



**CONSTELLATION**  
COLD LOGISTICS

# Supply Chain Sustainability Policy



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## Overview

Constellation Cold Logistics S.à r.l (“Constellation” or the “Company”) is a European operator of cold storage and logistics. As outlined in our ESG policy, Constellation is committed operating sustainably, including efforts to protect the environment and looking at ways to reduce our environmental footprint, making positive contributions to the communities in which we operate, and adopting the highest standards of governance and ethics.

As a major player in industry, Constellation realises its key influential position to minimise the environmental impacts in its wider supply chain, and influence other matters relating to sustainability, such as social and governance issues.

## Purpose of the Policy

According to the UN Global Compact and BSR<sup>1</sup>, the aim of supply chain sustainability is “to create, protect and grow long-term environmental, social and economic value for all stakeholders involved in bringing products and services to market”.

This Supply Chain Sustainability Policy (“Policy”) is designed to outline how Constellation acts to meet its sustainability objectives in relation to its supply chain. This includes the Company’s expectations and requirements from its suppliers to achieve these objectives. This Policy also helps to protect and grow Constellation’s business activities, and helps the Company to achieve its sustainability objectives, as outlined in its ESG Policy.

Constellation holds an interest in sustainability beyond matters directly related to its own business. It is keen to reduce its negative impacts on the environment and society and advance its positive impacts in these areas but is also keen to see other companies and individuals do the same. Thus, this the purpose of this Policy is not only to guide practice relating to Constellation but also to encourage the proliferation of sustainable practice beyond Constellation.

This Policy applies to Constellation and all parties who supply Constellation with a good, goods, service and/or services. This Policy may also be used internally by Constellation when reviewing its relationship with existing and potential suppliers.

## Responsibilities within Constellation

Within Constellation, our CFO holds ultimate responsibility for supply chain management and procurement across the group. Procurement within our sites relies heavily on local suppliers, which are managed by the local finance and operational teams.

## Supplier obligations

Every Constellation supplier must:

- Know this Policy.
- Follow this Policy.
- Report non-compliance with this Policy.

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<sup>1</sup> UN Global Compact and BSR, Supply Chain Sustainability: A Practical Guide for Continuous Improvement, 2015



- Be able to demonstrate to Constellation that active efforts are made to follow this Policy.
- Encourage its own suppliers, including subcontractors, to adhere to this Policy.

## Supplier Code of Conduct

This section outlines Constellation's expectations of its suppliers' actions relating to business activities. Suppliers must also ensure to be fully compliant with all applicable laws and regulations related to the below.

If a supplier does not currently fall in line with the code of conduct, Constellation will work with the supplier to remediate this. If there is no clear path to remediation, then Constellation will not do business with the supplier.

### Fundamental expectations – UN Global Compact

Our suppliers agree to follow The Ten Principles of the UN Global Compact. This is an internationally recognised list of fundamental principles and responsibilities in the areas of human rights, labour, environment and anti-corruption. The list is derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

In accordance with these principles, we expect the following from our suppliers:

#### Human Rights

Our suppliers:

1. Should support and respect the protection of international proclaimed human rights.
2. Must ensure they are not complicit in human rights abuses.

#### Labour

Our suppliers:

3. Should uphold the freedom of association and the effective recognition of the right of collective bargaining.
4. Must not use forced or compulsory labour in any form. The tenure of employees and their work must be voluntary and must be able to be proved to be so.
5. Must not use child labour in any form. Suppliers are required to carry out the necessary checks to ensure that prospective hires meet the local minimum working age and must not employ those under 18 in jobs where risks to health and safety, overtime, or night shifts may reasonably be expected. Work experience offered to those under the local minimum working age may be permitted, but not as a form of employment.
6. Must not discriminate against employees because of their race (including colour, nationality and ethnicity), gender, sexuality, sex, religious beliefs, marital status, pregnancy, disability, age, or any other factors covered by local laws. This also applies to prospective employees in the recruitment process.

In addition to these fundamental principles, Constellation expects suppliers to provide their employees with treatment and terms of employment that can widely be considered to be fair. This includes, but is not limited to, expecting employees to work reasonable hours, paying them a fair wage for their work,



having reasonable arrangements relating to overtime, reasonable arrangements relating to voluntary leave, sick leave and corresponding pay, terms relating to dismissal, disciplinary procedures, and reasonably catering to the needs of employees that allows them to carry out their duties.

## Environment

Our suppliers:

7. Should support a precautionary approach to environmental challenges.
8. Should undertake initiatives to promote greater environmental responsibility.
9. Should encourage the development and diffusion of environmentally friendly technologies.

In general, we expect suppliers to be working towards the same environmental goals outlined in our ESG policy, including but not limited to:

- Reducing Scope 1, 2, and 3 GHG emissions with an ambition to reach net zero emissions.
- Reducing air pollution (including but not limited to, SO<sub>x</sub>, NO<sub>x</sub>, PM<sub>10</sub>, PM<sub>2.5</sub>, and Pb).
- Minimising waste produced and appropriately disposing of all hazardous waste.
- Minimising the impact of business activities on biodiversity and promoting conservation efforts.
- Minimising noise and light pollution.
- Minimising the impact of water withdrawals and discharges.

## Anti-Corruption

Our suppliers:

10. Should not promote, accept, or tolerate any form of corruption, including extortion and bribery.

## Health and Safety

Constellation has high standards for Health and Safety, as outlined in our Health and Safety policy. We expect suppliers to comply with these requirements when visiting our facilities, in particular wearing the correct PPE.

Where Constellation staff visit a supplier's site, we expect the supplier to provide a safe environment to minimise the risk of injury to our personnel. We believe that this is best achieved by a fundamentally safe working environment for their own employees, including appropriate risk assessments, training, PPE, and procedures in place.

## Sourcing and Procurement

Sourcing and procurement are an important part of Constellation's business activity and has implications for our ability to meet our sustainability objectives. During the sourcing and procurement phase, Constellation will make every effort to ensure that suppliers meet or exceed our expectations and requirements on sustainability, as outlined in this document. Carrying out appropriate due diligence and detailed risk assessments could form a part of this process.

As part of Constellation's wider commitment to sustainability, the Company encourages its suppliers to adopt similar practices if this has not already been done.



## Monitoring

As part of its commitment to sustainability, Constellation will conduct proactive monitoring of current or prospective suppliers. This could include monitoring of various KPIs, such as staff satisfaction rates and kWh consumed, or, from time to time, audits to ensure compliance with the code of conduct.

Constellation expects suppliers to comply with the requirements of such audits. These audits may, for example, relate to compliance with labour conditions or health and safety requirements outlined above. They also may relate to the supplier's efforts on environmental sustainability.

Constellation also has the Whistleblowing and Grievances policy in place, outlining a clear transparent process for anyone (internal or external to Constellation) to blow the whistle on misconduct. Supplier misconduct, or where a supplier is not acting in line with the code of conduct, would be an appropriate use of this channel.

## Engagement

As part of its commitment to sustainability, Constellation is committed to proactively engaging with suppliers to help the Company meet its sustainability objectives. This could include both short-term and long-term engagements to improve social and economic conditions. Constellation is working to also engage with ground level staff and local communities to achieve this.

The Company is working to monitor its Scope 3 emissions and reduce them where possible, in addition to Scope 1 and Scope 2 emissions. This reflects Constellation's commitment to sustainability as it is not currently mandated by law. Engaging with suppliers is necessary to achieve these reductions. Constellation is thus committed to doing so, through monitoring and programmes to reduce supplier emissions.