OECD/FAO, 2016)

We will adhere to human rights by refraining from violating those of others and addressing any negative effects or mitigate salient human rights issues that are directly related to our business, even if we did not contribute to those impacts.

## Governance of respect for human rights

We intend to assure that all people's human rights are safeguarded within the framework of our own operations, without distinction of any type, including race, colour, sex, language, religion, political opinion, national or social origin, property, birth, or any other factor.

## Internal initiatives

Every member of this company is acquainted in their responsibility for human rights issues. As a SME, the employees are specialised in their areas and actively prevent the CSR risks in daily activities but also in long term vision. This occurs partly naturally thanks to the corporate culture and attention to CSR.

**For instance**, the procurement manager purchases the fruit on site (Belgium). Thus, he holds direct relations with the suppliers and retains the possibility to discuss CSR risks personally. Moreover, he checks the certificates on the fruit to ensure the grower of the fruit does not violate human rights.


For imported fruits; Fruits and labels are verified before final transport to our depot in Sint-Truiden. A final check of labels/certificates is done when the fruit baskets are composed.

The same direct approach is realized by the colleague responsible for transport. To ensure we have an realistic assessment of our transport risks, we consulted drivers directly across the value chain to inform about their working hours, rest periods and treatment by employer. As we mostly import from Spain, we contact them in Spanish to ensure we have a direct and personal communication.

New employees receive on day one, before starting their job, the training “Sustainability maximization above profit maximization”. This training is given by the CSR Director. The new employee receive a copy of the code of conduct, the due diligence report, the annual CSRD Report. By signing the documents mentioned above the new employee agrees with the Fruit At Work way of work and is ready to enter the work floor.

### Code of Conduct

This close involvement continues with the partners of Fruit At Work. Our Code of Conduct is established to comply with previously mentioned conventions and directives. In general, suppliers conduct business in accordance with all pertinent and necessary rules and regulations. The supplier must conform to the more stringent criteria if there are any discrepancies between the provisions of our Code of Conduct and national laws or other relevant regulations.



## Risk identification and assessment of human rights

CSR starts with learning risks of negative effects brought on by our actions and learning how those affects are to be handled with regard to human rights. Ultimately, the goal of this report on the effects of human rights is to reveal information in an open and responsible way. We apply the criterion of salient human rights issues to establish the scope and content of reporting – that is, to define priorities in the reporting process – because reporting cannot cover all potential risks that an operation or a connection might entail.

### Salient issues

The technique to determine which human rights are at a higher risk of experiencing the "most severe negative impact" as a result of the actions or interactions of organizations is to use salient human rights problems as a criterion. In reporting, as in human rights due diligence, the emphasis is on the impact on individual rather than our organization (Shift Project Ltd & Mazars LLP, 2015).

The most severe potential negative impacts on human rights, specified for our supply chain, pertain:

- Unfair or dangerous labour conditions for workers
- Inadequate living wage for workers
- Climate risks and ecological threats
- Soil and water contamination

These salient human rights are established based on the identification and prioritisation of CSR risks communicated by the CSR Risk Check (MVO Nederland, 2023b). The process is explained in further paragraphs.

### Labour conditions

Fruit At Work may be associated with unfair or dangerous labour conditions through the agriculture sector partly inside and outside Europe. When looking into the potential risks related to fruit outside Europe, it is often the case that seasonal workers work without written contract. This leads often to working long hours and rough facilities during harsh weather conditions. In Europe, such situations are also revealed in Italy and Spain where undocumented work causes high-risk issues to human rights.

Next to this, the transport sector also may be responsible for discrimination and violating of rights. Resting periods are reportedly not respected or the truck parking spaces could be unsafe.

### Wage and remuneration

Similarly, Fruit At Work may be associated with inadequate wages for agricultural workers. Several investigations uncovered that temporary workers usually are paid below the minimum wage, so that workers are unable to provide for their family. This risk is more prominent outside Europe.

For the transport stage in our supply chain, it is becoming more frequently assigned to subcontractors in Europe that use truck drivers from that region or other non-EU nations. These truck operators frequently experience low pay, unpaid overtime, and intense time pressure as part of their working circumstances. Although the drivers are entitled to the wages of the country in which they typically operate, logistics firms frequently get around these greater minimum salaries. No social security is therefore paid on these sums either.

### Climate and energy

The majority of the fruit plantations outside of Europe are located in countries that receive a 5 out of 5 in the Ecological Threat Report, which means that there is an extremely high risk of ecological threats. In addition, the agriculture and transport industry are respectively accountable for large amounts of nitrous oxide (N<sub>2</sub>O) and CO<sub>2</sub> emissions. These industries and their impacts can be linked to our business operations.

### Soil and water contamination

There are several indications that large scale agriculture results in severe contamination of ground water, for instance through heavily use of pesticides and fertilizer. South-Africa and Costa Rica are two examples locations with polluted drinking water, causing health problems. As we infrequently import from these countries, SDG goal 6 is at risk.

## Identification of CSR risks

The previous risks are identified as salient human rights issues associated with our operations. These were selected from a range of potential CSR risks linked to our countries we import our fruit. The following steps describe how the salient issues are determined from all potential risk in our supply chain.

### Step 1: Evaluate origin of fruit

The CSR risks are determined based on reports by MVO Nederland and the grower of the fruit. Every brand of fruit handled by our company is evaluated based on the risks in its country of origin and risks specific for the fruit sector in that country. For efficiency reasons, the products with highest rate of risks are analysed. Next to this, the growers are investigated in terms of the certifications they hold and reported efforts on various Sustainable Development Goals (SDG).

#### Example

A peach produced in Spain is not analysed in-depth

- Spain counts 7 specific risks for the fruit sector and 21 CSR risks

A grape produced in South-Africa is analysed in-depth

- South-Africa counts 13 specific risks for the fruit sector and 43 CSR risks

### Step 2: Prioritise potential CSR risks

The CSR risks for every country are divided into several risk areas from land use & property rights to labour conditions to water efficiency. These are evaluated based on criteria by the UNGP reporting framework (Shift Project Ltd & Mazars LLP, 2015). An issue is salient if it's the greatest in terms of scale, scope and remediability, potentially occurring in the future, harms human rights and is a risk to people, instead of the business. This approach leads to the list above.

#### Example

Labour conditions are frequently mentioned as potential CSR risk in researched areas and meet the requirements for a severe human rights issue. Moreover, it has potential to happen in the future, harm should be avoided and the risk of unfair conditions is for people.

### Future improvements to the process


As mentioned, the in-depth analysis on CSR risks has been limited to the fraction of the fruit that originates from countries with a high number of reported risks. This means that potential risks are investigated and linked to our company when they are viewed as high-risk. In future evaluations, the in-depth research could be extended to all origin countries from the fruit.

In addition, this analysis is based on publicly available research. To improve this process, a collaboration with our direct suppliers could be realized to incorporate more input on potential CSR risks. To broaden this further, we could engage in direct contact with the employees of the fruit growers, as this will most probably provide the most realistic perception (for fruits imported outside of Europe we need to rely on certification). This approach is already in progress for the transport side of our supply chain.

Similarly, the process of prioritisation may benefit from more stakeholder input. CSR organisations active outside Europe may be an example to include in a next stage.

Furthermore, the focus has remained on human rights issues in the first part of the supply chain. This means that the in-depth research for the transport has not been divided into the countries.

Finally, we recognize the importance of volumes in the prioritisation of CSR risks next to the salient human rights issues criterium. The issues present in Spain or Italy are more relevant to Fruit At Work as we import more than 20% of our volumes of those countries. In new editions of this report, these risks can be investigated more thorough.





# Management of human rights issues

## Policies and stakeholder engagement

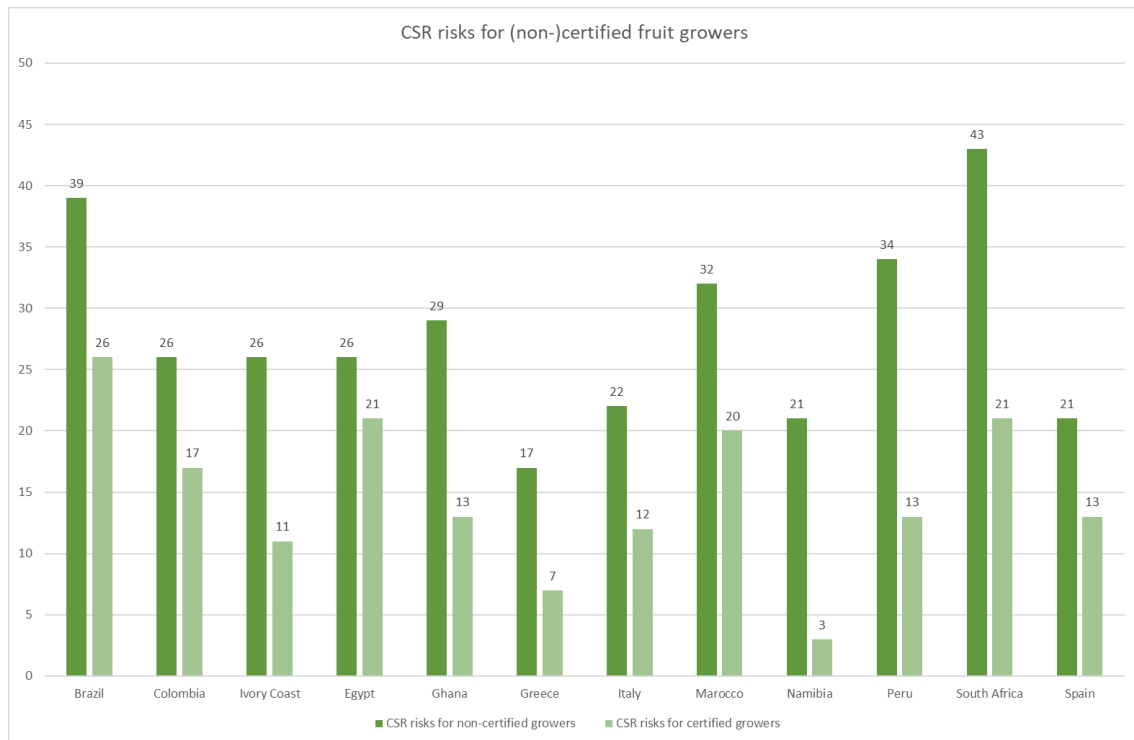
A risk management plan is crucial to ensure the CSR risks are dealt with. As we are only linked to salient human rights issues, instead of causing or contributing, we focus on limiting the negative impacts as much as feasible in the supply chain and preventing future salient human right issues.

## Certification

As a SME, our most effective approach to secure a procurement strategy with respect to human rights issues is purchasing exclusively from certified suppliers.

This approach complies with the Baskets of Social Standards (Sustainability Initiative Fruit and Vegetables, 2021), which recommends to request a selected certification once a country obtains a World Governance Index below 80.

At this moment, we secured accreditations from our direct suppliers, meaning that these audits minimize negative impact. To dive deeper into CSR procurement, we examined the certifications of every grower. Thanks to a fruitful collaboration with the suppliers, we constructed an overview of the sustainable efforts of the growers of our fruit, including their certifications. We determined that the majority of the fruit plantations are already certified with a minimum of a GRASP certification, demonstrating they are committed to workers' health, safety, and welfare (Global G.A.P., n.d.). To accomplish our goals and prevent any negative impact in the supply chain, we are driven to exclude all non-certified growers. The visual below reflects the effect on the CSR risks when working with certified suppliers.



**FIGURE 1: CSR RISKS PER COUNTRY**

The method of Baskets of Social Standards dictates more strict standards for certification. Towards the future, we intend to comply with this benchmark for ensuring decent labour conditions for workers in producing countries.

### *Code of conduct*

The Fruit At Work Code of Conduct was created with uniform standards in mind across the entire value chain. We can only accomplish improved working and environment conditions when this is spread across full the food value chain.

The entirety of the partners that conduct business with Fruit At Work are subject to our Code of Conduct. This clarifies the minimum standards and starts the conversation to further improve the production conditions on every stage on the supply chain.

### *Honest and green transport*

Transport is an important element of our supply chain and the CSR risks in this field have a direct association with our activities. To limit any negative impact, such as air pollution and unfair wages, we incorporate a stakeholder-driven approach.

**For instance,** we pay close attention to our direct drivers that we encounter during our operations. We are in contact with some of the drivers that transport our fruit across Europe and contact them unexpectedly when purchasing the fruit. In addition, we

attempt to have an open conversation on their labour conditions in their native language. In this way, we can evaluate our partnerships more strictly.

The chauffeurs that deliver to our clients are even more acquainted with us. We speak with them on the phone on weekly basis and even meet them occasionally. Thus, we can ensure that any problems considering working hours or resting periods can be detected rapidly.

Unfortunately, we are aware that our partners may employ sub-contractors. This complicates the management of our CSR risks and increases potential association of negative impact.

**For instance**, we ended a business relation with a direct partner after discovering they did not align with the values of Fruit At Work. Although this partner delivered exemplary work and transported to almost 20% of our clients, we committed to replacing their services by another party. This approach will be continued by committing to the Code of Conduct.

Lastly, we are actively involved in reducing the air and noise pollution that the transport sector characterizes. Last year, already 11% of all our deliveries were transported ecologically, meaning through bicycles or electrical vehicles. These partnerships will also be extended in the upcoming years. In 2023, already 19% of all deliveries was done by green transport (53% by bicycle and 47% by e-van)

### *Pioneer mentality*

The last few years, Fruit At Work is certified with various quality and sustainability labels. First and foremost, we are Fairtrade certified which standards are objectively evaluated by FLOCERT. In addition, Fairtrade requirements are exceptionally strict since they seek significant, measurable, and aspirational improvements to society and environment. Hence, transparency and ambition provide the basis for enhanced living conditions for farmers in the South and a more environmentally friendly supply chain (Fairtrade Belgium, n.d.). By complying to their standards, we underwrite our efforts to limit negative impact from our business operations.

Furthermore, as certified SDG Champion, we have demonstrated that SME's can easily support the acceleration of SDG implementation. By seeking a genuine

transition, our sustainability policy facilitates the systemic transformation required to realize the goals of the 2030 Agenda for Sustainable Development.

In addition, this certification serves as a reward for our CSR efforts and creates a new benchmark standard for other SMEs or competition.

### Summary

Action	Issue	Implementation	Stakeholder
Certification	Labour conditions	Requiring certified partners	Importers, fruit growers
Code of Conduct	Labour conditions, wage, climate	Compulsory agreement	All partners
Honest and green transport	Labour conditions, air pollution, climate	Engagements with drivers, emission-free deliveries	Transport partners
Pioneer mentality	Labour conditions	Accreditation	Ecosystem

### Verification process

The previous summary of policies displays the current policies to address salient human rights issues. At this moment, we are actively involved in improving labour conditions throughout the supply chain and reducing our carbon footprint by increasing emission-free deliveries to our clients.

However, we are at any moment consider how to boost our efforts even more.

**For instance**, some progress has already achieved for the certification procedure across the supply chain. As mentioned, we will gradually implement the Baskets of Social Standards by the Sustainability Initiative Fruit and Vegetables. This will also be subject to a yearly internal control in collaboration with our direct suppliers. Together, we can safeguard the effective implementation of required certificates.

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