ASSURED FOOD STANDARDS BOARD CODE OF CONDUCT

Reviewed and updated April 2025

CONTENTS

* While all of this Code is hugely important, please take special note of all the sections that are highlighted in the blue box.

THE BOARD OF CONDUCT

1. Introduction to the Board Code of Conduct

Welcome to the Board Code of Conduct ('the code') for Assured Food Standards ('the organisation').

The purpose of the code is to provide a guide for all the members of the board of Directors ('the board'). It outlines the responsibilities, principles, standards and ethical practices that will ensure the board operates to its full potential and fulfils its role in achieving and driving forward the organisational vision.

1.1. The Purpose of the Code

At Assured Food Standards, we are committed to the highest ethical standards.

The code serves the following key purposes:

- Promotes Trust and Confidence - By adhering to a clear code, directors demonstrate their commitment to responsible decision-making and transparency. This promotes trust and confidence among donors, volunteers, beneficiaries, and the public we serve.
- Ensures Effective Governance - The code defines the essential duties and responsibilities of directors, promoting an efficient and well-functioning board.
- Protects Assured Food Standards Assets - The code helps ensure that directors act in the best interests of Assured Food Standards, safeguarding its financial resources and reputation.
- Fulfils Fiduciary Obligations - Directors have a legal duty to act in the best interests of Assured Food Standards. The code reinforces those obligations and provides guidance for upholding them.

1.2. Who The Code Applies To

The code applies to all individuals serving on the board, this also includes individuals such as the Chairperson, secretary and all committee members, sector boards and standards committees (please see the website for more details).

The code applies to all board members and parties. The principles of the code apply to the Sector Boards and TACs.

All directors who accept their appointment to the board agree to abide by the principles and guidelines outlined in the code.

1.3. Using The Code

The code serves as a framework for ethical conduct. It is intended to supplement, not replace, Assured Food Standards governing documents and all applicable laws. Directors are encouraged to use the code as a reference for navigating their decision-making processes and interactions within the board and the broader community.

We believe the code will be a valuable tool in upholding the high standards we hold ourselves to at Assured Food Standards. It will provide the board with the guidance and support it needs to effectively steer the organisation toward a successful future.

2. Scope of Application: Board Code of Conduct

The code applies to all board members and parties, and its principles apply to the Sector Boards and TACs. It outlines the expected behaviour and ethical standards for all board and committee members in fulfilling their fiduciary duties and responsibilities.

2.1. Organisational Purpose and Vision

The code reflects the organisation's purpose and vision, and all members are expected to reflect these in all their actions and decisions. The purpose and vision of Assured Food Standards are outlined on the website.

2.2. Applicability

The code applies to all matters dealt with within board meetings, committee meetings, and any other business conducted on behalf of the organisation.

The code applies to members' interactions with staff, beneficiaries, members of the public, and members of the press.

2.3. Duties and Responsibilities

All members of the board and committees are subject to the following:

- Fiduciary Duties:
  - Always act in the best interests of the organisation and its purpose and vision (please see the website).
  - Apply due care and diligence at all times when overseeing the organisation's affairs.
  - Ensure responsible financial management and utilisation of resources.
- Conflicts of Interest:
  - Disclose any potential conflicts of interest at the point of appointment and recuse themselves if requested from related discussions and decisions, where appropriate.
  - Avoid using their position for personal gain or benefitting entities with which they have a conflict.
- Confidentiality:
  - Maintain confidentiality of sensitive information obtained through their role as a board member.
  - Respect the privacy of staff, volunteers, and beneficiaries.
- Time Commitment:
  - Attend board meetings regularly and actively participate in discussions.
  - Dedicate sufficient time to fulfil their responsibilities effectively.
- Communication:
  - Communicate openly and honestly with fellow board members, staff, and shareholders.
  - Be respectful and professional in all communication.
- Compliance with Laws and Regulations:
  - Adhere to all applicable laws, regulations, and the organisation's policies.
  - Report any suspected illegal or unethical activity to the appropriate authorities.

- Professional Utilisation of Social Media:
    - Board members are encouraged to utilise social media platforms to promote the Assured Food Standards vision and to raise awareness of its work. However, it is crucial to maintain professionalism and ethical conduct when using social media in this capacity.
- Guidelines for Social Media Use:
    - Accuracy and Transparency:
        - Ensure posts on the organisation's behalf are truthful and accurate and represent the organisation's vision.
        - Ensure posts are kept in line with the desired image of the organisation.
        - Be transparent about any personal connections to the organisation when posting about its work.
    - Confidentiality:
        - Refrain from sharing confidential information about the organisation, its staff, beneficiaries, or donors on social media.
    - Respectful Communication:
        - Maintain a professional and polite tone in all communications, this is also key in the event of responding to negative comments.
        - Avoid personal attacks or engaging in online controversies that could damage the reputation of the organisation.
    - Disclaimers:
        - Clearly identify personal and professional social media accounts.
        - Personal views displayed on social media accounts are discouraged.
        - In the event that personal views are used on the social media accounts of the organisation, disclaimers must be used to differentiate between personal opinions and official statements on behalf of the organisation.
    - Key Considerations:
        - Board members should be made aware of the organisation's social media policy and ensure their personal online activity aligns with it.
        - Board members' online presence should not have any negative impact on the organisation.
        - Board approval is to be secured before any key organisational posts are activated on the organisation's social media account.

2.4. Enforcement of the Code

- Violations of the code may result in disciplinary action, up to and including removal from the board.
- The Board will establish a process for investigating alleged violations of the code, ensuring fairness and due process.
- The Board will periodically review and update the code to ensure its continued relevance and effectiveness.

DUTIES AND RESPONSIBILITIES

1. Duty to the Organisation

1.1. Commitment to the Organisation's Vision and Purpose

Board members have a fundamental duty to act in the best interests of the organisation at all times and to advance its vision and purpose.

This means all board members will:

- Uphold the organisation's values in all aspects of business.
- Utilise their individual knowledge, skills, and experience to further the goals of the organisation.
- Make decisions based on a sound understanding of the organisation's financial health.
- Maximise the impact of the organisation's work by using resources responsibly and efficiently.
- Consider their individual actions that could impact the organisation's vision or reputation. This includes avoiding conflicts of interest.

1.2. Compliance and Oversight

All board members have the responsibility of ensuring the organisation operates legally and ethically.

Considerations are to be made toward:

- Having an understanding of all applicable laws, regulations, and governing documentation (bylaws, strategic plans, etc.) and action on these in accordance with compliance.
- Maintaining strong financial oversight and accountability.
- Approving budgets and financial reports after a thorough review.
- Providing an accurate overview of management activities.

1.3. Confidentiality and Transparency

Board members are entrusted with sensitive information about the organisation.

Board members must:

- Maintain confidentiality of discussions, information, and documents designated at all times.
- Disclose any potential conflicts of interest promptly and openly.
- Promote transparency by being truthful and forthcoming about the organisation's work and financial position.

1.4. Active Participation and Engagement

Board members are expected to actively participate in board meetings and committee work where applicable. This includes:

- Making a commitment to the required time for effective board service.
- Attending meetings regularly and being prepared to discuss relevant issues.

- Contributing meaningfully to discussions and participating in all necessary decision-making.
- Keeping up to date on the organisation's work and current industry trends.

1.5. Commitment to Continuous Improvement

Board members should strive to continuously improve the organisation's effectiveness.

This requires board members to:

- Evaluate their individual and the board's performance and effectiveness on a regular basis.
- Recognise the importance of board development and participate in any training and education opportunities. This should be ongoing and updated or renewed as required.
- Support the identification and recruitment of qualified new board members.

By fulfilling the duties above, board members can ensure the organisation remains focused on its vision, operates ethically and efficiently, and continues to make a positive impact on the community it serves.

2. Duty to Stakeholders

2.1. Employees

- Fair and Ethical Employment Practices - Clear policies on recruitment, compensation, benefits, performance management, and grievance procedures are to be established throughout the organisation.
- Employee Wellbeing – The importance of promoting a healthy and safe work environment should be at the heart of the organisation. This can be achieved by fostering positive employee engagement and encouraging development opportunities.
- Diversity and Inclusion – The active recruitment and retention of a diverse workforce is paramount within Assured Food Standards, promoting equal opportunities and non-discrimination.

2.2. Suppliers

- Ethical Sourcing - Policies that prioritise ethical sourcing practices are to be implemented, with strong considerations focused on the organisation's social and environmental impact.
- Transparent Procurement - Clear and fair procurement procedures are to be established to ensure open competition and suitable payment terms.
- Relationship Management – Emphasis on strong relationships with key suppliers are to be established, fostering collaboration and mutual benefit.

2.3. Community

- Social Responsibility - Align the organisation's vision with the needs and well-being of the community it serves.
- Community Engagement - Actively engage with the community through outreach programs, partnerships, and volunteer opportunities.
- Transparency and Accountability: Publicly report on the organisation's activities and impact within the community.

2.4. Customers/Beneficiaries

- Needs Assessment - Regularly assess the preferences and requirements of the beneficiaries served by the organisation.
- Service Delivery - Ensure efficient and effective delivery of services, quality and accessibility are to be the highest priority.
- Feedback Procedures - Establish clear channels for customer feedback and implement responsive measures to address concerns.

2.5. Additional Considerations

- Financial Sustainability - Sound financial practices are to be maintained, ensuring responsible use of resources and long-term viability.
- Compliance with Regulations - All relevant legal and regulatory UK requirements must be met and upheld across the organisation.
- Risk Management - Identify and mitigate potential risks that could impact the organisation and its shareholders. Consideration for a risk committee could be implemented.
- Conflict of Interest - Implement clear policies to manage potential conflicts of interest among board members and staff.
- Board Development - Regularly review board composition and provide ongoing training to ensure effective governance where appropriate.

3. The Seven Responsibilities of a Director – Companies Act 2006

It is imperative that as a director, the responsibilities which come with a directorship are fully understood to ensure that the role can be carried out effectively. There are seven duties which Directors must comply with, and these have been set by the Companies Act 2006, which are outlined below.

These duties apply to all directors, including former directors and shadow directors, regardless of whether their directorships are executive or non-executive positions.

3.1. Act Within Powers

A director must act in accordance with the Company's constitution. This includes the Company Articles of Association and any other constitutional documentation (for example, shareholders agreements etc.).

3.2. Promote the Success of the Company

A director must act in a manner which is considered good faith, promoting the success of the Company for the benefit of its members as a whole.

When considering what is most likely to promote the success of the Company, the legislation states that a director must consider:

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster the Company's business relationships with suppliers, customers and others.

- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly between members of the Company.

In addition to the list above, relevant contributing factors must also be considered within each individual situation.

3.3. Exercise Independent Judgment

A director must exert independent judgement and make decisions based on their own judgement only. All decisions made should also be in line with the Company's constitutional documentation.

3.4. Exercise Reasonable Care, Skill and Diligence

A director must exercise the same care, skill and diligence that would be exercised by a reasonably diligent person with:

- The general knowledge, skill and experience that may reasonably be expected of a person carrying but the same functions as you in relation to the Company.
- The general knowledge, skill and experience that you actually possess.

3.5. Avoid Conflicts of Interest

A director must avoid any situation in which they may have a personal conflict or may conflict with the interests of the Company. This could apply to any exploitation of any property, information, or opportunity, regardless of if the Company could take advantage.

There are no formal rules which would constitute raising a conflict of interest. However, an outline of the following arrangements could create a conflict of interest:

- Personal interests: If you are a major shareholder, competitor, or customer/supplier of the Company.
- Multiple directorships: You are also on the board of a major shareholder, a competitor or a customer or supplier of the Company. If you are a board member of a number of companies which are not competitors, although this is not a conflict of interest, a declaration outlining each position and company should be submitted to each individual company for their records.
- Advisory positions: If you are an advisor to the Company or to a competitor of the Company.
- Connected individuals: If any of the above situations apply to a person connected with you, e.g. spouse, partner, parent, child, or other close family members.

3.6. Not to Accept Benefits from Third Parties

A director must not accept a benefit of any form from a third party given because of their position as a director or for any actions taken as a director.

3.7. Declare Interest in Proposed Transaction or Arrangement with The Company

If a director is directly or indirectly interested in a transaction or arrangement with the Company, this must be declared, outlining the nature and extent of that interest to the other directors.

If this applies to a proposed transaction, it must be declared before it is entered into. If it applies to an existing transaction currently taking place, it must be highlighted as soon as reasonably practicable.

BOARD CONDUCT

1. Protocols for Board and Committee Use of Business Assets and Resources

The protocols below outline the responsible use of the business assets and resources by all board and committee members within the legal and regulatory framework within the UK.

1.1. General Principles

- Fiduciary Duty - Board and committee members have a fiduciary duty to act in the best interests of the organisation and utilise its assets solely for its intended purposes.
- Transparency and Accountability - All board and committee members are accountable for the responsible use of assets and resources. Clear records and documentation are to be maintained for all transactions.
- Conflict of Interest - Board and committee members must avoid personal gain or conflicts of interest when using business assets. Any potential conflicts are to be declared and addressed appropriately.
- Compliance with Law and Regulations - All activities involving business assets must comply with relevant UK laws and regulations.

1.2. Specific Protocols

- Asset Usage:
    - Board and committee members may use business assets, such as computers, software, or office space, for carrying out their official duties and responsibilities.
    - Personal use of assets should be minimal and incidental to official duties.
    - Any extended personal use of assets requires prior approval from the board or a designated committee.
- Financial Resources:
    - Board members may be reimbursed for reasonable expenses incurred while performing official duties. The correct documentation and adherence to established expense policies are to be maintained, accosting to that set out by Assured Food Standards.
    - Board members may not receive financial benefits beyond approved compensation for their roles.
- Gifts and Hospitality/Expenses:
    - Board members may not accept gifts or hospitality that could be perceived as influencing their judgment or compromising their independence.
    - Gifts or hospitality of significant value should be declined or donated to the organisation if appropriate.
    - Board members should refer to the Company's expenses policy with regard to allowances.

1.3. Additional Considerations

- Record Keeping - Maintain clear records of all asset use and expenditure, including receipts and invoices.
- Periodic Review - Regularly review and update protocols to ensure they remain relevant and effective.
- Training and Education - Provide board and committee members with relevant training and education.
- Enforcement - Breaches of these protocols may be subject to disciplinary action.

2. Equality and Diversity

Assured Food Standards is committed to creating and maintaining a working environment that is free from discrimination and promotes equality and diversity for all board and committee members.

Whilst Red Tractor has certain restrictions regarding the choices made for appointments, for instance, Sector Boards elect their Sector Chairs, who thus become directors, the Chairperson is appointed by the ownership body and the industry directors are selected by their respective organisations. This means Red Tractor only has specific control over appointments for the independent directors. Having said that, Red Tractor would wish for all of its associated bodies to be mindful of best practices in the field of equality and diversity.

The Company recognises the value of a diverse board that reflects the communities in which it serves and, as such, fosters a culture of inclusion where everyone feels respected, valued, and empowered to contribute their unique skills and experiences.

This policy outlines Assured Food Standard's commitment to equality and diversity and sets out the principles that will guide the conduct of board members in relation to these values.

2.1. Commitment

Assured Food Standards is committed to:

- Upholding the principles of equality and diversity in all aspects of board operations, including decision-making, recruitment, and committee work.
- Adopting an inclusive environment where all board members feel respected and valued.
- Providing equal opportunities for all board members to participate in discussions and decision-making.
- Challenging discrimination and unconscious bias.
- Regularly reviewing and updating this policy to ensure it remains relevant and effective.

2.2. Protected Characteristics

This policy applies to all protected characteristics as defined by The Equality Act 2010, including (but not limited to):

- Age
- Sex
- Disability
- Gender reassignment

- Being married or in a civil partnership
- Being pregnant or on maternity leave
- Race including colour, nationality, ethnic or national origin
- Religion or belief
- Sexual orientation

2.3. Board Member Responsibilities

All Board Members are expected to:

- Treat all colleagues with respect and courtesy - This includes avoiding language or behaviour that is offensive, discriminatory, or harassing.
- Promote a culture of inclusion - This involves actively encouraging participation from all Board Members and being open to different perspectives.
- Declare any potential conflicts of interest - This includes situations where a Board Member's personal biases or affiliations could influence their decision-making regarding equality and diversity.
- Be aware of unconscious bias - We all have unconscious biases.
- Board Members are expected to educate themselves about unconscious bias and take steps to mitigate its impact on their decision-making.
- Challenge discrimination - If a Board Member witnesses or experiences discrimination, they are expected to report it to the appropriate person.
- Attend relevant training - Board Members are encouraged to attend training based on equality and diversity to further their understanding of these issues.

2.4. Reporting Discrimination

Any Board Member who believes they have been discriminated against or who witnesses discrimination is encouraged to report it promptly.

Reports can be made to the Chairperson of the Board.

2.5. Breaches of this Policy

Breaches of this policy will be taken seriously and may result in disciplinary action, up to and including removal from the board.

2.6. Monitoring and Review

This policy will be reviewed on a regular basis (at least annually) to ensure it remains effective and compliant with relevant legislation.

2.7. Training and Support

Assured Food Standards is committed to providing Board Members with the necessary training and support to understand and implement this policy.

2.8. Further Information

For further information on equality and diversity, Board Members can contact the Chairperson of the Board.

2.9. Relevant Legislation

This policy is based on The Equality Act 2010. Please see www.legislation.gov.uk/ukpga/2010/15/contents for more information.

3. Communication and Decision-Making Protocols for Directors

3.1. General Principles

- Transparency and Openness - Directors should strive for transparency in all communications, ensuring information is readily accessible to all relevant shareholders.
- Timing - Information and decisions should be communicated in a timely manner, considering the urgency of the matter.
- Respectful Communication - All communication should be conducted with respect and professionalism, even during times of disagreement.
- Confidentiality - Sensitive information pertaining to the organisation or individuals should be treated confidentially.

3.2. Communication Channels

- Board Meetings - Regular board meetings serve as the primary platform for formal communication and decision-making.
- Email - Emails can be used for daily communication, sharing documents, and seeking clarification.
- Committee Meetings - Specific committees, as per the governance code, utilise dedicated meetings to discuss specialised matters.

3.3. Decision-Making Process

- Agenda Setting – The agenda for board meetings should be circulated well in advance, allowing all directors time to prepare.
- Information Sharing - Relevant materials and reports should be shared with directors before meetings to facilitate informed decision-making. Ideally, this should happen seven days before the meeting.
- Discussion and Debate - Directors are encouraged to actively participate in discussions, raise questions, and express their opinions.
- Voting Procedures - Decisions are typically made by consensus; however, in the event of a vote being required, there is a clear process outlined in the Articles of Association.
- Dissenting Opinions - While the majority rules, dissenting opinions should be acknowledged and documented in the minutes.

3.4. Additional Expectations

- Attendance - Directors are expected to attend board meetings regularly and actively participate.
- Preparation - Directors should come prepared to meetings, having reviewed the agenda and relevant materials in advance.
- Confidentiality - Directors are required to maintain the confidentiality of sensitive information discussed during meetings or shared through other communication channels.
- Conflicts of Interest - The 2006 Companies Act allows directors to have a conflict of interest but recommends that they avoid it wherever possible. The structure of the Red Tractor organisation means that conflicts are inevitable by the nature of the Board make-up; as such, these conflicts should be recorded, but such directors are not expected to excuse themselves from the meeting. However, directors who have acknowledged such a conflict must remember that it is their duty in law to act in the best interest of the Company, i.e. Red Tractor. When considering what is in the best interests of Red Tractor, it is expected that directors understand and acknowledge their conflict, as the 2006 Companies Act requires all directors to act in the best interest of the board on which they are sitting.
- Continuous Improvement - Communication protocols and decision-making processes should be reviewed and updated periodically to ensure they are fit for purpose.

3.5. Further Considerations

Objectives:

- Ensure clear, consistent and timely communication with external audiences.
- Protect Red Tractor's reputation and brand identity.
- Build strong relationships with key stakeholders.

- External Communication - Establish clear protocols for communicating with stakeholders outside the board, such as the press. Please see the protocol below you are required to utilise.

  a) Endeavour to understand the policy position of the organisations which they represent and declare any conflict of interests prior to discussing items.
  b) Be clear, in any discussion, whether views expressed are personal or those of the organisation, especially where the two might differ.
  c) Take care to communicate to the organisation they represent, the courses of action agreed by the Sector Board.
  d) Where necessary, facilitate dialogue between the organisation and Red Tractor to clarify any points of concern.
  e) Out of courtesy and under the principle of collective responsibility, if organisations or individuals intend to issue public statements that disagree with policy positions agreed by the Sector Board, then these should be discussed with the CEO first.

CONFIDENTIALITY – From time to time, information provided will be deemed sensitive and confidential. Papers circulated should be marked accordingly and instructions should be given by the Chairperson as to how they might be shared, if at all. Members should respect the level of confidentiality requested. If you are unsure about disclosing information, consult with the Chairperson.

CONFLICTS OF INTEREST

1. Dealing with Conflicts of Interest within the Organisation

1.1. Identification of Conflicts

Conflicts can arise when working in any format. The board needs to establish a strong foundation, as it is its responsibility to guide the organisation.

In the event of any conflict, it is important to identify and deal with them effectively, preferably in the early stages, to maintain a smooth working environment. This section outlines the process for recognising conflicts within the board and the best method of documenting them.

1.2. Communication

If a member of the board suspects or is aware of a conflict, it must be discussed with the relevant parties involved.

1.3. What Constitutes as a Conflict

A conflict of interest for a board director arises when their personal interests clash with the best interests of the organisation. According to the Companies Act 2006, there are two main aspects to this duty:

- Avoiding Conflicts: Directors must try to avoid situations where a conflict could arise. This applies to using the Company's property, information, or opportunities for personal gain, even if the Company wouldn't benefit from them itself.
- Disclosing Conflicts: If a potential conflict does arise, the director must disclose it to the board. This includes situations where a connected person, such as a family member, has an interest that conflicts with the Company.
- A conflict of interest for a director could be defined as:
  - Being a director of a competitor company
  - Having a personal business relationship with a supplier or customer of the Company.
  - Using Company property or information for personal gain.
  - Taking an opportunity for themselves that the Company could have pursued.

It is important to note that directors are not prohibited from entering into transactions where there's a conflict. However, they must disclose the conflict fully and obtain permission from the board or members before proceeding.

1.4. Conflicts of Associated Persons

The concept of conflicts of interest extends to associated persons of a director. As a result of this, individuals are also expected to avoid situations that could put personal interests ahead of Assured Food Standards.

An associated persons may include:

- Spouse or partner
- Close family members (children, parents, siblings)
- Anyone whose financial affairs the director influences

A conflict involving an associated person could include:

- Business dealings - If an associated person works with Assured Food Standards in a professional manner whom the director works for. This includes situations where the associated person is a supplier, customer, or has some other financial arrangement with the organisation.
- Sharing information - Associated persons may be privy to confidential Company information through their connection to the director. They must not misuse this information for personal gain or distribute this to others who could benefit.
- Employment opportunities - There could be a conflict if an associated person is offered a job at Assured Food Standards where the director may influence the decision of the appointment.

Similar to director conflicts, associated person conflicts need to be disclosed. The director should inform the board of any potential conflicts involving their associated persons.

1.5. Disclosure and Recusal

Due to the composition of the Red Tractor board, it is not expected that directors who are aware of a conflict to remove themselves from a meeting, but rather to remember that they must act in the best interest of the Company whilst they have a conflict.

It should be noted that disclosure is a legal requirement.

If an individual believes they have a conflict of interest related to any agenda item at a meeting, the individual is obligated to disclose this conflict before the discussion begins. Disclosure can be completed by:

- Verbally informing the meeting Chairperson of the potential conflict.
- Submitting a written disclosure in advance of the meeting.

1.6. Management of Conflicts

The Chairperson of the meeting will work with the individual who has disclosed a conflict to determine the most appropriate course of action. These may include:

- Recusal - The individual may be asked to recuse themself entirely from the discussion and any subsequent voting on the matter.
- Participation with Limitations - The individual may be allowed to participate in the discussion by providing information or insights, but they may be restricted from voting on the matter.
- Information Sharing with Conditions - If the conflict arises from prior knowledge, the individual may be permitted to share the information with the group on the condition that they do not participate further in the discussion or decision-making process.

The chosen course of action will depend on the specific nature of the conflict and its potential impact on the meeting's outcome.

1.7. Confidentiality

All disclosures of conflicts of interest will be treated confidentially unless disclosure is required by law or regulation.

MEETINGS AND ATTENDANCE

1. Preparation and Participation for Effective Boardroom Conduct

This section covers the essential practices for board members to ensure that their pre-meeting preparation and active participation continue to contribute to productive conduct within the boardroom.

The model board member is an informed contributor who navigates discussions strategically and collaboratively. It is imperative that every board member makes a significant contribution to the success of the organisation by committing their time to continuous learning and development.

This could be achieved by considering:

1.1. Pre-Meeting Preparation

- Board Material Analysis - A review of the current board materials will help to strengthen the members' understanding of the materials and help to identify potential risks and areas that may require further clarification. Board members should come prepared to discuss specific points and ask constructive questions.
- Preparation - Board members are required to arrive at a fully considered position cultivated from thoroughly reviewing the proposed resolutions, whereby acknowledging the implications of each option.
- Anticipate Concerns - Critical thinking is essential when assessing potential challenges that are related to the agenda items. Alternative solutions, ideas and questions that may not be readily apparent in the materials should be fully considered.
- Evaluate the Company Vision - The Company's strategic goals and long-term vision should always be considered when making decisions. The connection between the agenda items and the Company's overall vision should be foreseen.
- Prioritise Discussion - Agenda items should be discussed in order of importance, with particular focus, attention and insight given to the most critical topics.
- Collaboration - Board member collaboration in the pre-meeting stage would allow more time and brainstorming efforts for the particularly complex topics. This should enable the meeting to be as productive as possible.

1.2. Active Participation from All Members

- Constructive Contribution - Maintaining an active voice in the board is essential to encourage contributions. Members should consider insightful questions that stimulate thoughtful dialogue and an in-depth analysis of the matter in hand.
- Data-Driven Decisions - While innovative and creative ideas are essential for a dynamic board, supporting arguments with relevant data from the board materials or external sources will give individual perspectives a solid foundation grounded in accuracy.
- Clarification - Not having a clear understanding of the issue at hand is unproductive to finding an effective resolution. If information appears ambiguous, gaining clarification will allow informed decision-making.

- Embrace Diverse Perspectives - Different perspectives and diverse viewpoints allow for a valuable and well-rounded understanding of topics, challenges, and ideas. Value the perspective of every board member and encourage respectful and healthy debates within the board.
- Challenge Assumptions - Board members should be confident in their ability to challenge assumptions or raise concerns if they witness potential risks or missed opportunities. Where required, a thorough examination of all sides of an issue should be undertaken.
- Encourage Creative Thinking - Propose alternative solutions or approaches that contribute to a creative and free-thinking environment.

1.3. Leadership and Ethics

- Good Governance - Board members are required to uphold the principles of good corporate governance, promoting transparency, accountability, and adherence to ethical practices.
- Effective Conflicts of Interest Management - If a potential conflict arises, it must be disclosed promptly, and the individual should recuse themselves from the relevant discussions and voting procedures.
- Maintain Confidentiality - All board members are to respect the sensitive nature of boardroom discussions by refraining from disclosing confidential information outside the boardroom without relevant authorisation.

1.4. Continuous Improvement

- Self-Evaluation - Board members are encouraged to review and reflect on their individual performance within the boardroom on a regular basis. This includes taking the time to identify areas for improvement and actively seeking feedback from other board members or external advisors, where appropriate. The 360-Degree Appraisal Process and Board Member Appraisal Form can be utilised here.
- Development Opportunities - Board members are required to participate in board development programs or workshops to enhance their current knowledge and skills related to specific board functions, governance best practices and industry trends.
- Remain Updated with Current Requirements - Members should stay current with evolving industry trends and regulations, economic developments, and technological advancements that may impact the organisation's strategy.

1.5. Additional Considerations

- Understanding Meeting Dynamics - Board members should be familiar with board functionalities, including operating procedures, voting rights, and committee structures, to participate more effectively.
- Technology - Board portals are valuable tools that enable members to access materials, participate in polls, and collaborate on documents electronically, promoting efficiency and paperless meetings. If this is not currently available, considerations could be made for implementing it in the future.

2. Board Conduct: Attendance, Punctuality and Professional Behaviour

2.1. Commitment and Participation

Effective board governance relies on the active participation of all board members. This section outlines expectations and standards for attendance, punctuality, and professional behaviour at board meetings.

2.2. Attendance

- Regular Attendance - In order to appropriately fulfil individuals board responsibilities, regular attendance at scheduled meetings is crucial.
- Excused Absences - Board members are expected to attend all meetings unless there is a legitimate reason for absence. Examples of excused absences include documented illness, family emergencies, pre-approved professional obligations, or bereavement.
- Notification of Absence - In the case of an anticipated absence, members should notify the Chairperson or CEO as soon as possible, ideally in writing. This allows for adjustments to the agenda or meeting logistics if necessary.
- Consequences of Unexcused Absences - Unexcused absences may be addressed by the board and could impact committee assignments, board renewal decisions, or voting rights for specific actions discussed in the missed meeting. Any absences must be correctly notified.

2.3. Punctuality

- All members are to show respect for fellow board members at all times, and efficient use of meeting time necessitates punctuality.
- Board meetings will typically begin at the designated start time.
- All members are expected to be at the meeting on time and prepared to participate promptly at the start of the meeting. A late arrival can disrupt the flow of discussion.

2.4. Professional Behaviour

- Board meetings are an environment designed for respectful and constructive discussions to achieve the organisation's vision.
- Members are expected to conduct themselves in a professional manner that fosters a positive and productive environment. This includes:
  - Active listening to fellow board members and staff presentations.
  - Focusing on the agenda and avoiding disruptive side conversations.
  - Maintaining respectful and civil discourse during discussions.
  - Declaring any potential conflicts of interest before relevant topics are addressed and acting appropriately.
  - Upholding the confidentiality of sensitive information discussed during meetings.

2.5. Additional Considerations

- Board members are encouraged to review board materials in advance of the meeting taking place, allowing individuals to ensure they are fully prepared and informed for discussions.

- Members are encouraged to contact the Chairperson or CEO beforehand if they have questions or require clarification on agenda items.

REPORTING CONCERNS

1. Confidentiality of Board Reports and Consequences of Breach

1.1. Responsibilities of Board and Committee Members

The board of directors and committee members are entrusted with sensitive information that is critical to the organisation's success. This information is documented in board papers, which are required to be treated with the utmost confidentiality.

Board members must not share board papers outside those who are legally allowed to see them.

Board members are prohibited from disclosing any portion of board papers to anyone outside the following authorised groups:

- Other board members and relevant committee members
- Company officers and employees with a legitimate need to know (e.g., for implementing board decisions)
- Auditors, legal counsel, or other professional advisors engaged by the board.
- Shareholders as required by law or regulation (e.g., annual reports, proxy statements)

1.2. Consequences of Breaching Confidentiality

Sharing board papers with unauthorised individuals can have severe consequences for both the board and the individual member who committed the breach. These consequences may include:

- Legal Liability - The individual member could face legal action for breaching confidentiality agreements or fiduciary duties, potentially resulting in significant financial penalties and reputational damage.
- Regulatory Action - Regulatory bodies may investigate the breach and impose sanctions, such as fines or restrictions on the member's ability to serve on other boards.
- Loss of Competitive Advantage - Disclosing sensitive information to competitors could give them an unfair advantage in the marketplace.
- Damage to Reputation - A breach of confidentiality can erode trust in the board and damage the organisation's reputation with investors, partners, and customers.
- Disciplinary Action - The board may take disciplinary action against a member who breaches confidentiality, up to and including removal from the board.

1.3. Maintaining Confidentiality

To ensure the confidentiality of board papers, board members are expected to:

- Treat board papers with care - Avoid leaving them unattended, losing them, or disposing of them incorrectly.
- Use secure electronic storage - Store electronic copies of board papers on secure Company servers and utilise strong passwords.
- Limit access - Only share board papers with those who have a legitimate need to know and obtain a non-disclosure agreement (NDA) if necessary.

- Report breaches - Report any suspected breaches of confidentiality to the designated individual or committee.

ENFORCEMENT AND REVIEW

1. Consequences for Breaches of the Code of Conduct

The code of conduct outlines the expected behaviour of all board members. Maintaining a high ethical standard is essential for the board's credibility and the organisation's success. Breaches of the code will be taken seriously and may result in disciplinary action, up to and including removal from the board.

The specific consequences for a breach will depend on the severity of the offence, any past violations, and any mitigating factors. The below serves as a general outline of potential consequences:

- Verbal Warning - For minor offences, a verbal warning may be issued to the board member. This serves as a reminder of their obligations under the code.
- Written Warning - For more serious offences or repeated minor offences, a written warning will be documented and placed in the board member's file.
- Suspension - In cases of significant breaches, the board member may be suspended from attending board meetings and participating in other board activities for a defined period.
- Removal from the Board - For the most serious violations, such as fraud, conflicts of interest, or behaviour that damages the organisation's reputation, the board member may be removed from their position.

2. Additional Considerations for a Breach

- Legal Action - Depending on the nature of the breach, legal action may also be pursued against the board member.
- Reporting Requirements - Certain breaches of the code, particularly those involving financial impropriety, may require reporting to regulatory bodies.

3. Process for Addressing Breaches

- Any suspected breach of the code will be investigated by a designated committee or individual.
- The board member will have the opportunity to be heard and explain their actions.
- The committee or individual will then make a recommendation to the full board regarding the appropriate disciplinary action.

4. Maintaining a Positive Environment

- Open communication and a culture of accountability are encouraged within the board.
- Any questions or concerns about the code of conduct or a potential violation should be brought to the attention of the Chairperson of the board or another appropriate individual.
- By adhering to the code of conduct, board members can ensure a productive and ethical environment for governing the organisation.

REVIEW AND REVISION OF THE CODE

The code is an active document intended to reflect the best practices and evolving needs of Assured Food Standards.

Regular review and revision of the code are crucial to ensure its continued effectiveness and adaptability to the organisation's requirements, which may include external factors that may affect the organisation.

The process for reviewing and revising the code is:

- Scheduled Review – The code will be reviewed periodically, at least annually.
- Special Reviews - The board may initiate a special review in response to significant changes within the organisation, legal landscape, or best governance practices.
- Initiating Revisions - Board members, the Chairperson, or the directors can propose revisions to the code.
- Revision Process - Proposed revisions will be submitted to the board for discussion and approval. The revised code will then be communicated to all board members.

Additional Considerations:

- Benchmarking - The board may benchmark the code against similar codes used by other organisations in the same industry or sector.
- External Expertise - The board may seek external expertise, such as from legal counsel or governance professionals, to assist with the review and revision process.

Benefits of Regular Review and Revision:

- Ensures Relevance - Regularly reviewing the code ensures that current legal requirements, ethical standards, and best governance practices are maintained.
- Addresses New Issues - The process allows for addressing emerging issues or concerns not originally anticipated.
- Promotes Transparency - Regular reviewing of this policy demonstrates the board's commitment to transparency and accountability.

By maintaining a current and relevant code of conduct, the Board can encourage a strong ethical culture and guide its members in making sound decisions for the organisation's success.