

## Sustainable Sourcing of Agricultural Raw Materials Policy

Reference number: SRMD 11/2020
Review date : 23 March 2022
Approval date : 23 March 2022
(Executive Committee Meeting no.2/2022)

Effective date : 23 March 2022

Supersede date : 24 March 2021

Berli Jucker Public Company Limited and the group company (hereinafter referred to as "BJC Group") emphasizes on sustainable natural resource management. Therefore, we have established guidelines for agricultural raw materials sourcing to support the reservation of the environmental and sustainable development.

## **Policy Scope**

This guideline applies to the business operations under Berli Jucker Public Company Limited and its subsidiaries, including supporting tier-1 suppliers and nontier-1 suppliers' operations.

## **Guidelines**

- The procurement of agricultural raw materials must comply with the applicable laws, rules regulations of government, company policies, business ethics, and the code of business conduct.
- 2. Sharing knowledge and helping business partners and suppliers who are agriculturists to operate business with the company group and grow together sustainably.
- 3. Support the sourcing of quality products from Thai farmers as raw materials, and products sold to consumers to promote income generation and help create a quality living standard for farmers.
- 4. Supporting critical tier-1 suppliers, enabling them to evaluate and nurture their critical suppliers and achieve sustainability.
- 5. Support the protection of biodiversity, end all deforestation (no gross deforestation) and preventing ecological destruction in agricultural areas.
- 6. Focusing on preventing negative impact to environment from agricultural production, by promoting the reduction of pollution emitted into the environment, and reducing greenhouse gas emissions from agricultural production and transportation processes.
- 7. Promoting the efficient use of water resources in agricultural production to reduce excess consumption of water and conserve natural resources. Include promoting efficient water management amongst farmers, ensuring sufficient access to water resources for cultivation, minimizing affect and reliance on natural water resources and community's water resources, to address water related issues, such as drought, floods, and wastewater.
- 8. Supporting the protection of soil fertility and maintaining the quality of soil used in agricultural activities. Moreover, we do not encourage farmers to burn crops or humus to maintain soil fertility, prevent wildfire, and reduce air pollution.
- 9. Business partners should minimize use of agrochemicals and restrict use of pesticides that listed as hazardous substances by law.



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- 10. Considering transport distance for agricultural raw material between cultivated areas and product distribution areas to maintain product quality, reduce cost and environmental impact caused by transportation.
- 11. Supporting the distribution of organic products to promote the health and safety of customers.
- 12. Regular monitoring and evaluating the performance of business partners, ensuring it is in accordance with the sustainability policy and guideline of BJC Group.
- 13. Promoting the increase use of raw materials sourced from sustainable agriculture or certified under relevant sustainable standards, evaluated by the suitability of production cost, product quality and consumer demand to add value to products and foster confidence amongst all stakeholder groups.
- 14. Continuous building good relationships and strengthening ties with suppliers in the agricultural sector, in order to maintain a long-term relationship.

The Sustainable Sourcing of Agricultural Raw Materials Policy will be effective from 23 March 2022 onwards.