



## SUSTAINABLE AND RESPONSIBLE SOURCING POLICY

Valid as of February 2024

### Preamble

At Novatek Animal Feeds, a division of Zambeef Products Plc, we take responsibility for actively managing the environmental and social impacts of our activities. Our supplier network makes an important contribution to the added value, quality and innovative strength of our company. Consequentially, our suppliers have a significant influence on the achievement of our sustainability goals and are at the same time strong partners to make a positive impact on the ecological and social aspects of our business activities. At Zambeef, we always aim to source ethically and responsibly. To ensure our standards, we require all direct business partners to comply with this Policy. In addition, our partners must comply with their self-defined commitments regarding their own supply chain as a result of their risk analysis.

This Sustainable Sourcing Policy (herein "Policy") details the Zambeef Code of Conduct sections regarding Human Rights, Environment and accompanies the Anti-Bribery and Corruption (ABC) Policy.

The Policy must be obeyed when sourcing decisions are taken. All Zambeef employees in sourcing and purchasing related functions, including directors, officers and managers, interns and temporary workers (herein jointly "Employees") are responsible for complying with the Policy, the Code of Conduct and any supplementing policies, instructions and guidelines. In particular, each Employee shall

- (i) read and be knowledgeable about the content of the Policy,
- (ii) follow the guidelines contained in the Policy when performing his/her task and duties;
- (iii) refer to the responsible person for any questions regarding the Policy;
- (iv) participate in sourcing trainings related to the Policy; and
- (v) report any misconduct or suspicion of that might lead to a non-compliance episode following Zambeef's whistleblowing procedure or by referring to the responsible person.

## **Basic principles:**

1. We strive to incorporate Sustainability in all direct sourcing processes.
2. We maintain ethical and social operations.
3. We optimize natural resources & circularity (eliminating of waste and maximizing the reuse of resources).
4. We mitigate conflict in land acquisitions.
5. We require supplier compliance with our Code of Business Conduct (CoBC) and relevant regulations throughout our direct supply chain.

We continuously improve our policies with our suppliers.

## **Applying The Principles**

- 1. We strive to incorporate Sustainability in all sourcing processes by aiming to:**
  - a. Assess all direct suppliers on environmental & social criteria.
  - b. Mitigate critical social & environmental risk.
  - c. Ensure that our suppliers of feed ingredients implement management systems which meet the requirements of the implemented standards and conduct a regular supplier food safety risk assessment where applicable.
  - d. Integrate a preference for suppliers who are meeting the Sustainability requirements of Zambeef.
- 2. To maintain ethical and social operations, we aim to:**
  - a. Achieve that all our suppliers have signed the CoBC or otherwise submit their own code, which meets our requirements.
  - b. Support all our direct suppliers to use reasonable efforts to promote our Policy amongst their suppliers.
  - c. Continuously provide training to all Employees on corruption, money laundering and bribery.
  - d. Verify the labour conditions of our direct suppliers' employees in areas identified as risky, by performing (external) on-site audits regularly or on an ad hoc basis if necessary.
- 3. We optimize natural resources & circularity by aiming to:**
  - a. Propagate within our supply chain on integrating environmental systems such as ISO 14001 certifications.
  - b. Limit the use of Hazardous Substances.
  - c. Introduce an annual training for our supply teams which explores the environmental challenges in all Zambeef Divisions.
  - d. Encourage direct suppliers to adopt a more circular approach within their own business models with the goal of reducing their resources usage.
  - e. Improve transparency for Recycled Content and increase our use of Recycled Content.
  - f. Increase the coverage of commodity materials sourced within the region of operation.
  - g. Reduce carbon emissions generations of our supply chain by encouraging our direct suppliers to monitor their carbon emissions and eventually become carbon neutral.
- 4. To mitigate conflict in land acquisitions, we aim to:**

- a. Keep alignment with the International Finance Corporation (IFC) Performance Standard (PS) 5: Land Acquisition and Involuntary Resettlement (2012).
- b. Ensure all applicable direct suppliers comply with provisions of IFC PS 5.

**5. To promote supplier compliance, we aim to:**

- a. Require that our suppliers comply with all applicable laws and regulations.
- b. Establish a grievance mechanism to speak up on human rights and environmental risks or violations and actively communicate about the use of this mechanism with our direct suppliers as well as their suppliers.
- c. Partner with suppliers that use responsible sourcing and certification schemes.
- d. Make sure that our direct suppliers comply with an internationally recognized set of labour standards based on ILO conventions, IFS PS 2: Labour and Working Conditions (2012), or equivalent. These include especially a strict prohibition of forced and child labour, a respectful and non-discriminatory treatment of all employees as well as the payment of fair wages.
- e. Monitor proactively the environmental and social compliance in our direct supply chain.
- f. Track and manage product-related compliance certificates and declarations from suppliers, suppliers' environmental certificates, signed CoBC, results from the audit conducted, and external ratings.
- g. Verify the compliance with our CoBC and the implementation into our agreements by conducting internal and external audits for selected suppliers.
- h. Address cases of non-compliance with appropriate steps/remedial actions, e.g., work together with the affected suppliers to find a mutual solution within an appropriate time frame.
- i. We reserve the right to end supplier relationships in the event of serious and/or repeated infringements of this Policy.

**Applicable to Agricultural and Marine Feed Ingredients**

We are committed to sourcing agricultural and marine feed ingredients that have been produced, processed, and traded in compliance with applicable legislation in the country of origin, as well as along the entire supply chain.

**Risk Assessment, Mitigation, Monitoring and Evaluation**

We will carry out risk assessment of all suppliers and supplies of feed ingredients to evaluate the risk that the material or products being sourced originate from an illegal source or have been illegally traded. In case risks are identified and cannot be classified as negligible we will carry out appropriate risk mitigating actions to avoid any potential risk. We will carry out applicable monitoring of internal systems and procedures. As necessary and applicable, access will also be made for external audits, to allow verification that the relevant systems are in place and implemented as required.

**Signed on behalf of Novatek Animal Feeds,**



Faith Mukutu  
Chief Executive Officer  
Zambeef Products PLC

## Supplier Acknowledgement

Signed by: \_\_\_\_\_

Position: \_\_\_\_\_

On behalf of (Organisation): \_\_\_\_\_

## **Glossary/ Definitions**

**Circularity:** The circular economy aims to detach economic success from linear resource consumption and to use resources carefully so that no valuable materials are lost. We understand circularity as generating maximum added value with a minimum use of virgin raw materials.

**CoBC:** The Zambef Code of Business Conduct is created for the purpose of ensuring that the company's suppliers put into place safe working conditions and their employees are treated with respect. Also, their production processes being responsible and environmentally friendly.

**Direct supplier:** A contractual partner whose supplies are necessary for the manufacture of Zambef's products or whose products are being sold by Zambef.

**Direct supply chain:** The direct supply chain includes our tier one suppliers.

**Employees:** (As defined in Preamble)

**Grievance Mechanism:** A grievance mechanism is a formal, legal or non-legal complaint process that can be used by individuals, workers, communities and/or civil society organizations that are being negatively affected by certain business activities and operations.

**Hazardous Substances:** A hazardous substance is a chemical element, molecule, or mixture thereof, that has one or more inherent hazardous properties. Hazardous properties include toxicity to humans, animals or plants, persistency and polluting properties.

**ILO conventions:** The International Labour Organization is the UN specialized agency which seeks the promotion of social justice and internally recognized human and labour rights. International Labour Standards are legal instruments drawn up by the ILO's constituents (governments, employers and workers) and setting out basic principles and rights at work.

**IFC Sustainability Framework:** The International Finance Corporation (IFC), a member of the World Bank Group, is the largest global development institution focused on the private sector in developing countries. The IFC Sustainability Framework, which includes the Performance Standards (PS), applies to all investment and advisory clients whose projects go through IFC's initial credit review process after 1<sup>st</sup> January, 2012. The Performance Standards provide guidance on how to identify sustainability risks and impacts and are designed to help avoid, mitigate, and manage them as a way of doing business in a more sustainable way.

**Policy:** (As defined in Preamble)

### **Recycled Content**

Recycled content is the % of a product's mass made of non-virgin material, with a correspondingly lower carbon dioxide equivalent and material footprint.

### **Sustainable Sourcing**

Sustainable Sourcing is the adoption and integration of our Sustainability principles into our sourcing process and decisions, while ensuring that they meet the needs of our business and its stakeholders.

### **Sustainable Sourcing Policy**

A principled approach to sustainable sourcing adopted or proposed by an organization or individual.

### **Sustainability**

Sustainability means meeting our own needs without compromising the ability of future generations to meet their own needs. In addition to natural resources, Sustainability also includes social and economic resources.