

SUSTAINABILTY AND CSR POLICY

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1 Introduction

1.1 Purpose and commitment

Sustainability at ETG is a core business principle and is embedded in its business philosophy. The group has implemented a framework consisting of 3 pillars, namely Nature, People and Business Positive, to reach net positivity.

This Group Sustainability Policy guides how we integrate sustainability into our operations, decisions and targets.

1.2 Scope of the Policy

The policy is applicable to all Group entities, including their subsidiaries and JV entities across geographies. We encourage our suppliers and business partners to align with the values and principles outlined in this policy and to adopt, over time, own policies that are comparable.

1.3 Responsibility of Implementation

The Vertical CEOs are responsible for implementing the requirements of this policy in day-to-day business, supported by the Group Sustainability Team.

2 Company Context: ETG's Vision, Purpose and Values

ETG's sustainability framework and agenda reflect our company vision, purpose and values.

Our vision

ETG envisions a world where we transcend limitations; while creating a meaningful impact for our partners.

Our purpose

Entrepreneurial spirit is alive in ETG! We adapt and grow responsibly as a diversified enterprise, creating a sustainable impact for all our stakeholders

Our values

Respect: We respect everyone and treat them with empathy, kindness, and dignity – irrespective of gender, race, or religion.

Pursuit of Excellence: We are resolute in our pursuit of excellence in every endeavour by being agile, championing change, and carry an unwavering commitment to creating a long-enduring and positive impact within our industries and societies.

Leadership: The nature of our business presents several opportunities for individuals to take up the mantle of leadership – this encompasses accountability, a can-do orientation, and an unwavering commitment towards a common goal.

Meritocracy: We collaborate and leverage the strengths of our business verticals and functions to create an environment where employees have the opportunity to excel. We are neutral and unbiased while making decisions, always looking at the benefits to the organization, its employees and society.

Integrity: We hold integrity as the cornerstone of our value system. It embodies the virtues of working with honour and honesty in everything that we do – dealing with fairness in all our relationships with our customers, coworkers, and stakeholders.

3 Governance

ETG's sustainability efforts implemented and overseen by various bodies:

3.1 Board of Directors

ETG Group's Board of Directors (Board) is the ultimate body overseeing the company's sustainability strategy and progress. The Group Chief Sustainability Officer (CSO) reports to the Board during its meetings on key strategic agendas like EHS and decarbonisation. The Board also approves key sustainability-related policies and initiatives.

3.2 Sustainability Steering Committee

The Sustainability Steering Committee consists of the Group CEO, vertical CEOs, functional heads of finance, treasury and human resources, and the Group Sustainability Leadership Team. The committee meets monthly and advises on the overall sustainability strategy, progress on operation sustainability targets and resourcing. Decision making lies with the Group CEO and the Chief People Officer.

3.3 Group Sustainability Team

The Group Sustainability Team is led by the CSO and looks after (1) sustainable business transformation and partnerships, (2) EHS, (3) ESG compliance and (4) sustainability-related policies. The Group Sustainability Team develops and implements ETG's overall sustainability strategy and agenda and supports the business verticals (operational units) with technical support, on business transformation and partnerships and EHS and monitors compliance with regulatory, shareholder, lender and customer sustainability requirements.

3.4 Vertical Sustainability Teams and Task Forces

ETG's operational business units ('verticals') run their own sustainability programmes, in line with regulator and market requirements. Some verticals have dedicated sustainability leads and teams that implement vertical-specific initiatives and programmes. They are supported by the Group Sustainability Team, which also facilitates sustainability-related Task Forces which coordinate efforts between verticals, harness synergies and foster cross-company learning. Task Forces may be of a permanent or transient nature, depending on their objectives and meet on a needs-basis, usually between once every month and once every six months.

3.5 Environmental and Social Management System (ESMS)

We have developed an Environmental and Social Management System (ESMS) that provides the necessary structures to manage the aspects governed by this policy. *Reference: ETG ESMS Manual.*

4 Sustainability Framework

We have adopted a sustainability framework to guide our actions and strategy, consisting of three principles – nature positive, people positive and business positive, see **Error! Reference source not found..** Each of these principles is broken down into four criteria covering the scope of ETG’s activities, initiatives and goals related to sustainability.

4.1 Nature Positive

ETG is committed to working in ways that are mindful of our impacts on nature, preserve our earth’s ecosystems and restore them to a better state where possible.

Protecting the Environment

ETG’s business includes a network of factories, warehouses, depots and offices around the world, as well as logistics and trade operations. We are committed to ensuring that the environmental impacts of our operations and supply chains are avoided or mitigated.

Acting on Climate Change

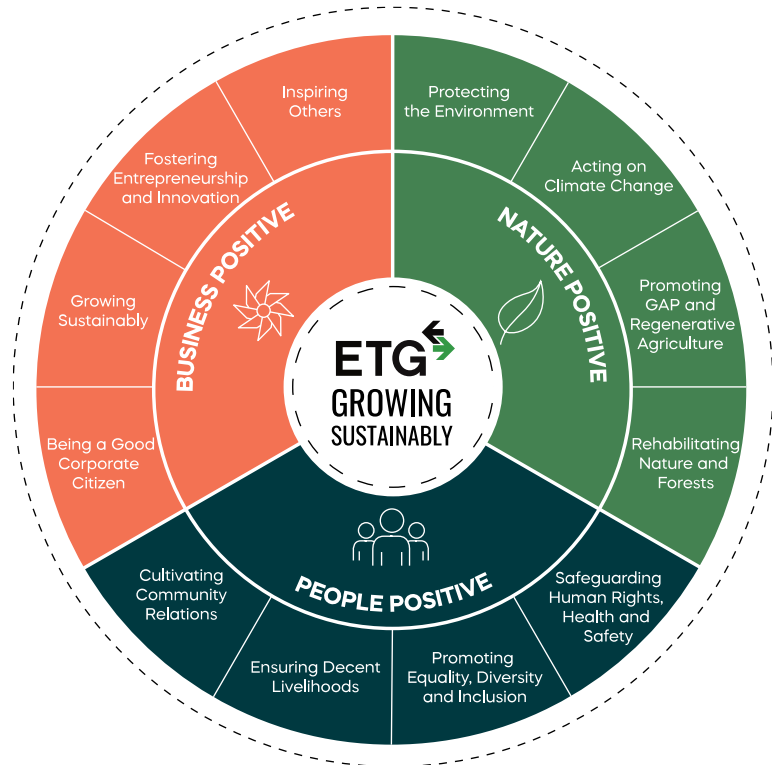
ETG aims to operate within the below 1.5°C global warming target. We are also looking at how to adapt our business to the changing climate and how to strengthen the resilience of our supply chains and have embedded this in our Scope 1 and 2 reduction trajectory.

Promoting Good Agricultural Practices and Regenerative Agriculture

Agricultural commodities and inputs are a cornerstone of ETG’s business, through which we interact with millions of smallholder farmers worldwide. ETG is committed to supporting them in professionalizing their farming to achieve reliable and decent incomes, work safely, maintain and increase soil fertility, conserve water and biodiversity, and make a contribution to climate change mitigation and adaptation.

Rehabilitating Nature and Forests

ETG’s business is highly intertwined with nature, both depending on it and influencing it. We are committed to contributing to the global nature positive goal, with no net losses now and making a net positive contribution. Our reforestation efforts are a step in this direction and go beyond supply chain boundaries.



4.2 People Positive

Through our business, we directly and indirectly interact with hundreds of thousands of people daily: our employees, farmers, suppliers and contractors; the communities in which we operate; our customers; and our shareholders and investors. Our ambition is to have a positive impact on all people whose lives we touch.

Safeguarding Human Rights, Health and Safety

ETG respects the dignity and rights of all humans and is committed to safeguarding human rights at work and the health and safety of every individual in its supply chains.

Promoting Equality, Diversity and Inclusion

ETG is a global company working across continents, countries and cultures. We are committed to treating every individual in our supply chains with equal respect, reward based on merit and creating a diverse and inclusive workspace for our people, free from discrimination, intimidation or harassment. In our supply chain programs, we are committed to increasing access for women community members.

Ensuring Decent Livelihoods

ETG provides income to tens of thousands of people, including farmers and workers. ETG is working towards paying for their goods and services at a level that is in line with a decent living income.

Cultivating Community Relations

ETG is committed to building and maintaining good relationships with the communities it operates in and to contributing to community development where possible. In our farmer communities we have launched gender-tailored interventions such as women savings groups to boost women's financial decision making, directly benefiting households' nutrition and education.

4.3 Business Positive

As a global company, we believe that our entrepreneurial spirit and conducting our business with integrity will contribute to our own success and can also inspire others. Business how we envisage it is lean, agile and efficient while contributing to a more connected, interdependent and value-driven culture.

Being a Good Corporate Citizen

ETG is committed to fulfilling its commercial, fiscal, legal, social and environmental obligations, acting transparently in the spirit of fair competition, and making philanthropic contributions.

Growing Sustainably

ETG's business is growing, and we recognize the imperative to do so within the planetary boundaries and respecting the dignity and rights of all people we interact with. Where we are involved in sectors that are not yet fully aligned with this imperative, we will endeavour to develop sustainability transition strategies.

Fostering Entrepreneurship and Innovation

Entrepreneurship and innovation are the centrepiece of ETG's purpose and vision. We are committed to adapting and growing responsibly as a diversified enterprise, creating a sustainable impact for all our stakeholders.

Inspiring Others

ETG is a leader in many of the sectors it is involved in. We embrace our responsibility to be an example and to motivate our suppliers, business partners and peers to work in sustainable ways.

5 Areas of Focus

5.1 Human Rights

ETG recognises and respects the basic human rights at work, as codified in the IFC Performance Standards, the ILO Declaration on Fundamental Principles and Rights at Work, the associated ILO conventions. Specifically, our commitments entail:

Employment is Freely Chosen

We are committed to ending all forms of forced, bonded or compulsory labour or employ trafficked persons. Aligning with ILO Conventions 29 and 105 and IFC Performance Standard 2, Paragraph 20 we commit to ensure that all employment relationships are based on free and informed consent, and workers retain the right to terminate their employment freely. We do not require that workers surrender identification documents or pay recruitment fees.

No Child Labor

ETG is committed to the eradication of child labour. Aligning with ILO Conventions 138 and 182 and IFC Performance Standard 2, Paragraph 21, we adhere to the minimum age for employment and take measures to ensure anyone who we employ is at legal working age. Where it is legal to employ persons under 18, we do so in compliance with legal and international standards, in particular only for work that by its nature does not harm the health, safety or morals of the children, does not interfere with their schooling, and is restricted to the hours permitted for their age. We do not employ persons under 18 for work at night or hazardous work. *Reference: ETG Child Labour Prevention Policy.*

If child labour is identified within our operations or supply chain, we take immediate and responsible action to remediate the situation in the best interests of the child and in line with international standards. *Reference: ETG Child Labour Remediation Procedure.*

Safe and Healthy Working Conditions

We are committed to providing a safe, healthy and hygienic working environment and access to clean toilet facilities and to potable water. In line with ILO Conventions 155 and 184 and IFC Performance Standard 2, Paragraph 24 we follow applicable health and safety regulations, take appropriate steps to identify and mitigate occupational health and safety risks and foster a culture of continuous improvement in workplace safety. Where we provide accommodation, cooking and food storage facilities, we ensure that these are clean, safe and meet the user's basic needs.

Fair Wages and Working Conditions

We are committed to ending exploitative work. Aligning with ILO Conventions 95 and 131 and IFC Performance Standard 2, Paragraph 22, we strive to ensure that all workers receive fair wages, benefits and working conditions in compliance with national laws, international standards and industry norms. We pay wages in legal tender, on

time and provide all employees with understandable information about their employment terms and conditions. Deductions from wages are permitted only where prescribed by law or collective agreement.

Equality and Non-Discrimination

ETG is committed to creating a work environment free of discrimination, harassment, intimidation and exploitation. Aligning with ILO Conventions 100 and 111 and IFC Performance Standard 2, Paragraphs 15-17, we provide equal opportunities and ensure fair treatment in all aspects of employment, irrespective of personal characteristics such as gender, race, religion, nationality, provenance, disability, or any other status. We hire, compensate, grant benefits, promote and provide access to training solely on the basis of merit. We explicitly include vulnerable groups under these principles, such as migrant workers. *References: ETG Diversity, Equity and Inclusion Policy and ETG Undesirable Conduct Policy.*

Freedom of Association and Collective Bargaining

We recognise the freedom of association. In line with ILO Conventions 87 and 98 and IFC Performance Standard 2, Paragraphs 10-12, employees may freely associate, form, and join trade unions, as well as engage in collective bargaining. We create a work environment free from interference, intimidation, discrimination or retaliation in the exercise of these rights.

Grievance Mechanisms

We are committed to listening to and acting on complaints we receive from workers and other stakeholders. In line with IFC Performance Standard 1, Paragraphs 35 and 36 and IFC Performance Standard 2, Paragraphs 13 and 23, we maintain accessible, transparent grievance mechanisms for people to safely raise concerns about the workplace or how we operate. We ensure timely and fair resolution of all grievances, promote a culture of trust and accountability and protect complainants against retaliation and discrimination. *Reference: ETG Employee Grievance Redressal Policy, ETG Whistleblower Policy and ETG Community Grievance Procedure.*

Working Hours and Overtime

We recognise the importance of rest times for workers. In line with ILO Conventions 1, 14, 30 and 106 and IFC Performance Standard 2, Paragraph 22, we are committed to following international standards, national law and collective agreements with regards to working hours. As an international standard, working hours should not exceed 48 hours per week and workers should be entitled to one full day's rest every week. Where local standards allow longer working hours than these, we evaluate the feasibility of bringing working hours in line with the international standard. All overtime is voluntary, compensated and should not lead to working hours exceeding 60 hours per week.

Rights of Indigenous Peoples

We respect the rights, cultures and traditions of Indigenous Peoples in our operations. In line with ILO Convention 169, IFC Performance Standard 7, Paragraphs 1 – 16, we recognize their right to self-determination, land and natural resources and ensure meaningful consultation and Free, Prior, and Informed Consent (FPIC) in projects that impact them. Indigenous Peoples receive fair compensation for any loss of land, resources or livelihoods due to project activities, and participate in, and gain from, projects that affect them through equitable benefit-sharing. *Reference: ETG Procedure 32, Land Acquisition.*

ETG is committed to upholding these standards and basic rights in its own business and works with its business partners to promote them throughout its supply chains.

5.2 Decarbonisation

We endeavour to reduce our carbon emissions in line with the general contraction targets of the SBTi to limit global warming to 1.5 degrees above the pre-industrial average.

We initially focus on the emissions in our direct control (scopes 1 and 2) but recognise that goods we trade and services we contract (scope 3) have significant impacts which we intend to address within our means.

A large part of ETG's operations happen in geographies where low-carbon technologies are not yet available at scale, for technological, commercial or sustainability reasons. ETG is testing new solutions to that enable industrial decarbonisation in these geographies.

5.3 Sustainable Sourcing

We are committed to identifying and mitigating the environmental and social risks in our supply chains, including the risks governed by IFC Performance Standard 2 (child labour, forced labour), IFC Performance Standard 4 (impacts on safety and security of communities), IFC Performance Standard 5 (land rights) and IFC Performance Standard 6 (conversion of natural habitats leading to loss of biodiversity).

We recognise the limitations of our influence and ability to manage risks in all our diverse supply chains and follow a risk-based approach to ensure we focus our efforts on high-risk supply chains. Specifically, we:

- *Assess environmental and social supply chain risks* using standard databases such as IFC GMAP, Water Risk Filter and Global Forest Watch to identify country/commodity combinations with high risks. Where possible, we use analyses with higher resolution to focus on specific areas of concern.
- *Verify risks in our supply chains* by ground-truthing or using other means of verification whether the identified risks are present in our specific sources of supply.
- *Manage environmental and social supply chain risks* by avoiding sourcing from identified high-risk areas or suppliers; or by reducing risks through suitable measures, such as training and awareness to our employee
- *Monitor* the success of our risk management interventions.

We have developed dedicated sustainable sourcing guideline for certain supply chains. *References: Sustainable Sourcing Guidelines for Cocoa, Sustainable Sourcing Guidelines for Coffee and Sustainable Sourcing Guidelines for Cotton.*

In addition, we require our formal business partners to recognise and commit to ETG's Supplier Code of Conduct, which extends our sustainability standards to our suppliers. *Reference: ETG Supplier Code of Conduct.*

5.4 Protecting Biodiversity

We recognize the role biodiversity plays in sustaining ecosystems, communities and long-term business resilience. In alignment with IFC Performance Standard 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), we are committed to minimizing our impact on natural habitats, protecting critical biodiversity and promoting sustainable resource management across our operations and supply chains. We commit to:

1. *Avoiding and minimising* biodiversity loss in our operational and sourcing activities. Where impacts are unavoidable, we implement measures to minimize and mitigate harm.
2. *Protecting critical habitats:* We do not engage in activities that threaten legally protected areas, identified High Conservation Value (HCV) and High Carbon Stocks (HCS) habitats or critical ecosystems. In particular,

we signed a zero-deforestation commitment for high-risk supply chains of cocoa, coffee, soya, cashew and cotton in Africa and Southeast Asia. The commitment also includes preventing the destruction or degradation of peatlands, although these are not common in the jurisdictions where we operate. To increase smallholder farmers' resilience to climate change, ETG is recovering tree cover loss on existing farmlands by supporting agroforestry practices.

3. *No Net Loss and Net Positive Impact*: In natural and modified habitats, we aim for no net loss of biodiversity, and where feasible, we strive for a net positive impact through restoration and conservation efforts.
4. *Working with partners and stakeholders* to ensure that natural resources, including forests and fisheries, are managed sustainably and responsibly and to coordinate efforts in biodiversity protection.

We recognise the limitations of our influence and ability to implement these standards in some supply chains and regularly assess high-level biodiversity risks across the business to ensure we focus our efforts on high risk supply chains.

6 Compliance and Standards

ETG is committed to complying with all relevant laws and regulations. In relation to sustainability, Many of our operating sites and supply chains also comply with voluntary sustainability standards, such as Rainforest Alliance, Cotton made in Africa, ISCC Plus, organic standards, BRC and GMP+.

We further recognise international standards and conventions on sustainable business conduct:

- ILO Declaration on Fundamental Principles and Rights at Work and ILO core conventions
- The IFC Performance Standards and related guidance
- The World Bank Environmental, Health, and Safety (EHS) Guidelines
- African Development Bank Group's Integrated Safeguards System
- The United Nations Sustainable Development Goals.

7 Monitoring and Reporting

ETG believes in accountability and transparent communication about our sustainability efforts and outcomes. We report these to internal and external audiences through various channels:

Internal

- The Group CEO and Chief Sustainability Officer inform ETG's board of directors on progress against our sustainability targets as a standard agenda item during every board meeting.
- We run a system of risk-based site audits and inspections, conducted by both internal and external auditors, ensuring that all operational sites are covered at least once during each audit cycle.
- We operate a software system to systematically record, track and close out any non-conformities and incidents. Reports from the system are visible to business leaders.

External

- Our annual sustainability report gives an overview of our activities, initiatives and sustainability progress. It is publicly available via our website.

- Reporting to lenders: ETG obtains finance that is linked to sustainability requirements from development finance institutions and commercial banks. We report to lenders on a regular basis, as stipulated by the respective agreements, including independent verification where required.
- For certain supply chains and operational sites, we obtain certification against voluntary sustainability and food safety standards. These are audited by independent assurance bodies.