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# Sollio Cooperative Group Framework Policy on Responsible Procurement

## 1. Introduction

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This framework policy is an integral part of ensuring a responsible, structured, and consistent approach to procurement across Sollio Cooperative Group. As a cooperative, the organization is fundamentally committed to corporate responsibility. This is evidenced in its support for local and environmentally friendly production, its investments in important initiatives, and its other actions to promote sustainability among its affiliated businesses, members, and communities.

With this policy, Sollio Cooperative Group aims to clarify its responsible procurement goals, build and cultivate lasting relationships with its business partners, and maintain high standards for its responsible procurement practices.

For the purposes of this policy, the term “Group” refers collectively to the parent company, its three divisions, and its wholly owned or controlled-partnership subsidiaries.

## 2. Commitment and goals

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This framework policy aims to ensure that responsible procurement practices are implemented throughout the Group. It serves to effectively guide operational due diligence actions on issues with ethical and reputational implications for suppliers, as well as ensuring compliance with all applicable laws.

### 1.1 Commitment

As part of its strategy for corporate responsibility (CR), Sollio Cooperative Group has committed to a specific, structured, and pragmatic approach to responsible procurement based on the following guiding principles:

- **Consistency with the Group's mission and values** – The Group maintains consistency between its stated values and its actions, including in its interactions with business partners, by adopting responsible procurement practices.
- **Applicability to the entire supply chain** – The Group is committed to extending its expectations regarding responsible procurement practices to all its direct suppliers and, where possible and reasonable, to its entire supply chain.
- **Transparency and social responsibility** – The Group strives to promote and establish high ethical, social, and environmental standards (*see section 1.2*) throughout its procurement processes by actively collaborating with its partners to ensure greater transparency and accountability throughout the value chain.

### 1.2 Responsible procurement goals

The six goals presented below are organized around the three fundamental pillars of the Group's CR strategy: Planet, Prosperity, and People. Each goal defines key strategic orientations designed to guide the Group in its business dealings with suppliers and to reinforce its commitment to corporate responsibility.

**PLANET:** Work with partners to develop, test, and refine innovative solutions that reduce environmental impact.

- **Build climate resilience:** Reduce greenhouse gas emissions, optimize energy management, and work with suppliers who are committed to adapting to climate change.
- **Limit operational impact on natural resources and ecosystems:** Use natural resources responsibly and protect ecosystems.
- **Reduce waste and promote circular economy practices:** Take into account product lifespan, recyclability, and repairability.

**PROSPERITY:** Contribute to regional economic and social development and sustainable agriculture.

- **Encourage cooperative, social, and local economies:** Work closely with farmers and other players in the agri-food sector to promote the cooperative business model in all economic activities.
- **Ensure transparency and traceability:** Promote healthy, high-quality products to customers while ensuring traceability and transparency.

**PEOPLE:** Drive positive, high-level change that encourages partners to promote inclusivity and human rights.

- **Promote respect for fundamental rights:** Ensure the protection of labour rights and promote fair, dignified employment conditions among suppliers.

Together, these goals serve as a framework for the entire Group, ensuring a consistent and integrated CR strategy in all activities and stakeholder interactions.

### 3. Expectations and continuous improvement

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These goals must be fully integrated into the Group's procurement processes in order to be achieved. This means that each Group entity must:

- **Share and follow the guiding principles presented in this policy** and use them to inform its procurement practices.
- **Adopt a supplier code of conduct** that sets out the Group's values, its expectations of suppliers and subcontractors, and the commitment it requires. At minimum, each entity's supplier code of conduct should be made available online or attached to all its contractual documents. Ideally, all suppliers should be required to sign, acknowledge, and accept the supplier code of conduct.
- **Adopt a procurement policy** that describes, at minimum, the entity's main procurement-related roles, responsibilities, processes, methods, and rules.
- **Identify ESG risks and opportunities for individual purchasing categories** in order to prioritize the most relevant ESG criteria. These must be updated every three years.
- **Integrate ESG criteria for each product or service category** into the supplier selection process to objectively evaluate suppliers' ESG performance in conjunction with their technical and commercial performance.
- **Integrate ESG criteria into the performance monitoring process** for strategic suppliers.
- **Establish key performance indicators and targets** to measure and monitor progress and identify areas for improvement.

In addition to existing measures, each Group entity is expected to take the following continuous improvement actions:

- **Train teams** to ensure that all employees understand the goals stated in this policy and have the skills needed to achieve them.
- **Update sustainability tools**, such as responsible procurement guides, to reflect sustainability-related regulatory changes, requirements, and market maturity.
- **Incorporate contractual clauses into the contract management process** that clearly define the entity's expectations in terms of sustainability and corporate responsibility.

#### 4. Governance, roles, and responsibilities

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To monitor responsible procurement performance and track progress toward goals, Sollio Cooperative Group engages all pillars of its internal governance structure.

**The Board of Directors** of Sollio Cooperative Group oversees and supervises all the organization's corporate responsibility (CR) processes. The Board's CR Committee is responsible for ensuring the distribution and adoption of this framework policy within the organization.

**The Chief Executive Officer** ensures that all priorities related to this policy are integrated into the organization's business strategy and sees that objectives are achieved. They are responsible for ensuring the application of this policy.

**The Senior Vice-President of Public Affairs, Cooperation & Corporate Responsibility** supports Sollio Cooperative Group and its divisions in their deployment of the CR strategy. They are responsible for:

- Reporting to the Board's CR Committee and the CEO of Sollio Cooperative Group on a regular basis.
- Proposing innovative solutions for continuous improvement and sustainable development.
- Working closely with the Office of the General Secretary and Legal Affairs to ensure the organization is updated on new legal and regulatory requirements related to social responsibility in supply chains and continually updating the applicable best practices accordingly.
- Updating this policy every three years in collaboration with the divisions.

## 5. Compliance, performance monitoring, and accountability

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Sollio Cooperative Group has accountability measures in place to help all facilities covered by this framework policy comply with the applicable laws, environmental regulations, and other requirements. The Group is committed to complying with all relevant standards, including those aimed at combating forced labour and child labour in supply chains.

All divisions and subsidiaries are responsible for updating their own policies and supplier codes of conduct to incorporate principles of sustainability and social responsibility. They must adopt rigorous responsible procurement practices, including risk assessment, stakeholder engagement, and key performance indicators. They must also comply with this framework policy. For the purposes of close performance monitoring, responsible procurement practices cover changes in corporate responsibility as well as any actions in improvement and risk management. Corporate responsibility performance and progress toward goals are communicated publicly in an annual Corporate Responsibility Report.

## 6. Stakeholder relations

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The Group ensures that clear responsible procurement guidelines are in place. It works with suppliers to identify opportunities for sustainable innovation and understand and address their concerns. The Group also strives to continually improve its business relationships.

Suppliers are expected to meet the corporate responsibility expectations set out in the Supplier Code of Conduct, to have made sustainability commitments, to provide evidence of their responsible practices, to continually improve their practices, to communicate any updates to their business processes wherever possible, and to participate in audits to assess their compliance with sustainability standards where appropriate.

## 7. Training and awareness

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The Group is responsible for providing its employees, managers, and directors with responsible procurement training and awareness programs. To maximize synergies, the parent company also plays a role in facilitating collaboration and the sharing of best practices between entities.

## 8. Policy scope and review

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This framework policy applies to Sollio Cooperative Group's parent company and covers the responsible procurement policies of its divisions and all wholly owned or controlled-partnership subsidiaries.

As such, it is essential for those divisions and subsidiaries to ensure that all their governance structures and processes are aligned and consistent with the principles and activities described in this policy and that they foster continuous improvement in their responsible procurement practices. This promotes a consistent, standardized approach across the Group regarding goals and practices.

In terms of goods and services, there are no restrictions on the scope of purchases covered by the principles set out in this policy. Note that each division gives priority to certain purchasing categories that are identified as being higher-risk or higher-opportunity, and these categories should therefore receive additional effort and attention.

Interested parties may request a copy of this policy. An abridged version is also available on the Sollio Cooperative Group website and posted in all facilities concerned.

Sollio Cooperative Group will review this policy on a regular basis and make any changes needed to reflect its priorities, commitments, and shareholders' priority expectations regarding responsible procurement.

## 9. Signature

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This framework policy has been signed by the Chief Executive Officer of Sollio Cooperative Group and dated with the month and year.

## 10. Appendix

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### 9.1 Definitions

- **Audit:** The process of systematically evaluating a supplier's practices to determine whether they comply with established sustainability standards.
- **Contract management:** The process of structuring and formalizing what is expected of suppliers, particularly in terms of ESG, to ensure they meet and uphold Sollio Cooperative Group's responsible procurement requirements.
- **Corporate responsibility (CR):** An organization's commitment to contributing to sustainable development while taking into account the impact of its operations on society and the environment.
- **Evaluation criteria:** A set of standards and parameters used to evaluate suppliers and their practices in terms of sustainability and social responsibility.
- **Group:** The parent company, its three divisions, and all wholly owned or controlled-partnership subsidiaries, collectively.
- **Responsible procurement:** A process of acquiring goods and services that takes into account economic, social, and environmental criteria in order to minimize negative impact and maximize benefits for all stakeholders.
- **Strategic procurement:** A process designed to optimize supplier selection and contract management in line with Sollio Cooperative Group's performance and corporate responsibility objectives. Responsible procurement principles are integrated throughout the process to proactively manage ESG risks and capture business opportunities.
- **Supplier:** Any entity or individual who supplies goods or services to the organization and must meet certain sustainability and social responsibility standards.
- **Supplier performance management:** The process of ensuring that Sollio Cooperative Group's business partners meet certain standards of sustainable development, ethics, and corporate responsibility.
- **Sustainable development:** A practice that aims to meet the needs of the present without compromising the ability of future generations to meet their own needs. The concept is based on three main pillars: economic, social, and environmental.
- **Sustainability:** The ability to meet the needs of the present without compromising the ability of future generations to meet their own needs by integrating economic, social, and environmental considerations.