

KERNEL

Sustainable development and corporate social responsibility policy

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Sustainable development and social responsibility goals



The company's global goal in the field of sustainable development and social responsibility is the development of society through the voluntary contribution of business to the social, economic and environmental spheres related to the activities and achievement of the company's strategic goals:

- ✓ **Social goal:** developing people's potential, ensuring safety and health security, creating conditions for self-realization and professional development of employees, contributing to the solution of important social issues and the development of communities in the presence regions
- ✓ **Business goal:** achieving of maximum profitability with efficient use of resources, the use of saving technologies, continuous improvement of processes, honesty and clarity of activities. The company is ambitious for innovation, carefully cultivates the land and produces high-quality products that meet international quality standards, business ethics and customer needs
- ✓ **Environmental goal:** maximization of energy efficiency, minimization of adverse environmental impact, greenhouse gas reduction, processing and minimization of waste, preservation of the property of the earth to self-restoration.

Key principles



- ✓ Compliance with international standards, Compliance Code, internal Kernel Policies
- ✓ Integration with the company's strategy, improving the efficiency and long-term sustainability of the business
- ✓ Innovative development, internal entrepreneurship
- ✓ Honesty, exposure and visibility
- ✓ Clear tolerance to fraud and corruption
- ✓ Respect for interests and constructive dialogue in relationship with interested party
- ✓ Responsible leadership and ethical practices
- ✓ Equal opportunities, culture of respect and trust
- ✓ Ensuring safe and decent working conditions, the priority of preserving the life and health of the employee in relation to the results of production activities
- ✓ Good neighbourliness, improvement of life quality and well-being of the population and social support in the presence regions of the Company
- ✓ Responsible rational use of resources and production
- ✓ Environmental protection and preservation of land resources.

The concept of sustainable development and social responsibility (1/2)

Kernel I. – responsible employer

- ✓ Staff is an asset base of the Company, the driving force of its development and a source of competitive advantage
- ✓ **Workplace relations, occupational safety and health protection:**
 - Human rights and freedoms and all labour laws are respected
 - Child labour is not acceptable, people who have not attained the age from which the employment is permitted by law are not hired, there are no forms of forced labor
 - Any form of discrimination of employees – on the basis of gender and age, race, nationality, religion, sexual orientation, ethnicity, social status, political beliefs, participation in trade unions and other associations of citizens is not acceptable
 - Competitive remuneration and social protection of employees, protection of the rights of pregnant women, nursing mothers, large families, people with disabilities etc. are provided.
 - Safe, dignified and comfortable working environment for employees are created, requirements of OHSAS 18001 / ISO 45001 standards are kept
 - Measures to prevent and minimize industrial injuries and occupational diseases are taken, risks are assessed and measures to minimize and eliminate them are taken
 - Employees are provided with material assistance in difficult straits
 - Initiatives focused on maintaining the health of employees and preserving the environment are being implemented: Sport Team Kernel, Kernel Green Team, etc.
- ✓ **Developing people's potential:**
 - Educational and developmental projects for employees are being implemented - Corporate MBA, Internal Trainer, Internal Kernel Chance, Champions League, There is an idea and other professional and personal development programs.
 - An individual development and career planning system has been implemented, a feedback system and employee loyalty is supported
 - The program of cooperation with higher educational institutions, the program for graduates and young specialists 'Kernel Chance' is in Effect.

II. Kernel is a social investor and social leader

- ✓ Local communities in the regions where the Company operates in social areas (education, medicine, sports, etc.) are supported
- ✓ Infrastructure improvement projects of settlements in the regions where the Company's enterprises operate are being implemented
- ✓ Social investments are made by the charity fund 'Together with Kernel'
- ✓ The company takes an active part in public and industry-relevant organizations.

The concept of sustainable development and social responsibility (2/2)

III. Kernel is a reliable partner

✓ Ethic conduct of business:

- Any form of corruption, extortion, fraud, embezzlement or bribery is not acceptable
- Kernel applies fair and ethical business practices and requires its partners to do the same.
- ✓ Visibility and honesty – the key to success in relations with employees, shareholders, investors, financial organizations and institutions, suppliers and partners, customers, government agencies, international organizations, the public and the media.
- ✓ Kernel looks to effectively interact with stakeholders, to conduct a constructive dialogue based on the principles of respect, business partnership, fair competition, and conscientious compliance with its obligations.
- ✓ Confidence and openness of information is the basis of the Company's activities.

IV. Kernel is a responsible manufacturer

✓ Quality and safety:

- Kernel produces high quality products, invests in innovative and advanced technologies
- Oil production – all oil extraction plants and port terminals are certified according to the requirements of ISO 9001, food safety ISO 22000, and the plants producing packaged oil are additionally certified according to the certification scheme FSSC 22000, Poltava OEP (oil extraction plant) – according to IFS
- Animal feed production – GMP+B1,+B3,+B4 standards have been introduced covering such processes as: production, trade, services, collection, storage, transshipment, road and sea transport
- Through ISCC – EU certification – Kernel guarantees sustainable production of biofuel feedstock in accordance with EU legislation
- Kernel ensures the quality of products throughout the chain from cultivation to the final consumer, provides consumers with complete information about all the properties, composition and safety of products; response to claims is provided.

✓ Environmental protection:

- Applicable legal requirement in the field of environmental protection are observed, environmental management systems are implemented and constantly improved in accordance with ISO 14001 standards, environmental risk management is carried out
- Environmental initiatives are being implemented: greenhouse gas reduction, application of energy-saving technologies, water purification, conservation of resources, waste utilization, use of 'Green energy' sunflower husks, 'Green office', battery recycling program, purchase of more environmentally friendly products and services, holding 'green' actions in the presence regions of the Company
- Agribusiness Kernel adheres to the principle of conservation of properties of the earth to restore through proper crop rotation, the optimum amounts of fertilizer, moisture retention of the earth, the use of modern innovative technologies of precision agriculture.

Process participants and responsibilities

Risk Management Committee

- Ensuring the availability and functioning of an adequate risk management system. Organization of identification, assessment, control and monitoring of the company's risks.

Chief Executive Officer

- Responsible for the implementation of the Policy throughout the Company.

Head of personnel department

- Introduction and control of implementation of policy requirements in terms of labor relations with personnel and development of people's potential
- Participation in internal investigations on the circumstances that led to the violation of the Policy.

Head of Organizational Development

- Monitoring the timely updating of the Policy at least every two years or, if necessary, when changing the requirements of the applicable legislation.

Labour and Environmental protection Specialists

- Responsibility for the implementation of the Policy requirements in the field of occupational health and safety, workplace safety, industrial and environmental safety.

Directors of directions

- Responsible for the implementation of the Policy within their areas
- Control over the prevention of potential situations of policy violation in the underway of activities
- Controlling the level of awareness of new employees about the principles of the Policy
- Instant consideration of the revealed information on situations of violation of the Policy, according to the Corporate Investigation Procedure.

Lead quality systems manager

- Coordination of implementation, support, monitoring and improvement of implemented quality and food and feed safety management systems at the company's enterprises
- Certification in the implementation of new quality and food and feed safety management systems.



Compliance manager

- Ensuring the Applicant Protection in situations of violation of the Policy
- Participation in internal investigations on the circumstances that led to the violation of the Policy.

Security Department

- Conducting official investigations on cases/ situations of violation of the Policy.

Accounting

-  Kernel conducts regular monitoring of the impact on the socio-economic social state and ecological systems, performs an analysis of the effectiveness of its social initiatives and environment impact indicators.
-  Kernel regularly discloses information on sustainable development and corporate social responsibility in the annual Report in accordance with the requirements of current legislation and international standards, GRI * principles (Global Reporting Initiative on Sustainable Development), as well as posting information on the principles and results of activities in the field of sustainable development and CSR (Corporate Social Responsibility) on the Company's corporate website and other sources.

**GRI – Global Reporting Initiative*

Invalid actions



- ✓ Violation of the requirements and principles of the Policy
- ✓ Withholding information on violations of the requirements and principles of the Policy
- ✓ Any actions that lead to financial or reputational losses of the Company.

Other provisions



- ✓ The Policy applies to all employees of the Company, including its related subsidiaries worldwide, regardless of their position
- ✓ General control over compliance with the requirements of the Policy and its relevance is entrusted to the Chief Executive Officer
- ✓ The policy is subject to review by the Audit Committee
- ✓ Every employee of the Company, incl. a temporary one, is obliged:
 - to comply with the requirements of the Policy
 - when there are situations entailing a violation of the Policy:
 - inform the immediate supervisor
 - report about the violation through the channels of the Hot line 0-800-501-483 or email dovira@kernel.ua or contact the Compliance officer compliance@kernel.ua
 - take an active part in corporate investigations.
- ✓ **Process owner:** Chief Executive Officer
- ✓ **Related Documents:**
 - Corporate Code
 - Equal opportunities and cultural diversity policy
 - Conflict of interest management and anti-fraud and anti-corruption Policy
 - Interaction with local communities in the regions of the Company's presence Policy
 - Internal and external communications policy
 - Personnel management policies and procedures
 - Procedure for obtaining and reviewing information received through the Hotline
 - Applicant protection procedure
 - Decision making procedure by collegial bodies
 - The procedure for the conduct of corporate investigations.