

## POLICY STATEMENT ON SUPPLY CHAIN AND TRACEABILITY OF RAW MATERIAL SUPPLIERS

Unlike most of the global players in Natural Rubber industry, SIPH Group has perfect traceability of its raw material :

- 25% of supplies come from its own plantations.
- 75% are purchases from smallholders and private farmers who are recorded specifically, with most farms tracked via GPS, and key data concerning each of them.

Most of these outgrowers are assisted, including regular visits from SIPH Group technicians, enabling to improve their performance on the one hand, and ensure that good environmental, social, and technical practices are respected, on the other hand. This is possible thanks to the implementation of the Sustainable Procurement Charter and the Supplier's Code of Conduct.

SIPH commits to :

- Offering or supporting training for natural rubber producers, including smallholders, to improve yield and quality
- Conducting supply chain mapping and assessing suppliers for social and environmental risk, through the use of tools such as Rubberway, to prioritize risk mitigation actions.
- To support their conformance with company commitments through effective incentives, and support mechanisms, and purchase monitoring systems.
- Dialogue with local stakeholders for conflict prevention.
- Communicating to all suppliers of natural rubber that material produced and processed in accordance and conformance with required Policy Framework such as the GPSNR will be preferred. Providing time bound requirements if necessary, for meeting the policy requirements, and ensuring that supplier codes and contracts, engagement activities, and other mechanisms reflect these supplier expectations.
- Evaluate social and environmental risks, to highlight issues and areas for improvement.
- In instances of supplier non-conformance with Policy Framework, SIPH will develop time-bound implementation plans to move towards conformance and/or remediation or past or ongoing harms.
- Know and understand the local farmer's expectations and challenges, and work in close collaboration with inter-professional organizations on specific sustainable development programs concerning farmers.
- Achieve traceability of 100% of its supplies and aims to achieve this by "2022".
- As 2023, we have met our target and we feel ready for the EUDR by mid 2024.

SIPH Group is committed to ensuring a sustainable supply chain, and this is one of its major strategic priorities, in line with its Mission "To supply the market the rubber it needs", its Values, and its Vision that expresses its ambition to "become a world benchmark in terms of responsible governance".

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**Marc GENOT,**  
Chief Executive Officer

