

EFRC HOLDING GROUP

SOCIAL COMPLIANCE POLICY

1. Policy Statement:

1.1 The EFRC Holdings Group namely, EFRC Holdings (Pty) Ltd., Elgin Free Range Chickens (Pty) Ltd., Elgin Poultry Abattoir (Pty) Ltd., EFRC Agri Operations (Pty) Ltd. is committed to proactively promoting responsible social, environmental, and business principles and practices within the company and the supply chain and have developed a Code of Good Ethical Business Practice and supporting policies and procedures to encourage ethical company and supply chain practices.

2. Scope:

2.1 The policy will apply to all employees of the EFRC Holdings Group, management, visitors, sub-contractors, contractors, suppliers, and labour service providers.

3. Responsibility:

3.1 The Head of HR together with the Executive Management Team will be responsible for the implementation and communication of all aspects of the Code of Good Ethical Business Practice to all relevant parties.

4. Management System and Policy Implementation:

4.1 The facility maintains a management system that aims to integrate business, social and environmental issues into decision-making and risk review processes. The management system is adequate for delivering compliance with the policy.

4.2 A senior member of management has been appointed, in writing, to be responsible for compliance with the policy. Senior management are accountable for all aspects of implementation, communication, evaluation, and enforcement of the facility's good ethical business practice policy.

4.3 The facility complies with applicable South African laws and the applicable laws of the destination countries to which products are exported.

Document No:	HR2022/01			
Date Compiled	January 2022		Revision Date:	May 2022
Adopted By:	EFRCH Group Remunerations and HR Compliance Committee			Date: 11 May 2022

- 4.4 The facility conforms to the requirements of the ETI Base Code, including requirements contained in the ILO Conventions, Recommendations and UN Declaration of Human Rights, as incorporated into South African legislation and applicable standards and codes to which the company subscribes.
- 4.5 The facility applies the standard, code and/or law that affords the highest level of protection.
- 4.6 The facility continuously evaluates and, where appropriate, improves performance.
- 4.7 All managers and employees undergo regular training and awareness building with respect to the issues covered in the code, fostering an awareness of shared responsibility and accountability. The code will be communicated to all managers and employees through methods and languages understood by them, at least, annually.
- 4.8 On-going training will be provided to those management members responsible for implementation and management of the code and other related company policies and procedures.
- 4.9 The requirements established in this Code of Good Ethical Business Practice, and any other applicable standard or code to which the company subscribes, will be communicated to suppliers and, where reasonably practicable, these principles will be extended through the supply chain.
- 4.10 The facility conducts regular assessments to evaluate compliance with and the effectiveness of this policy and controls will be introduced to reduce identified risks. The outcomes are reported annually to management for review to promote continuous improvement.
- 4.11 The facility is jointly and severally responsible for non-compliance of any service provider and has processes to ensure and maintain adequate control.
- 4.12 Accurate records are kept as evidence of compliance and conformance.

5. Human Rights:

- 5.1 The facility has a policy, endorsed at the highest level, covering human rights impacts and issues and the commitment to respect human rights, and will ensure it is communicated to all appropriate parties, including stakeholders and suppliers.
- 5.2 A senior member of management has been appointed, in writing, to be responsible for implementing standards covering human rights.
- 5.3 The facility will measure its direct, indirect, and potential impacts on stakeholders' (rights holders') human rights. Should there be any adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.
- 5.4 The facility has a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.

6. Employment is Freely Chosen:

- 6.1 Forced, bonded, military, or involuntary prison labour, whether direct or indirect, is prohibited.

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6.2 Employees will not be required to lodge “deposits” or their identity papers and are free to leave employment, having given the required notice period.

7. Freedom of Association and the Right to Collective Bargaining

7.1 All employees have the right to join or form trade unions of their own choosing and to bargain collectively.

7.2 Management adopts an open attitude towards the activities of trade unions and their organisational activities.

7.3 Shop Stewards will be democratically elected on a regular basis and will not be discriminated against and will have access to carry out their representative functions in the workplace.

7.4 Training and assistance will be provided to union shop stewards and worker representatives to ensure that they can effectively perform their duties.

7.5 Parallel means for independent and free association and bargaining will be developed, where applicable.

8. Working Conditions are Safe and Hygienic

8.1 Health & safety and occupational health & safety policies and procedures have been compiled and implemented to ensure a safe and hygienic working environment is provided for all employees and visitors.

8.2 Comprehensive risk assessments are compiled and maintained, and controls introduced to reduce identified risks.

8.3 All legal requirements are met, and mandatory permits and licences maintained on file.

8.4 Adequate steps are taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

8.5 All employees have the right to remove themselves from imminent danger without seeking prior permission from management.

8.6 Employees will receive regular and documented health & safety training, and such training shall be repeated at regular intervals. All visitors to the facility will be advised of relevant health and safety issues.

8.7 Suitable personal protective equipment will be provided to all employees and visitors free of charge.

8.8 Access to clean toilet facilities and to potable water, and sanitary facilities for food storage will be provided.

8.9 Accommodation, where provided, will be clean, safe, and meet the basic needs of the employees.

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8.10 A senior member of management has been appointed in writing to be responsible for health and safety compliance.

8.11 All accidents on site are suitably documented and reported to the necessary authorities, where applicable.

9. Child Labour

9.1 Child labour is prohibited, and the facility will not employ anyone under the age of 18 years.

9.2 The EFRG Group will only employ work seekers above the age of 18 years and no exceptions will be made.

9.3 All applicants must provide appropriate documentary photo evidence of proof of age.

10. Living Wages are Paid

10.1 Compensation and benefits will meet or exceed legislated minimum requirements.

10.2 All employees will receive their pay by EFT on the date agreed to in their employment contract and a legally compliant pay slip will be provided.

10.3 All legally mandatory deductions will be made, and no deductions will be made as disciplinary measures.

10.4 Employees will receive all the various leave and other legally mandated benefits to which they are entitled.

11. Working Hours

11.1 Working hours will comply with national laws and will not exceed 45 ordinary hours per week and 55 in total including overtime.

11.2 All overtime will be worked on a voluntary basis and be paid for at the applicable overtime premium.

11.3 All employees will be afforded, at least, one day of rest in every seven-day period.

11.4 All employees will be afforded the daily rest periods between shifts and the breaks as required by law and applicable customer requirements.

11.5 All working hours will be recorded and maintained on file.

12. Discrimination

12.1 The facility will not engage in or support unfair discrimination, directly or indirectly, against an employee, in employment policy or practice, including recruitment, hiring, training, overtime, compensation, promotion, termination or retirement based on race, caste, national origin, religion, age,

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disability, gender, marital status, HIV status, conscience, pregnancy, belief, sexual orientation, union membership or political affiliation, language or any other arbitrary ground.

12.2 All employees have opportunities for a clear career progression path through on-going training opportunities to raise and broaden skills.

12.3 Human resource decisions, for example, selection, promotion, training, compensation, etc., are objective, transparent, documented and applied in all cases to prevent arbitrary decisions.

12.4 Compulsory pregnancy testing is prohibited. All pregnancy tests will be done voluntarily at the employee's request and such testing will be conducted by a registered medical worker.

12.5 Female employees returning from maternity leave are given equivalent positions and pay to their position prior to the commencement of maternity leave.

12.6 An effective grievance procedure, which includes provisions for the anonymous reporting of grievances, is available to all employees.

13. Sub-Contracting & Homeworking

13.1 There will be no sub-contracting unless this had been previously agreed to with the main client, and should this occur, systems and processes will be in place to manage sub-contracting, homeworking and external processing.

14. Harsh or Inhumane Treatment

14.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation is prohibited.

14.2 There are published, anonymous and/or open channels available for reporting by employees, business partners, suppliers, individuals, and communities, of any violations of human rights, labour or health and safety standards or any other grievances internally and externally and these include whistle blowing mechanisms, and the grievance and complaints procedure.

14.3 There are documented disciplinary and grievance procedures and management and employees are trained on the procedures and have access to all relevant documentation.

15. Regular Employment & Entitlement to Work

15.1 All employment will be based on a recognised employment relationship established through national law and practice and all employees will receive a contract of employment that complies with legal requirements in English and interpreted where it is required.

15.2 Only employees with a legal right to work are employed and documentary proof will be maintained on file.

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16. Responsible Recruitment

- 16.1 The facility has a full understanding of the entire recruitment process and an effective management system in place to monitor the hiring and management of all migrants, contract, agency, temporary or casual staff as the facility is jointly and severally responsible for non-compliance.
- 16.2 No recruitment fees are permitted at any stage of the recruitment process.
- 16.3 There will be a legal contract in place with any recruitment agencies used and with the agency employees.

17. Environment

- 17.1 The facility, at a minimum, meets the requirements of local and national laws related to environmental standards and is conscious of the potential environmental impacts of its operations and has an effective environmental management system to better understand and comply with environmental laws, regulations and permits related to solid-waste, hazardous-waste, wastewater, stormwater, air emissions, etc.
- 17.2 The environmental policy will document the use of hazardous chemicals in the manufacturing process, a system for managing client's requirements and legislation in destination countries regarding environmental and chemical issues, reduction targets for environmental aspects, e.g., water consumption and discharge, waste, energy, and green-house gas emissions, etc.
- 17.3 The environmental policy, covering the environmental impact, will be conducted, and communicated to all appropriate parties, including suppliers.
- 17.4 The facility measures its impact, including continuous recording and regular review, of use and discharge of natural resources e.g., energy use, water use, waste recycling, etc. and seeks to make continuous improvements in environmental performance.
- 17.5 All required legal permits for the use and disposal of natural resources are maintained on file.
- 17.6 A senior member of management has been appointed in writing to be responsible for environmental compliance.
- 17.7 Management are aware of their end client's environmental standards / code requirements and have a system in place to monitor performance against these.
- 17.8 The facility will publicly communicate its impact on the environment.
- 17.9 All environmental requirements apply to sub-contracting agencies or business partners that are operating on the premises.

18. Business Ethics

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- 18.1 The facility conducts business ethically without bribery, corruption, or any type of unethical or fraudulent business practice, in line with the business ethics policy that is communicated to all employees, appropriate parties, including all suppliers.
- 18.2 The business ethics policy is regularly updated and includes applicable business integrity controls, e.g., anti-bribery, export controls, sanctions, anti-trust, data privacy, money laundering, gifts and hospitality, conflicts of interest, product quality and safety and reporting of concerns.
- 18.3 Management ensures awareness and compliance of any applicable laws, their end client's business ethics standards / code requirements and have a system in place to monitor performance against these.
- 18.4 A senior member of management has been appointed, in writing, to be responsible for compliance with the business ethics policies and procedures.
- 18.5 There is a transparent system in place for confidentially reporting and dealing with unethical business ethics without fear of reprisals towards the reporter and the procedure and channels are communicated to employees, suppliers, and clients.
- 18.6 There is a disciplinary code and procedure which is applicable to all, irrespective of seniority, that ensures that anyone found in breach of policy or guilty of misconduct is subject to reprimand and sanction commensurate with the offense.
- 18.7 All staff whose job roles carry a higher level of risk around ethical business practice e.g., finance, hr, sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.
- 18.8 Management manage and mitigate all conflicts or perceived conflicts of interest. Conflict of interest will be avoided, and employees will share and declare any information that may cause a conflict of interest. Where it is not possible to avoid a conflict of interest, the potential conflict of interest shall be appropriately managed.

19. Land Rights

- 19.1 There is a policy and procedures specific to land use change.
- 19.2 The facility supports FPIC, free, prior, and informed consent, where applicable, and will only conduct land acquisition with the appropriate legal expertise and guidance.
- 19.3 No land grabbing will be tolerated, even if legally allowed.

20. Protection of Personal Information

- 20.1 The facility acknowledges and will comply with the requirements of POPI, the Protection of Personal Information Act # 4 of 2013, and PAIA, Promotion of Access to Information Act # 2 of 2000.

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21. Whistle Blowing

- 21.1 Employees are encouraged, always, to report any perceived non-compliance with the Group Social Compliance Policy or any other facility policy or procedure.
- 21.2 The facility whistle blower mechanism provides a channel for anonymously reporting any breach or complaint without fear of retaliation or victimization.
- 21.3 The whistle blower policy applies to employees, suppliers, clients, and any other interested party.

22. Awareness Building

- 22.1 All employees undergo regular training and awareness building with respect to the issues covered in this policy – fostering an awareness of shared responsibility and accountability. All new employees will be trained on the policy during induction training and existing employees also receive training on the policy principles. The policy is displayed on the notice boards, made available in the employee information files, and will be communicated to relevant external parties in writing.

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