

# Sustainable Procurement Policy

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## 1. Purpose

At Gadot Group, we recognize that our procurement practices have a significant impact on the environment, society, and the economy. This Sustainable Procurement Policy reflects our commitment to sourcing goods and services responsibly, minimizing environmental impact, and promoting ethical practices across our supply chain.

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## 2. Scope

This policy applies to all procurement activities undertaken by Gadot Group, including:

- Direct and indirect materials.
- Services provided by external vendors.
- Partnerships and supply chain activities.

It applies to all employees, contractors, and suppliers engaged with Gadot Group.

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## 3. Key Principles

### 3.1 Environmental Responsibility

We prioritize products and services that have a reduced environmental footprint, considering:

- Use of renewable or recycled materials.
- Energy efficiency in production and transportation.
- Minimal waste and pollution.

### 3.2 Social Responsibility

We are committed to:

- Upholding human rights in the supply chain by sourcing from suppliers that adhere to fair labor practices.
- Avoiding forced or child labor.
- Supporting diversity, equity, and inclusion in procurement decisions.

### 3.3 Ethical Business Practices

We require all suppliers to:

- Comply with anti-corruption and anti-bribery regulations.
- Act with transparency and integrity in all transactions.

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### 3.4 Economic Sustainability

We aim to:

- Support local businesses and communities wherever feasible.
- Establish long-term partnerships with suppliers who share our values.

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## 4. Supplier Expectations

Suppliers are expected to:

1. Complete Gadot' ESG questionnaire to demonstrate compliance with environmental, social, and governance (ESG) standards.
2. Adhere to the principles outlined in this policy.
3. Allow periodic audits or assessments to ensure adherence to sustainability practices.

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## 5. Key Performance Indicators (KPIs)

To measure our progress, we have established the following KPIs:

1. Percentage of materials procured from certified sustainable sources.
2. 100 suppliers to sign our code of conduct by end of 2025
3. Percentage reduction in procurement-related carbon emissions year-over-year.
4. 100 suppliers to complete our ESG questionnaire by end of 2026

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## 6. Implementation

To ensure effective implementation of this policy, we will:

1. Provide training for employees involved in procurement activities.
2. Communicate the policy to all suppliers and stakeholders.
3. Integrate sustainability criteria into supplier selection and evaluation processes.

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## 7. Monitoring and Reporting

1. We will conduct periodic reviews of procurement practices to assess compliance with this policy.
2. An annual report will be published to share progress against KPIs and highlight improvements or challenges.

## 8. Continuous Improvement

We are committed to continuously improving our procurement practices by:

1. Staying informed of new technologies and best practices in sustainable sourcing.
2. Engaging stakeholders to identify opportunities for improvement.
3. Revisiting this policy periodically to ensure alignment with evolving standards and regulations.

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## 9. Grievance Mechanism

Suppliers, employees, or stakeholders can report concerns or violations related to this policy via:

- Email: [Insert Email Address]

Reports will be handled confidentially and investigated promptly.

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## 10. Approval and Review

This policy is approved by the [Senior Management/Board of Directors] and will be reviewed annually to ensure relevance and effectiveness.

### Approved by:

Rezek Saleh-  
VP Supply Chain & Export  
Chemicals Division  
Date: March. 2025

## Appendix

1. [Supplier Code of Conduct.](#)
2. [Gadot' ESG Questionnaire](#)