

Responsible Sourcing Policy

1 INTRODUCTION

Koa believes in sustainability and strives to achieve it in everything we do by acting responsibly. We expect the same from our suppliers including cocoa farmers. This policy therefore summarises our commitments and expectations we have as a company and towards suppliers regarding major environmental, social and ethical matters. We want an assurance that the products and services we source are minimising any direct or indirect adverse negative impact on people, communities or the environment from which they originate.

2 APPLICABILITY AND SCOPE

The Policy applies to all activities relating to procurement or sourcing across Koa Switzerland AG (KSAG) and Koa Impact Ghana Ltd (KIGL). It applies to all suppliers of critical goods, as well as contractors and consultants. This Policy is guided by the International Labour Organization (ILO) conventions, the Sustainable Development Goals (SDGs) and IFC Performance Standards. This Policy is consistent with Koa Environmental and Social Management System (ESMS) Policy.

3 OUR EXPECTATIONS FOR SUPPLIERS

Koa is committed to procuring or sourcing raw materials, products and services from credible suppliers that are compliant with all applicable local and international requirements or standards. We will ensure that information about suppliers is collected and evaluated to enable effective risk assessment.

We expect our Suppliers to:

- Comply with Koa's Supplier Code of Conduct, which outlines the basic requirements a supplier must meet in order to maintain a business relationship with Koa.
- Ensure that raw materials are not linked to deforestation, conversion of protected areas or high-conservation-value areas, or exploitation of workers and local communities.
- Contribute to environmental protection and biodiversity enhancement.
- Be willing to disclose and share details of own operations upon request.
- Disclose information about their sourcing practices and operations, in proportion to the magnitude of their activities, to support the sustainability of their business.
- Respect the rights of individuals within their direct organisation and throughout their supply chain and to provide an appropriate forum for all employees to confidentially report concerns or breaches regarding human rights.
- Prohibit forced labour and child labour, prohibit discrimination, prohibit and combat sexual harassment and support the freedom of association and the right to collective bargaining of workers.
- Ensure that workers work in safe and healthy environment.

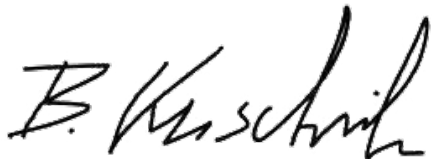
4 OUR COMMITMENT TOWARDS ENVIRONMENTALLY PREFERABLE PURCHASING (EPP)

It is the policy of Koa to:

- Purchase products and packaging material that have a lesser or reduced negative effect on human health and the environment when compared to competing products that serve the same purpose in the context of environmental impacts, toxics, carbon emissions, pollution, and hazards to worker and community safety.
- Institute practices that reduce waste by increasing production efficiency and effectiveness.
- Purchase energy efficient machines to reduce the negative effect on human health and the environment during their operation and discard when compared to competing machines.
- Prioritize the purchase of products and packaging material that includes recycled content, is durable and long-lasting, conserves energy and water, uses unbleached or chlorine free manufacturing processes, is lead-free and mercury-free, and uses wood from sustainably harvested forests.
- Conserve and improve the energy efficiency of our operations. We will try to utilize sustainable energy sources and energy efficient products.
- We are committed to minimizing resource consumption and considering the life-cycle costs of products. We aim to reduce, reuse, and recycle resources during any procurement activity. We will utilize renewable resources and conserve non-renewable resources whenever possible.
- We will make continual progress toward eliminating the release of any substance that may cause environmental damage and will seek to limit any effect on climate. We will try to utilize products and services that reduce air and water pollution.

This Policy will be reviewed annually, or when circumstances dictate, to align with changes in regulations or address emerging issues.

For the board of directors:



Benjamin Kuschnik
Director and Member of the Board at KSAG



Daniel Otu
Director and Member of the Board at KIGL