



# SUSTAINABLE SOURCING POLICY

Public version – 23.10.2024

## Preamble

Lotus Bakeries is committed to operating in an environmentally and socially responsible manner throughout its entire supply chain. This policy is part of Lotus Bakeries sustainability program 'Care for today, respect for tomorrow' and applies to our global operations. It underlines our commitment to the UN Global Compact and our contribution to the Sustainable Development Goals (SDG's).

## Policy objectives

Lotus Bakeries is committed to help build greater resilience in supply chains by preserving the environment while ensuring welfare for all along its value chain and by setting high ethical business standards.

## Principles

Lotus Bakeries is dedicated

- To ensure full compliance with all applicable local, national, and international regulations.
- To endorse the highest standards of social and ethical business practices in our supply chain including but not limited to respecting human rights, as outlined in [Lotus Bakeries Human Rights policy](#).
- To enforce animal welfare standards in the supply chain where relevant with the sourcing of raw materials.
- To minimise the environmental impact of the raw materials sourced, including reducing our carbon footprint and aiming for no deforestation as outlined in [Lotus Bakeries Environmental policy](#) and [Lotus Bakeries Sustainable Packaging policy](#).
- To gather supply chain transparency and traceability information.

## Guidelines

Our approach towards suppliers helps to build the foundation of sustainable sourcing.

- In accordance with Lotus Bakeries own Code of Conduct and policies, Lotus Bakeries expects of its suppliers to aspire to the same standards in their business operations which can be found in [Lotus Bakeries Supplier Business Principles](#).
- Lotus Bakeries due diligence process works towards compliance on Human Rights and on environmental regulations which also requires suppliers to cascade down to the next tiers of the supply chain.
- Lotus Bakeries will engage with suppliers to gain visibility in the supply chain to increase the traceability of the origins of its raw materials and to gain further understanding how they are produced.
- Lotus Bakeries aims to continuously update its supplier risk management approach to ensure the assessment of risks and impacts of critical supplier groups. In case risks would be identified, Lotus Bakeries plans to take adequate and proportionate measures to mitigate the risk, with the option to conduct audits on supplier practices to ensure adoption of our Sustainable Sourcing Policy.
- Lotus Bakeries provides formal channels to raise concerns as outlined in its [Whistleblowing policy](#).

## Reporting and review

- We will regularly review and update this policy to reflect the evolving challenges or new and upcoming legislation.
- We will monitor and report on our sustainable sourcing performance regularly.
- We will communicate our sustainable sourcing commitment to all employees, suppliers, customers and to the public.
- We will provide training to relevant employees on our sustainable sourcing policies and guidelines.

## Overall Commitment

We are committed to continuous improvement in our sustainable sourcing and intend to playing a leading role in promoting a sustainable food system.