



Responsible Sourcing Policy

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A. General Guide

Our responsible sourcing policy is embedded in the Ten Principles of the United Nations Global Compact. We operate our business in ways such that we can always, at minimum, meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption. Thus, we take into consideration the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption, in our commitment towards protecting people and the planet.

B. Strategy towards Responsible Sourcing

Supplier Identification & Assessment

A&D seeks to promote a culture of responsible sourcing, and as such we work with suppliers who have measures in place to ensure sustainability in their supply chain and are willing to comply with our supply code of conduct. For new suppliers, we engage them in initial dialogues to gain more knowledge on their sustainability practices and compliance. The product being supplied is a determinant in how we assess our suppliers. For suppliers of conventional products, the minimum socio-environmental requirement as stated in our supplier code of conduct and/or code of ethics which we make available to the supplier is the benchmark. For our certified suppliers, we take into consideration, in addition to our minimum requirements, the requirements of the certification standard, and only work with suppliers who have successfully completed their annual audits.

Cooperation & Continuous Improvement

Periodically, we liaise with suppliers to learn more on their sourcing practices and to understand better the challenges they face so we can work towards improving the status quo. The services of recognized independent audit organizations or certification standards are relied on to help us check some suppliers' compliance and conformity with defined standards in the industry. Our certified suppliers are expected to build on the momentum of their audits to improve their sourcing practices and take immediate corrective actions when non-conformities are identified. When necessary, we initiate a joint development project with selected suppliers to ensure an improved level of responsible sourcing.

C. Key Focus Areas

The nature of our business is one that needs good collaboration and commitment in ensuring the wellbeing of our workers and suppliers. We have thus incorporated international recognised social

principles into our supply chain management practices. Social issues such as diversity at workplace, non-discrimination, working hours, employee health & safety, community development, fairness, and human rights, which have direct and indirect impact in our quest to create value are of utmost concern to us and are well prioritised. A salient human right issue within our supply chain is child labour. We 100% oppose it and we work to ensure that children are not involved any hazardous activity, as well as non-hazardous activities done at the expense their education, and personal development. In the unlikely event where child labour cases are identified in our supply chain, appropriate measures will be taken with other stakeholders to remediate it. Within A&D's limits, we shall ensure that our suppliers comply with our approach towards preventing child labour especially in origins where recognized independent risk assessments have proven evidence of child labour.

We also recognize that farming commodities like cocoa has an impact on forests, but we believe the negative environmental impacts in our supply chain will be limited if we consistently commit to environmentally friendly practices and source responsibly. Key amongst our environmental focus is the issue of deforestation, emission reduction, soil, and water management. To this effect, we put measures in place to ensure that our suppliers desist from sourcing practices that causes harm to forests and the environment in general.

Our commitments towards these socio-environmental material issues have been elaborated further in our supplier code of conduct made available to all our suppliers. A&D's supplier code of conduct is available at <https://www.albrecht-dill.de/ethics>.

D. Food Fraud

At Albrecht & Dill Trading GmbH, we are committed to upholding the highest standards of integrity and quality in all aspects of our cocoa trading operations. We recognize the global concerns surrounding food fraud, including in the cocoa industry, and we are dedicated to ensuring that our products meet or exceed all relevant regulatory and industry standards.

We source our cocoa beans from reputable and trusted suppliers, working closely with them to establish transparent and traceable supply chains. Our cocoa beans undergo quality testing to meet or exceed our customers' quality standards. In addition, we regularly perform checks on our warehouse keepers to further ensure quality.

We actively seek certifications and third-party audits to verify the authenticity and quality of our cocoa products. These certifications include Fairtrade, Organic, and Rainforest Alliance, among others. Further, we encourage our employees, suppliers, and customers to report any concerns or suspicions related to food fraud within our supply chain through our confidential grievance mechanism. Reports

will be thoroughly investigated, and appropriate actions will be taken.

Since we are dedicated to continuous improvement in our efforts to combat food fraud, we regularly review and update our procedures and policies to stay aligned with industry best practices and evolving regulations. Maintaining the trust of our customers and partners in the cocoa industry is very important to us and we are committed to preventing food fraud and ensuring the integrity of the cocoa products we trade by adhering to these principles and continuously improving our practices.

E. Implementation

Scope & Responsibilities: This policy represents A&D's commitments towards creating a sustainable cocoa supply chain and delivering sustainable outcomes through our procurement activities. Suppliers and subcontractors must make conscious efforts to comply with this policy and our other associated codes, policies, and standards. The company's sustainability department shall be responsible for ensuring that suppliers and other subcontractors are adhering to the principles and standards in this policy. They shall monitor its progress, periodically review it, assess suppliers' compliance, and modify the policy should the need be.

Monitoring, Compliance & Reporting: A&D's team shall monitor suppliers' compliance to the policy and periodically verify the alignment of their actions vis-a-vis the policy. The team could in some cases embark on field visits to selected suppliers to have an improved knowledge of compliance. In the same vein, we encourage our suppliers to also monitor their sub-suppliers and contractors if any and report to A&D to ensure compliance with this policy. Generally, we expect all our suppliers to comply with national laws in the country of operation. All other relevant international laws and regulations shall likewise be respected.

Continuous Improvement: A&D shall work towards always improving the status-quo in terms of our sustainable sourcing efforts to serve as a boost to our suppliers and procurement operations in general. Suppliers must also commit to improving their performance in this policy on a regular basis. As a support, A&D will strive to initiate dedicated projects with selected suppliers and continuously work towards increasing the quantity of products coming from certified suppliers who have gone through third party audits.

Communication: A&D will remain available to exchange information meant to improve our sustainable sourcing with our suppliers. We thus encourage our suppliers to exchange information and have frequent communication with their sub-suppliers to help gain access to relevant data that will help improve our procurement process. We shall communicate this policy to all persons conducting business on our behalf including employees, suppliers, clients, and business partners. We therefore

encourage these stakeholders to act in a manner consistent with this policy and uphold the principles set in it.