



**CODE
OF INTERACTION
WITH SUPPLIERS**

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What do we need the Kernel's Code of Interaction with Suppliers for?

Kernel is the world's leading producer and exporter of sunflower oil and the largest in Ukraine, as well as a major supplier of agricultural products from the Black Sea region to world markets through efficient and careful management of assets and resources while maintaining a stable business reputation.

Following the corporate vision and mission, sharing the values and guiding principles of our Company, we are responsible for market leadership and the impact that we have on the country, people and companies we work with.

Kernel's suppliers are an integral part of the Company's overall success.

We do business with business partners fairly, we respond to requests in a timely manner, we are responsible for our commitments, and we professionally approach the fulfilment of contractual obligations.

When ensuring the above, we request our suppliers, buyers, employees of our counter-party, agents and subcontractors (hereinafter referred to as the "Supplier") having familiarized themselves with our Code of Interaction (hereinafter - the "Code") to respect and follow the principles when interacting.

Following the Letter of the Law

Kernel ensures compliance with applicable national and international laws in the regions where the Company operates.

Kernel requests its Suppliers to strictly adhere to the principles of legality and transparency, not allowing any illegal/unlawful actions, or violation of established rules.

Business Ethics and Integrity

Kernel's success is based on the responsibility of each employee for the results of their work and the observance of high ethical standards, principles of fairness and integrity:

- ◆ at their workplace
- ◆ in management and project activities
- ◆ in production
- ◆ in product offers, in trade and marketing activities
- ◆ in public relations and media

In accordance with the Company's Corporate Code, the Policy for Management of the Conflict of Interests and the Prevention of Fraud and Corruption, we:

- ◆ aggressively work to stem corruption, bribery and fraud within the Company and when interacting with external counterparties
- ◆ do not accept gifts and do not participate in events that may affect business decision-making to counteract any conflict of interest that can lead to financial and reputational damage

For Kernel, integrity means fairness, justice and a constructive dialogue when interacting with partners. We adhere to integrity in every respect and request the same from our counterparties.

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Fair Business Practices

We develop relationships based on openness and mutual trust.

We hold fair, public tenders and explain the grounds for our choice of suppliers.

Any tenderer may notify Kernel if they perceive violations of those rights by contacting the Hotline 0-800-501-483 or at **hotline@kernel.lu**

We treat everyone with dignity and respect.

We observe the principles of honesty, and we request the same from our partners.

Human Rights and Treatment of Personnel

Kernel maintains, and requires suppliers to ensure, fair working conditions for employees:

- ◆ complete ban on child and forced labour
- ◆ equal opportunities and cultural diversity based on the following factors: sex and age, disability, racial, national and ethnic affiliation, religion and culture, political beliefs, sexual orientation, social status
- ◆ countering inappropriate corporate behavior that demonstrates humiliation, discrimination, harassment, abuse and violence
- ◆ including but not limited to working hours, paid overtime, minimum living wages, freedom of association and the right to collective bargaining
- ◆ ensuring occupational and industrial safety, a working environment that does not endanger life and health
- ◆ ensuring acceptable living conditions in accommodations provided by the supplier or on behalf of the supplier

Each supplier employee has the opportunity to notify Kernel of his rights by contacting the Hotline

Environmental Protection

- ◆ Kernel is responsible to society and is also responsible for the impact on the environment.
- ◆ We value those suppliers that share that philosophy.
- ◆ We request that our suppliers make continuous efforts to minimize environmental impact and improve environmental protection.
- ◆ A Kernel's supplier shall comply with environmental laws, regulations, and sanitary standards that apply in the region where Kernel operates.

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Sustainability, Quality and Customer-Centricity

- ◆ Kernel requires its suppliers to maintain business practices that are sustainable and efficient, as well as to maintain high standards of customer service.
- ◆ Suppliers shall provide products and services that meet customer needs, as well as legal, quality and safety requirements.

Protection of the Company's Information, Personal Data, Assets and Interests

Kernel and our suppliers shall ensure that confidential insider information and personal data are properly protected. They shall comply with the requirements for the protection of the information, assets and interests.

Kernel and the suppliers shall duly protect and use personal data and confidential information. Parties which gained access to confidential and insider information in the course of a business relationship shall not share this information with any other person.

Kernel and the suppliers shall comply with applicable data protection and security laws, as well as applicable rules, in particular with respect to personal data of customers, consumers, employees and shareholders. The parties shall fulfil all the above requirements when collecting, processing, sharing or using personal data.

Verification of Compliance with the Supply Agreement

Kernel reserves the right to verify whether our suppliers comply with the terms of the Supply Agreement and the Code when providing goods, works and services.

In addition, in cases of signs of violations and in accordance with the Policy for Management of the Conflict of Interests and the Prevention of Fraud and Corruption, we will:

- ◆ refuse to consider the Supplier's commercial tender offer
- ◆ exclude the current Supplier from the list of suppliers with which the Company works
- ◆ terminate valid contracts with such Supplier
- ◆ break off further cooperation.

We require that the Supplier also adheres to the highest standards of business ethics. Thus, we propose to stipulate bilateral assurances and guarantees of joint counteraction to fraud, bribery and corruption, money laundering and financing of terrorism, and compliance with the regime of international sanctions in the course of our cooperation by entering into the agreements the Anti-corruption clause that secures mutual obligations in this Issue.

In order to continuously maintain the above principles, the Company regulates the Corporate Code and the relevant Policies and introduces a system of sanctions for corrupt acts both on the part of the employees and on the part of our Partners.

The above principles of work will help us in creating, developing and maintaining business partnership relations that ensure mutually beneficial cooperation.