



# **POLICY FOR PARTNERS: CUSTOMERS AND SUPPLIERS**

**PETSELECT S.A.**

Petselect S.A. Lugar Bayuca s/n CP 15940, A Pobra do Caramiñal, A Coruña, España.

1. Purpose.....	2
2. Scope.....	2
3. Guiding principles for economic sustainability.....	2
4. Our values. ....	2
5. Partner policy: customers.....	2
5.1. Our relationship with customers. ....	1
5.2. Confidentiality and Data Policy. ....	1
5.3. S&OP: Collaboration. ....	1
5.4. Inquiries and complaints. ....	1
6. Our Partners: Supplier policy and sustainable purchasing.....	1
6.1. Scope of application. ....	1
6.2. Guiding principles for sustainable purchasing.....	2
6.3. Criteria for supplier selection. ....	2
6.4. Bribery and corruption. ....	3
6.5. Supplier commitments. ....	3
6.6 Data protection.....	3
6.7. Human and labour rights.....	3
6.8. Environmental policies.....	3
6.9. Animal welfare in raw materials. ....	3
6.10. Animal welfare among our service providers. ....	4
6.11. Approval of suppliers and materials. ....	4
6.12. Evaluation of suppliers.....	5
6.13. Ethics channel.....	5
6.14. Dissemination.....	5
6.15. Validity and review.....	6

## 1. Purpose.

Our partner and business policy describes how Petselect engages with its suppliers and customers, always grounded in our values while ensuring the sustainability of supply and the economic viability of the business. We believe that true sustainability can only be achieved through economically profitable practices that are environmentally and socially responsible.

This policy outlines the methods and processes by which we ensure sustainable supply with the greatest possible positive impact on people and pets, the business and the environment.

It contributes to our commitment to enhance transparency and comply with labour laws, human rights and the Sustainable Development Goals (SDGs).

## 2. Scope.

This policy applies to the entire supply chain in which we are involved,

both upstream, as it applies to our supply partners, as it defines our relationships with our customer partners.

The guiding principles of economic sustainability permeate all our actions.

## 3. Guiding principles for economic sustainability.

Our guiding principles, together with our values, define our culture and our ethics. At Petselect:

- ⚡ We are committed to efficiency. We seek the best possible use of our resources. We are aware that resources are not infinite, so we make the best use of them. This commitment is reflected both in our packaging, which reduces logistical costs, and in the design of our products.
- ⚡ We foster innovation. We use standardized ingredients and safe, reliable processes, while also incorporating new methodologies and ingredients that make a difference. We pursue continuous improvement through innovation.
- ⚡ We consume responsibly. We choose local suppliers to reduce our impact, prioritize the use of repurposed products, promote the use of paper-

based packaging, and design our ingredients in precise quantities to avoid waste.

- ⚡ We measure our impacts. We cannot improve if we do not measure our progress. We measure our production process, our impact on the atmosphere and the satisfaction of our customers.

## 4. Our values.

Our values define how we should behave in all our daily actions.

- ⚡ Petselect cares about the people who produce and use our products and services. Petselect S.A. will not enter into a relationship with any partner that does not guarantee:

No child labour.	Discrimination.	No forced labour.
Freedom of association.	Health and safety at work.	Working hours.

- ⚡ Commitment: passion and ambition to achieve the established objectives. Our commitment is expressed through certificates issued by external agents. As a result of our commitment, we are certified in IFS v.8. GHG Protocol, ISO 9001, 14064, 14067, 14001, 45001, MSC and ASC.
- ⚡ Excellence. We work to ensure our processes, products, and services are highly valued by all our partners and stakeholders. We understand that excellence is achieved through efficiency, quality, innovation and humility.
- ⚡ Collaboration. We build long-term partnerships with our collaborators and work alongside them to make a difference, creating a product that is economically, socially, and environmentally sustainable.
- ⚡ Sustainability. We can only endure over time by taking care of our people, our results, and the environment.

## 5. Partner policy: customers

In all our business interactions, we act with honesty, integrity, and fairness, hoping that our customers will join us as partners in the effort to change

and transform our environment. In a spirit of fairness, we also commit to the reasonable standards they set for us.

## 5.1. Our relationship with customers.

### *Honesty.*

We take pride in fulfilling our responsibilities to ourselves and our partners. We manufacture in accordance with the law and the information provided about our products and services is truthful and transparent. We clarify any doubts about them and, if necessary, establish a dialogue with all parties involved in order to achieve the intended outcome.

For this reason, the terms of sale and complaint procedures are provided to our customers at the beginning of each business relationship.

### *Transparency.*

Our collaboration will begin with a specific product development process tailored for you, which will be associated with a development code. This code allows us to trace and gather all the information about your products. We will not modify any aspect without your approval.

### *Integrity.*

We ensure that our processes and products comply with the legislation in force in the European Union and in the various countries where they are sold. We adhere to a code of conduct, anti-bribery policies, and a code of ethics.

Our raw materials are sourced responsibly and sustainably, our suppliers comply with the Fundamental Conventions of the International Labour Organization and are aligned with the United Nations Sustainable Development Goals.

### *Fair treatment.*

We believe in long-term business relationships based on mutual benefit. We neither engage in nor tolerate abusive practices. If any irregularities arise in our relationship, we will report them, work to improve the situation, and, if necessary, terminate the collaboration. We are fully transparent; you can consult our Supply Terms and Conditions on our website.

## 5.2. Confidentiality and Data Policy.

We comply with all applicable confidentiality and intellectual property regulations. We are willing to

commit to reasonable confidentiality requirements that exceed legal standards when proposed to us.

You can consult our Data Protection Policy on our website.

## 5.3. S&OP: Collaboration.

We work with a sales and operations planning (S&OP) system in order to provide the best service and price thanks to the efficiency that this system allows us. It not only increases our efficiency but also enables us to provide the best service to our customers. Your Key Account Manager will work with you to develop the collaboration system that best fits your needs, increases your efficiency, and ensures your supply.

## 5.4. Inquiries and complaints.

We are not only manufacturers, we are also happy to help and advise our customers. Whether you have a technical question, an inquiry about an export process, or an issue related to a product manufactured by us, you can reach us at the address [sac@petselect.eu](mailto:sac@petselect.eu), where we will be happy to assist you. We also have a 24-hour phone number for emergencies and food crises: +0034 669 054 421.

# 6. Our Partners: Supplier policy and sustainable purchasing.

## 6.1. Scope of application.

The Jealsa Foods S.A.U. corporation to which Petselect S.A. belongs has a Criminal Compliance and Anti-Bribery Integrated Management System. The specific characteristics of our organization and the particular legal treatment of the raw materials intended for the production of feed, along with Petselect S.A.'s commitment to following the guidelines set out in ISO 20400, justify that, without contravening the spirit and provisions of Jealsa Foods S.A.U.'s Supplier and Purchasing Policy, Petselect has its own document that reflects its distinctive nature.

The suppliers of Petselect are essential for delivering quality services and selling high-quality products to our customers. Therefore, our relationship must be governed by the highest standards of commitment and integrity, mutually requiring their collaboration and involvement.

This policy applies to all members of Petselect S.A., and must be observed by any member of the organization or person acting on its behalf, with functions or responsibilities in the selection or contracting of suppliers, negotiation of purchases of materials or contracting of services. Furthermore, this policy is complemented by the following documents:

- ❖ F.09.00 Purchasing process.
- ❖ IN.09.00.00 Determination of purchasing needs.
- ❖ IN.09.00.01 Modification of purchasing prices.
- ❖ IN.09.01.00 Approval of raw material suppliers.
- ❖ IN.09.08.00 Approval of non-product related suppliers.
- ❖ IN.09.02.00 Approval of product-related materials.
- ❖ HC.09.04.01 Control of raw material suppliers.

## 6.2. Guiding principles for sustainable purchasing.

We understand sustainable purchasing as the activity of acquiring goods or services from suppliers that have the greatest possible positive environmental, social, and economic impact throughout their entire life cycle, while seeking to minimize adverse impacts.

- ❖ Accountability. Petselect reports for its own impacts through the NFIS (Non-Financial Information Statement).
- ❖ Transparency. We are transparent in our operations and ask the same of our suppliers. Transparency is the basis for dialogue and collaboration with our partners.
- ❖ Ethical conduct of both our organization and our suppliers.
- ❖ Full and fair opportunity. We avoid bias and prejudice in all purchasing decisions. All suppliers have a fair opportunity to participate in our business.
- ❖ Respect for stakeholder interests.
- ❖ Principle of legality and International Standards of Conduct. We encourage our suppliers to comply with these rules throughout the entire supply chain.
- ❖ Respect for Human Rights
- ❖ Innovative solutions. We seek the most sustainable outcome possible.
- ❖ Focus on needs. We constantly review our demands to procure the goods we need and avoid waste.

- ❖ Integration of sustainability. Sustainability is a strategic focus of our company and must be reflected in our operations.
- ❖ Analysis of all costs. All costs are analysed throughout the life cycle of a product, good or material.
- ❖ Continuous improvement. We promote an internal continuous improvement process and encourage our suppliers to do the same.

## 6.3. Criteria for supplier selection.

Our suppliers are selected taking into account the following:

- ❖ In the case of ingredients, additives and other product components, Food Safety criteria will be taken into account. We give priority to suppliers with a GFSI<sup>1</sup> certificate. However, we want to include small and medium-sized local businesses in our supplier catalogue. Therefore, if they do not have one of these certifications, Petselect will send a technical team to conduct an audit according to GFSI standards.
- ❖ Total cost. Not only will the price of the good or service be taken into account, but also the total management cost. Aspects such as lifespan, recycling costs, or possibilities for reuse are evaluated.
- ❖ Respect for delivery deadlines and orders in due form. We ask our suppliers to deliver the agreed goods in the agreed timeframes, in the same way that we undertake to deliver our orders and payments in due time and form.
- ❖ Compliance with the law. It is important that the supplier has compliance and regulatory compliance control systems in place. In order to prevent any comparative disadvantage, and given the limited scope of their risk, small and medium-sized local companies are exempt from this requirement.
- ❖ Respect for human rights. We are committed to our values, which is why we require our suppliers and our entire supply chain to respect human rights. Specifically, this means:
  - a) No child labour.
  - b) No discrimination on the grounds of non-chosen characteristics.
  - c) No forced labour.
  - d) Freedom of association.

<sup>1</sup> IFS, BRC or FSSC 22000 certifications.

e) Ensuring health and safety in the workplace.

f) Respect for agreed working hours and rest periods.

- ⚡ Associated risk. Sustainability issues can impact our brand value, reputation, and market share.

#### 6.4. Bribery and corruption.

We are firmly aligned with Jealsa Corporation's Criminal Compliance and Anti-Bribery Management System, in accordance with UNE 19601-ISO-37001 standards. Not only do we share their commitments, but we hereby endorse the Jealsa Foods S.A.U. anti-bribery policy, as well as the general terms and conditions for contracts that can be found on our website, and which are coded as MG-03 in the link [Jealsa Corporación - Compliance](#)

#### 6.5. Supplier commitments.

A Corporate Code of Ethics has been approved in response to the various requirements adopted by the policies of Jealsa Foods S.A.U. and Petselect. This document outlines our values and serves as a guide for the actions of all employees and partner organizations. Acceptance of the purchasing conditions or orders implies adherence to this code of ethics and a commitment to the values it describes, as well as those expressed in this Policy.

##### *Ethical and responsible conduct.*

Relationships with suppliers will be conducted based on criteria of honesty, respect for people and social and environmental values, ensuring compliance with current legislation in all areas of activity. The general terms and conditions for contracts will not include abusive clauses, that are contrary to good faith or to the fair balance between the rights and obligations of the entity and the supplier.

Suppliers must comply with the policies, rules and procedures of the Jealsa Foods S.A.U and Petselect.S.A. group regarding the prevention of corruption, bribery and extortion, as well as international conventions and other applicable laws on this matter. Participation in our approval and purchasing process (acceptance of orders) implies adherence to our Jealsa Foods S.A.U. Code of Ethics, Petselect's General Supply Conditions, Jealsa Foods S.A.U. Anti-Corruption Policy, Privacy Notice, Data Protection for Suppliers and Petselect S.A.'s Purchasing Policy.

##### *Transparency.*

All parties will act by providing accurate, timely, truthful and complete information.

##### *Conflicts of interest.*

It is possible that personnel involved in the contracting or tendering of a good or service may have financial, economic, or personal interests that compromise their impartiality and independence. Suppliers must implement mechanisms to ensure that any potential conflict between the supplier's interests and the personal interests of any of their employees does not compromise the supplier's independence or their full compliance with applicable laws.

#### 6.6 Data protection.

Jealsa Foods S.A.U. and, by extension Petselect S.A., have an effective mechanism in place to protect the confidentiality of data. In return, we request that all information owned by Petselect S.A. that the supplier becomes aware of through the commercial relationship be regarded as reserved and confidential information, qualifying as trade secret. The supplier and all personnel under their service must implement sufficient security measures to protect all reserved and confidential information.

#### 6.7. Human and labour rights.

In accordance with the provisions of our Code of Ethics and Conduct, this organization requires respect for internationally recognized human rights as set out in the International Bill of Human Rights and the principles relating to the rights contained in the ILO Fundamental Conventions. We therefore require our suppliers to take responsibility for respecting human rights and to ensure that their activities do not have negative impacts on these.

#### 6.8. Environmental policies.

Our suppliers must have policies in place that include preventive and corrective measures to ensure compliance with all environmental obligations required under applicable legislation.

#### 6.9. Animal welfare in raw materials.

We are concerned about the welfare of the animals that become part of our raw materials. We therefore require our animal protein suppliers to:

- ⚡ In the case of breeding animals, that robust breeds adapted to local conditions are used, avoiding high-

productivity breeds that are associated with genetic health problems.

- ⚡ Not use genetically modified animals.
- ⚡ In the case of extractive methods (e.g. fishing) manage stocking rates and not overexploit populations.
- ⚡ In farms and breeding operations, maintain densities that ensure animal health and prevent the spread of disease.
- ⚡ In livestock farms, feed animals with animal protein-free feed.
- ⚡ Ensure potable water that is free from contamination.
- ⚡ The slaughter of animals must be carried out in accordance with the legislation in force for each species, always seeking the method that causes the least possible suffering. The use of a stunning method before slaughter is mandatory.
- ⚡ In the case of farm animals, we commit to the five freedoms of the World Organisation for Animal Health (WOAH):

#### 1. Freedom from hunger, malnutrition and thirst.

- The food and quantities provided must be sufficient and promote the health of the animal.
- The raw materials used for housed animals will be free of animal-derived protein.

#### 2. Freedom from fear and distress.

- The handling of animals must be appropriate, with workers receiving periodic training in animal welfare. Beating, kicking or intentionally harming animals is prohibited.
- Social grouping of animals is encouraged in order to allow them to interact, reduce situations of distress, and alleviate chronic fear.

#### 3. Freedom from heat stress or physical discomfort.

- The physical environment, and especially the substrate, must be adapted to the species and climatic conditions. It will be kept clean and will not be a source of diseases.
- Housed animals will be provided with air quality, temperature, and humidity levels that ensure their well-being.

#### 4. Freedom from pain, injury and disease.

- All injuries and practices involving amputations (non-therapeutic beak trimming, tail docking) will be avoided. Castration procedures will involve veterinary supervision and the use of analgesia.
- Animals must be under veterinary control and supervision to prevent the occurrence and transmission of diseases.
- Animals with serious health issues must be treated appropriately, isolated, treated promptly, or humanely euthanized if recovery is not possible.

#### 5. Freedom to express normal behaviour

- Housed animals will have be provided with a comfortable and safe resting area that allows them to change position.
- Group housing or semi-freedom will be favoured over the use of boxes or cages.

### 6.10. Animal welfare among our service providers.

During the development of a new product, there may be a need to hire a supplier to conduct palatability tests for the various proposed formulations. This supplier will ensure the following:

- ⚡ Not force-feed the animals participating in the study.
- ⚡ Provide food in adequate quantities: the animal must be properly nourished to prevent hunger.
- ⚡ Conduct the study for the necessary duration to obtain conclusions, without extending it beyond what is strictly necessary.

### 6.11. Approval of suppliers and materials.



For Petselect S.A. it is essential to evaluate the materials, goods and services provided of each supplier. This is therefore the first step to establish a lasting relationship in which we will evaluate all aspects of this service or material. We will request all necessary information for this evaluation and, if needed, a sample to ensure it can be used safely in our process.

The following figure shows the flowchart of this process:

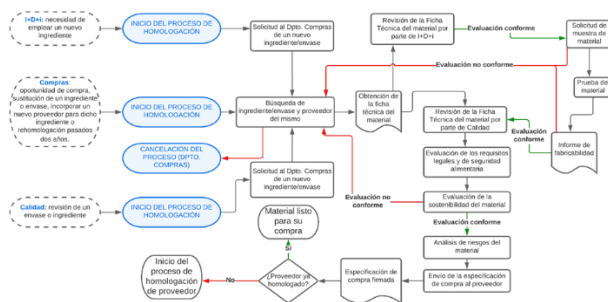


Figure 1. Approval process for a material, good, or service.

## 6.12. Evaluation of suppliers.

Petselect carries out its supplier evaluation in two stages: first, the suitability of the service or supply is reviewed in terms of Food Safety and, if the performance is positive, the Overall Risk Index is assessed to evaluate the sustainability of the purchase.

If you wish, Petselect can provide you with your evaluation as a supplier, but please note that this will be conducted for each material or service you supply us, based on the following criteria:

### Food safety evaluation criteria.

- ❗ **Risk associated with the material or service.** There are 8 categories, with categories 5 (primary packaging), 6 (minor ingredients), 7 (main raw material) and 8 (subcontracting) being the most relevant for this evaluation, as they are directly related to the product.
- ❗ **Recording and classification of incidents.** There are four incident levels based on their severity: 1: minor, 2: moderate, 3: serious, and 4: critical.
- ❗ Calculation of the **Food Safety Index** = (Number of incidents \* severity of incident/kg served) x material category.
- ❗ Depending on the Food Safety Index, a supplier can become:

1. **APPROVED:** the process continues and its overall risk index is calculated.
2. **APPROVED WITH SAP:** the supplier is considered safe, but areas for improvement have been identified, so it is subject to a Specific Action Plan. The process continues and its overall risk index is calculated.
3. **NOT APPROVED.** Purchasing from this supplier is not allowed unless a new action plan is established. Note that a supplier may be “not approved” for commercial reasons or may become automatically “not approved” if there is no commercial relationship for a period of 2 years.

*Sustainability criteria: Overall risk index.*

### SUPPLIER INDICATORS:

- Respect for labour conditions and human rights: a necessary condition.
- Circular economy: the fact that the material or service is considered as surplus from the human food chain will be positively evaluated, earning 1 point.
- Proximity (manufactured less than 150 km away): 1 point.
- Possession of a water footprint certificate: 1 point.
- Possession of carbon footprint certificate: 1 point.
- Sustainable sourcing (more than 95% of the ingredient comes from recycling): 1 point.
- Ecological, bio or organic product (accredited with a certificate): 1 point.

## 6.13. Ethics channel.

Petselect S.A. as part of Jealsa Foods S.A.U. has a code that is available, updated, and publicly accessible on the Corporation's website: [Jealsa Corporación - Compliance](#)

## 6.14. Dissemination.

Petselect S.A. will ensure that this policy is adequately disseminated among all those bound by it, ensuring that it is known and accepted by all members of



the organization and third parties to whom it is addressed.

It will be signed by all employees and third parties who are required to implement it, and it will be included as an annex to new employment contracts for positions that carry out tasks or functions related to the selection of suppliers or purchasing procedures.

Petselect S.A. undertakes to carry out specific training actions in this area to ensure that this policy is known and applied by all those required to do so.

#### **6.15. Validity and review.**

This policy comes into force on the day of its approval by the Steering Committee and publication. It will remain in force until the approval of a new policy on this matter.

This Policy will be reviewed periodically, both by Petselect and by the Compliance Committee of Jealsa Foods S.A.U. in order to propose improvements, update procedures, make modifications or additions.

Retaliation against those who have made use, in good faith, of the channels established to report possible irregularities will not be permitted or tolerated.

Pobra do Caramiñal , 14<sup>th</sup> October 2024

A handwritten signature in black ink, consisting of a large, stylized 'L' followed by several loops and a long horizontal stroke extending to the right.

Signed by: Luis R. Martínez  
Managing Director