



Responsible Procurement Policy

Gadot Group recognizes 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.

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

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.

Social Responsibility

We are committed to:

- Upholding human rights in the supply chain by sourcing from suppliers that adhere to fair labor practices.
- Prohibiting forced or child labor.
- Prohibiting all forms of discrimination.
- Ensuring a safe and respectful working environment, free from any form of harassment.
- Supporting diversity, equity, and inclusion in procurement decisions.

Ethical Business Practices

We require all suppliers to:

- Comply with all applicable local and international laws and regulations.
- Comply with anti-corruption and anti-bribery regulations.
- Act with transparency and integrity in all transactions.

Economic Sustainability

We aim to:

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



Supplier Expectations

Suppliers are expected to:

- Complete Gadot' ESG questionnaire to demonstrate compliance with environmental, social, and governance (ESG) standards.
- Preferably hold relevant environmental certifications such as ISO 14001, or equivalent, to demonstrate effective environmental management systems.
- Suppliers operating in high-risk industries or regions may be requested to present valid social responsibility certifications, such as SA8000, or undergo third-party social audits.
- Suppliers who manufacture or import chemical substances into the EU must demonstrate compliance with the REACH regulation, including substance registration and safety data sheet provisions.
- Adhere to the principles outlined in this policy.
- Allow periodic audits or assessments to ensure adherence to sustainability practices.

Our Key Performance Indicators (KPIs)

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

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

Monitoring and Reporting

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

Continuous Improvement

We are committed to continuously improving our procurement practices by:

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

Policy Implementation

- This policy is implemented throughout the Gadot Group using **internal procedures**. All the group's procedures are monitored by the Compliance manager – responsible to oversee policy adherence. Furthermore, the group policies are reviewed and updated regularly.



- This policy is under the responsibility of the **VP Supply Chain and Export**, directly reporting to the executive management on material topics.
- **To ensure effective implementation of this policy, we will:**
 - Provide training for employees involved in procurement activities.
 - Communicate the policy to all suppliers and stakeholders.
 - Integrate sustainability criteria into supplier selection and evaluation processes.
- **Grievance Mechanism** - Suppliers, employees, or stakeholders can report concerns or violations related to this policy via the following email address: contact@gadot.com
Reports will be handled confidentially and investigated promptly.

Rezek Saleh

A handwritten signature in black ink that reads "Rezek Saleh" followed by a stylized flourish.

VP Supply Chain & Export
Chemicals Division

For more details, please contact: contact@gadot.com

Date of Issue: July 2024