



GROUP SUSTAINABILITY POLICY

Organizational Profile

ETC Group (hereinafter referred as “ETG” or “Company” or “Group”) has developed into a global conglomerate with a presence in 48 countries. The group has a diverse portfolio of expertise across various industries, encompassing agricultural inputs, logistics, merchandising, food processing, energy, metals, and supply chain optimization.

Vision & Purpose

Vision:

ETG envisions a world where we transcend limitations, while positively impacting the lives of our partners.

Purpose:

We adapt and grow responsibly as a diversified enterprise, creating a sustainable future for all our stakeholders.

Scope of the Policy:

The Group Sustainability Policy is applicable to all Group entities, including its subsidiaries and JV entities across geographies. The policy outlines the Group’s commitment to the broad ESG areas through a segmented approach. The segments of ESG practices as applicable for ETG are identified as the key pillars of the Group Sustainability practices and relevant commitments are made. The policy endeavors to cover the major ESG interactions of the business and shall be reviewed from time to time to align with changes in strategy.

Responsibility of implementation:

Implementation of this policy will fall on the various Business CEO’s, supported by their operations team and the Group Sustainability team. The ETGMS framework (procedures, practices and formats) shall support the implementation of the policy objectives complemented by the necessary resources (manpower & infrastructure). The progress towards the Policy goals and objectives shall be reviewed by the Group Sustainability Committee and it shall provide the necessary guidance.

Pillars of Sustainability at ETG

Sustainability at ETG is a core business principle and is embedded in its business philosophy. The organization has identified the key elements of its Sustainability practice that are relevant & material to its business.

The key elements of Sustainability practice at ETG are called the Pillars of Sustainability @ ETG. These pillars provide the broad Sustainability domains around which the organization has developed its business and are relevant to its customers, regulators, employees and other stakeholders.

The pillars of Sustainability at ETG are:

- E&S Governance
- Environment
- Occupational Health & Safety
- Labor Practices
- Sustainable Sourcing

1. E&S Governance

The organization has established an E&S Governance framework to ensure that the established policies and practices are aligned to the Business best practices & International norms. The company ensures that all its procedures and practices are implemented in a transparent and objective manner. The organization has appointed qualified and experienced personal to ensure the implementation of its ESG framework.

2. Environment

The organization monitors its Environmental footprint and makes efforts to reduce its impact to the minimum possible levels. It has established a system of impact identification to ensure compliance with local regulations and International best practices. Environmental aspects identification ensures that the processes, systems and activities are structured in a way to reduce environmental impact of its facilities, products and operations. Our priority areas in managing the Environment includes GHG emissions, Water, Land, Agricultural raw materials, Manufacturing and distribution, and packaging specific to our business.

3. Occupational Health & Safety

ETG and its businesses recognize the importance of providing a safe and healthy work environment for its employees (including contract workers) and at the same time minimizing risks for the communities. We treat all our employees with respect and integrity. Employees undergo continuous health and safety training. At applicable sites, including our warehouses, processing plants, port operations and manufacturing sites, suitable PPEs are provided for optimal protection against occupational hazards. Accidents/Incidents are investigated, and corrective actions taken to prevent repetition of such accident/incidents. Suitable grievance redressal mechanism is provided for employees and communities.

4. Labor practices

ETG is firmly committed to abide and implement the international conventions (ILO Conventions) and Industry best practices related to employment of workers. It strives to provide a free and fair workplace to all its employees. We support social practices such as gender equality, women empowerment, no child labor and forced labor. We actively promote employment of women at all levels, non-discrimination and no harassment at workplace and creating an environment of equal opportunity for all. We also promote adoption of similar practices with our partners and suppliers who work closely with us.

5. Sustainable sourcing

ETG is involved in procurement & sale of Agri-commodities obtained from primary producers, it is vigilant on the existence of Env & Social risks in the supply chain of some commodities in certain geographies. ETG is committed to putting in place a strong mitigation mechanism against such risks and make efforts to source commodities that are free from labor malpractices and or not damaging to the environment. Establishing traceability of our traded commodities shall be a continuous endeavor of our food teams.

Alignment with International covenants

The Group adheres to international agreements on business conduct like:

- UN Convention on Business & Human rights
- ILO Codes of Practice on labor and employment
- IFC Performance Standards
- IFC Environment, Health and Safety Guidelines
- AfDB Occupational Safeguards

E&S Governance

The organization has put in place a comprehensive E&S governance framework to manage its ESG interactions.

We are committed to:

Transparency

The EHS activities of the Group shall be practiced and reported in a transparent manner. Stakeholders of the Group shall be provided with all the material information on the EHS performance of the Group and its operations in a transparent and objective manner.

Accountability

The Group shall take accountability of its actions and implement necessary safe-guard mechanisms to ensure mitigation of potential impacts.

Responsibility

The group shall define roles and responsibilities related to ESG activities across its businesses to ensure the implementation of the stated E&S objectives and targets.

Partnership with community

The organization shall endeavor to develop long term and trustful partnership with the neighboring communities where they operate. The organization encourages transparency and open communication about its operations with the communities and other business partners.

Anti-corruption

We have a zero-tolerance policy on bribery and corruption and are committed to acting professionally, fairly and with integrity at all times. We expect everyone involved in our business, whether they are employees or contractors to act in this way, regardless of where in the world they are working.

Compliance

The organization shall ensure all its businesses are in compliance to the local country regulations and meet the expectations of its customers and stakeholders.

Disclosure

We will disclose timely and accurate information related to our Sustainability performance, ESG risks and our response to such risks.

We will also provide accurate, verifiable and clear information that is sufficient to enable consumers to make informed decisions.

Environment

ETG is committed to reducing the environmental impact of its activities through sound management of its operations. It shall be our endeavor to protect the natural resources and biodiversity by mitigating environmental risks and monitoring impact of our activities.

We are committed to:

Environmental Aspects & Impacts Identification

The operating plants and facilities shall develop and maintain the Environmental Aspects & Impacts register for their facilities and take mitigative steps to prevent adverse environmental impacts due to their activities.

Assessment of Climate Risks

The organization shall conduct climate risk assessment through use of public information with respect to its assets and operations and periodically review the same. It shall take steps to mitigate the identified risks like energy efficiency and use of renewable energy. It shall also track and monitor its energy/fuel consumption across its operations and report on the GHG emissions using the internationally recognized protocols.

Preventing Soil Erosion and Sound water management

The organization shall communicate measures to control/minimize soil erosion through training and/or written content, preserve soil quality and minimize their impacts on soil, as far as possible. Organization shall promote good farming and agricultural practices including efficient irrigation technologies and sound water management.

Deforestation

Organization shall take all efforts to avoid de-forestation due to its activities and require its partners and suppliers to adhere to the same.

Renewable Energy & Energy Conservation

Organization shall promote the use of renewable energy and minimize the use of non-renewable energy sources in its operations. Energy efficiency shall be practiced across the organization to minimize energy/fuel consumption and GHG impact.

Reduction / Recycling

The organization shall have measures in place to reduce waste and effluents that occur during the processing activities. Reuse & Recycling of wastes shall be encouraged.

Resource Optimization

The organization shall promote judicious utilization of resources in all its operations to minimize waste generation and wasteful use of resources.

Occupational Health & Safety

It shall be the endeavor of the organization to provide a safe and healthy work environment to all its employees and workers. It shall also make efforts to prevent any harm to the communities residing close to the ETG operations.

We are committed to:

Safe Workplaces

The organization shall provide such workplaces which are safe for the nature of work being carried out. It shall make efforts to achieve the goal of “Zero Accidents/Incidents” at its workplaces. It shall promote involvement of employees in making the workplaces better through participation and sharing of responsibility.

OHS Risks

The organization shall carry out workplace risk assessments in its operations and adopt preventive and protective measures to ensure health and safety with respect to workplaces, machinery, equipment, chemicals and processes.

Training of Employees

The organization shall strive to provide regular training to its employees to make them aware of the OHS risks of their respective activities so that they become competent in managing and mitigating such risks.

Basic Needs

The organization shall ensure that the basic needs of the employees/sub-contractors, such as access to clean drinking water and sanitation facilities, are met while they are at work.

Personal Protective Equipment

The organization shall endeavor to provide appropriate personal protective equipment (PPE) to all employees/sub-contractors while at work. It shall spread awareness on the use and benefits of using PPEs at work and educate the employees on the same.

Community Safety

The operating facilities of the company shall make efforts to inform and involve the neighboring communities about the risks in their operations and take suitable mitigating actions to prevent damage or harm to them. They shall be involved in mock emergency drills where possible.

Grievance Mechanism

The organization shall provide for equitable and transparent employee & community grievance resolution mechanism. It shall complement the Whistle blower policy already implemented by the organization. The established grievance mechanisms shall enable remediation of the concerns raised by the employees/communities in an unbiased, fair and time bound manner. The organization shall take steps to inform the employees/communities about the presence of such grievance resolution mechanism and maintain records of the reported Grievances.

Labor practices

The organization shall respect good labor practices and labor laws in its own operations and shall promote the same in its supply chain.

We are committed to:

No Child Labor

The organization shall not allow any child labor in its operations.

No Forced Labor

The organization shall not allow any type of slavery, debt bondage, trafficking or other forms of forced labor.

No Discrimination

The organization shall ensure:

- The equality of opportunity and treatment with respect to employment and occupation
- No discrimination on the basis of race, color, religion, political opinion, nationality & social origin.

Gender Equality

The organization shall prevent, monitor and record gender discrimination, gender violence and harassment of any kind (either of sexual or non-sexual nature). The organization shall promote training on gender equality, especially on women's rights and gender discrimination.

Wage and Benefit

The organization will ensure that appropriate wages and benefits for employees, according to local, national laws and ILO conventions.

Working Hours and Overtime Work

The organization shall ensure that appropriate working hours and overtime work of employees according to local, national laws and ILO conventions.

Disciplinary Practices

The organization shall treat all personnel with dignity and respect. The organization does not engage in mental or physical coercion, or verbal abuse of personnel. No harsh or inhumane treatment is allowed.

Migrant Workers

We shall respect and promote the rights of migrant workers and take measures to ensure migrant workers across the value chain are treated fairly, with dignity and in accordance with the standards that apply to ETG workers.

Sexual harassment

ETG will operate a zero-tolerance policy for any form of sexual harassment in the workplace, treat all incidents seriously and promptly investigate all allegations of sexual harassment. Any person found to have sexually harassed another will face disciplinary action, up to and including dismissal from employment.

Sustainable sourcing

ETC Group is a diversified business conglomerate with a presence in over 45 countries. The group has presence and expertise across various industries, encompassing agricultural inputs, logistics, merchandising, food processing, energy, metals, and supply chain optimization.

The organization is committed towards identifying & mitigating the existing E&S risks in its Agri supply chains to achieve the larger goal of Sustainable Supply chains. The supply chain risk identification, evaluation & mitigation shall include the risks indicated in IFC PS2 (child labor, forced labor), IFC PS4 (impacts on safety and security of communities), IFC PS5 (Land rights) and IFC PS6 (conversion of natural habitats leading to loss of biodiversity).

Following steps shall be followed to work towards the goal of sustainable supply chains:

- E&S risk assessment – ETG shall carry out a supply chain risk assessment using standard databases such as IFC GMAP, Water Risk Filter and Global Forest Watch as reference to identify countries/regions of high E&S risks in commodity supply chains. Such risk assessments shall form the basis of further detailed country level risk assessments to identify root causes and develop mitigation mechanisms. For new geographical regions, similar assessments shall be carried out prior to sourcing.
- Develop internal capacity (manpower & skills) within the organization and provide adequate resources to identify the Supply chain risks and impacts.
- Conduct training and awareness programs for the benefit of sourcing teams in the organization on the E&S risks in the relevant commodity value chains.
- Increase awareness raising and E&S involvement of commodity suppliers by introducing a Supplier Code of Conduct and inspecting suppliers on respecting these standards through individual interviews.
- ETG requires exporters to sign ETG's Supplier Code of Conduct (ETG/COD/OCP03) to declare that no child labour abuse, (gender) discrimination, forced labour and/or sexual harassment takes place in the suppliers' facilities and suppliers are subject to assessment inspection questionnaire (ETGMS-CL18).
- ETG's Dedicated Sustainable Supply Chains follow industry-recognized sustainability standards either Rainforest Alliance (RA), ARS, 4C, Organic US/EU, CMiA (Cotton Made in Africa), Fairtrade International and/or the Beyond Beans Standard and verified annually by a third- party auditor.
- Implement mitigation measures in collaboration with the various actors in the Supply chain including the primary producers, ETG's own foundation- Beyond Beans, EFF, local NGO's and other potential partners who are working on critical issues with a focus on high-risk countries and commodities such as cocoa, coffee, cashew and cotton.
- Monitor and report on the identification and mitigation of E&S risks related to labor (child & forced labor), safety and security of the communities, land rights, and conversion of natural habitat by using the Child Labor Monitoring Tool (CLMT) and Environmental & Social surveys and the outcomes reported to the senior management through ETG annual sustainability report.