

Sustainable Sourcing Policy

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 to the senior management on regular basis through an available mechanism

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