

Sustainable Sourcing Policy

Korozo Group strives to create sustainable value with its stakeholders. The company builds fair, impartial, transparent relations with all suppliers and business partners and aims to build long-term partnerships with companies fulfilling supplier selection criteria.

The company monitors the compliance of its suppliers and business partners with environmental, social and ethical standards, considers the perspectives of both internal and external stakeholders, and extends its sustainability approach to suppliers and subcontractors.

This commitment fosters a responsible supply chain and encourages others to be more mindful of these issues. Korozo Group makes a supplier selection based on accessibility, proximity, product type and quality, price performance and the supplier's corporate structure.

This policy was prepared in accordance with all relevant national and international standards and legislation, including the UN Global Compact, the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. It outlines the fundamental rules for purchasing operations and the expected behaviours from suppliers.

This policy applies to all suppliers and business partners of Korozo Group. All employees are responsible for the implementation of this policy and the Sustainability Committee, especially senior management, is responsible for its execution and oversight.

The policy is reviewed annually and updated as and when necessary by the Sustainability Committee.

All Korozo employees and managers act in accordance with this policy and provide information, guidance and follow-up to suppliers and business partners to ensure their compliance with this policy. Korozo employees conduct training sessions for suppliers and business partners, carry out audits and provide feedback.

In accordance with this policy, Korozo Group expects the following from its suppliers and business partners:

Regulations & Compliance

- Act in accordance with national and international legislations, Korozo Group's rules, policies and procedures for all activities and services.
- Share all documents during audits indicating compliance transparently when needed.
- Suppliers and business partners must follow national and international best practices and cooperate with Korozo Group to achieve objectives.

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- While striving to enhance environmental and social performance through collaboration with suppliers, decisions should prioritise economic sustainability without sidelining profitability.

Ethics (Anti-bribery and Anti-corruption, Conflict of Interest)

- Suppliers and business partners should not offer nor accept unlawful payments, donations, bribes, gifts or other improper benefits for commercial transactions carried out with Korozo Group. All suppliers must guarantee that they are not involved in any action contrary to anti-bribery/anti-corruption laws and/or regulations in the regions where they operate and strive to eliminate all forms of corruption, money laundering and bribery.
- Avoid any personal relationships that could create a conflict of interest between suppliers and business partners.
- All Korozo Group employees and stakeholders are expected to adhere to ethical standards. In this context, all stakeholders are responsible for reporting any non-compliance to the Ethics Hotline.

Occupational Safety

- Suppliers and business partners are responsible for taking all necessary safety measures to ensure a safe and healthy working environment, minimising the risk of injuries and accidents. They must provide training and personal protective equipment to employees and report all accidents, near misses, and incidents that can help improve occupational safety.

Environmental Protection

- Ensure continuous improvement in climate change, water management, waste management, biodiversity and environmental performance to reduce environmental impact. Protect the natural ecosystem and prioritise sustainable practices for land use and water resources management.
- Take measures against industrial accidents and spills which may harm the environment and inform related public bodies and institutions in case of an incident.
- Minimise the use of hazardous chemicals, prioritise eco-friendly and non-hazardous safe materials. Comply with all relevant local, national, international regulations on the use of hazardous chemicals.
- Prioritise the use of renewable energy resources in all production processes and develop process optimisation practices to improve energy efficiency.

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- Prioritise the use of environmentally friendly products, recycle and use methods that reduce carbon footprint and minimise waste.
- Establish tracing mechanisms to monitor greenhouse gas emissions and waste. Set reduction targets and develop strategies to achieve these goals.
- Conduct training sessions to raise awareness about reducing the impact of climate change and conserving natural resources. Develop strategies to minimise impact on the environment.
- Engage with local communities to select the land for use with their participation. Respect the lifestyles and rights of local communities, keep them informed at every step while utilising the land.

Diversity, Equality & Inclusivity

- Suppliers and business partners should treat people fairly, without prejudice and equally in their operations regardless of race, colour, sex, sexual orientation, gender identity or expression, religion, language, age, social or ethnic background, political views, disability, without direct or indirect discrimination on the basis of birth or acquired status.

Child Labour & Forced Labour

- Suppliers and business partners should not use “child labour” in their operations, avoid corporal punishment, violence or oppression to employees, do not impose forced or compulsory labour, and combat slavery and human trafficking.

Wage & Work Conditions

- Distribute wage fairly among employees.
- Comply with standards set by ILO and legislations on matters such as working hours, wage, and working allowances.
- Do not resort to systems such debt bondage.
- Comply with information security standards and related regulations, designs and implements processes for the protection of personal data.

Freedom of Association

- Respect the rights of employees to unionise and collective bargaining.
- Receive employees’ suggestions and opinions, ensure their participation in decision-making processes and promotes the continuity of information exchange.

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Career Management, Employment

- Focus on building a workforce that upholds societal and ethical values.
- Develop processes that unlock the potential of employees, recognising each as a talent and support them through a continuous training and development philosophy.

Our sustainability targets are detailed in the table below.

Effective as of 05.06.2023

Adam BARNETT

CEO



Sustainability Goals Table

Topic	Subtopic	Target	Related Policy	Target Set	Deadline
People	Ethical practice, Prevention of Corruption, Bribery and Conflict of Interest	<ul style="list-style-type: none"> • Training 100% of our people on ethical behaviours upon onboarding • Training 100% of our people on anti-bribery and corruption 	Ethics Policy	2024	2025 and after
	Respect for Human Rights and Safety	<ul style="list-style-type: none"> • Zero Accidents • Zero cases of harassment and 100% investigation of reported cases 	Occupational Health and Safety Policy Human Rights Policy	2024	2030
	Confidentiality, Protecting Company Related Information, Protection of Personal Data	<ul style="list-style-type: none"> • Having 100% of employees complete/repeat information security trainings each year 	Information Security Policy	2024	2025 and after
	Diversity, Equity and Inclusion	<ul style="list-style-type: none"> • Providing Gender Equality trainings • Monitoring WEPs* performance indicators • Ensuring 5% female representation in the blue-collar workforce by 2030 	Human Rights Policy	2024	2025 and after
Planet	Renewable Energy Policies	<ul style="list-style-type: none"> • Using 100% renewable energy at all plants 	Environment and Deforestation Policy	2024	2032
	Emissions Reduction	<ul style="list-style-type: none"> • Reducing Scope 1 and 2 emissions by 50,4% vs 2022 • Reducing scope 3 emissions by 30% vs 2022 	Environment and Deforestation Policy	2024	2032
	Net Zero	<ul style="list-style-type: none"> • Reaching net zero target by 2053 • Ensuring stakeholder participation and capacity development on environmental issues particularly with suppliers 	Environment and Deforestation Policy	2024	2053 2025 and after
	Stakeholder Participation and Sustainable Supply Chain	<ul style="list-style-type: none"> • Sharing Supplier Code of Conduct with all suppliers and monitoring compliance as part of sustainable sourcing practices • Conducting supplier surveys with 30% of active suppliers • Providing sustainability training to 30% of active suppliers • Conducting at least 3 supplier audits each year (on site) 	Sustainable Sourcing Policy	2024	2025 and after
Packaging	Circular Economy and Sustainable Products	<ul style="list-style-type: none"> • Designing all our products to be recycle-ready and recycling by 2030 • Increasing use of recycled content <p>2030: Food grade items 10%, non-food products 35% 2040: Food grade items 25%, non-food products 65%</p>	Sustainability Policy	2024	2030

*WEPs - Women's Empowerment Principles

Adam BARNETT/CEO



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