

Ethical conduct continued

Cooperation with external parties

Devro were founding members of, and currently chair, the Collagen Casing Trade Association, an organisation representing the interests of collagen casing manufacturers globally, especially around global regulatory controls. Devro is also part of national associations such as the UK-based Food and Drink Federation, the British Meat Processors' Association and chair the Food and Drink Federation of Scotland, where our representatives inform sector thinking on standards, legislation, environmental and food safety issues across the UK and European food industry. We also actively participate within our regions with any legislative consultation process relating to food production, market access, labour rates and engage with trade associations for our industry to develop the standards for our employees and others in the industry. We are also members of environmental working groups within these organisations to better understand and influence developing or current legislation or industry guidance.

Customers, product and innovation

We are always developing new products and technologies as we respond to customer demand and in response to our drive for an efficient business. We are cognisant that we would be able to lower our Scope 3 emissions by altering the raw material of casings. The carbon footprint of porcine and poultry-based casings is materially lower than bovine casings. Plant-based solutions may also offer substantially lower GHG emissions. We work in close collaboration with our customers to meet their needs and in the development of the consumer market. The Group already offers porcine in all formats, and poultry in gel. However, the customer demand is nascent at this point and the required technologies to produce some alternative casings in economic quantities is still being developed.

Product integrity

Our modern processing sites use state of the art production equipment, including a high degree of automation which minimises handling. This combined with our high standards of hygiene and control ensure we meet our customers' expectations for quality. All of our production sites are certified to ISO 9001 (quality management system) and all sites are certified to FSSC 22000 (food safety). Our processes and raw materials are several steps removed from the animal, but we source from countries (UK, EU, US and Australia) with animal welfare standards for all our production. We offer customers full bovine collagen traceability back to the individual animal within our range which provides customers knowledge that they are getting a high quality, secure product. Where possible we use recycled board and/or renewable materials in our packaging, but we are restricted by regulation in the extent to which recycled materials can be used in our food contact packaging. Our Global Food Safety and Quality Statements are available on our website.

Responsible sourcing

Our original process was designed to utilise certain co-products from slaughterhouses, which removed the need for their disposal and created an economic stream from what was effectively waste. We work closely with our suppliers to set clear specifications for the products they supply. The quality of raw materials we use contributes significantly to the achievement of consistent finished product quality.

We assure the safety, traceability, quality and provenance of our raw materials through our supplier audit and assessment process. It is important that our suppliers also apply the same principles of value, transparency and respect as we do, to ensure our products are sourced and manufactured in a fair, ethical and environmentally responsible manner.

The Group undertakes audits and questionnaires for each supplier, including physical site audits for all our major ingredient suppliers and for new suppliers. We take into consideration their environmental policies, whether they have a formal recognised Environmental Management System and any third-party certification held by the supplier, which is to Global Food Safety Initiative recognised standards. We request specific information on environmental impacts in our questionnaires (GHG, CO₂, water use, resource utilisation, waste and pollution targets and performance) and follow up in our physical audits of suppliers, where we discuss any non-conformance and agreed actions. We request information from all our suppliers on social issues, including child or forced labour, equal opportunities, non-discrimination, freedom of association, labour practices (such as avoidance of excessive hours, minimum wage) and health and safety standards. We assess for the potential for poor labour conditions during the physical audits of all our major raw material suppliers, although the risk of this is low given our suppliers are large production processes or large reputable organisations. We use this compliance information to make decisions overseen by the Group Supply Chain Director.

All non-conformance is required to be corrected promptly. For raw materials we complete a quality and food safety vulnerability risk assessment including the quality controls of the manufacturer and traceability. All our raw materials suppliers provide their environmental policies and relevant data. The Group also considers social factors including working practices and health and safety. Further details of our supply chain policy can be found on our website.

Supplier compliance

During 2022, with the relaxation of COVID requirements we conducted 64 supplier audits, with higher-risk suppliers being audited more regular. Through our raw material supplier audits we check our suppliers have policies or processes in place which promote respect for workers' rights (including policies on anti-discrimination, freedom of association, child and forced labour) and we seek assurances of the steps they have in place to ensure these are followed. To ensure that we maintain a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and in our own business, we have delivered dedicated training to key personnel who are involved in our Supplier Management process, we are also in the process of issuing a 'Supplier Code of Conduct' ensuring our suppliers' adherence through our audit programme. The below tracks our total supplier audits, outlining those audits which included quality, environmental and social assessments.

Our supplier audits

Year	Audits total	Audits inc. Quality	Audits inc.. Environmental	Audits inc.. Social
2018	42	42 (100%)	41 (98%)	36 (86%)
2019	54	54 (100%)	52 (96%)	52 (96%)
2020	95	95 (100%)	95 (100%)	95 (100%)
2021	40	40 (100%)	40 (100%)	38 (95%)
2022	64	64 (100%)	64 (100%)	64 (100%)