



ESG and Sustainable Procurement - Supplier Information

Gyermelyi Group



INTRODUCTION

Dear Partner!

This material briefly introduces what sustainability and ESG mean within the supply chain of the Gyermelyi Group.

Our goal is to ensure that you clearly understand the expectations we set and how we can work together to operate a sustainable, ethical and transparent supply chain.





WHAT IS ESG AND SUSTAINABILITY

SUSTAINABILITY:

Sustainability means using human activities and natural resources in a way that does not endanger the availability of natural resources and the environment for future generations. In the long term, it represents an approach that simultaneously protects the environment (E), respects people (S), and remains economically stable (G).

WHY IS IT IMPORTANT FOR SUPPLIERS?

Your activities have a direct impact on the sustainability performance, reputation and regulatory compliance of the Gyermelyi Group. A sustainable and transparent supply chain is in the interest of all of us!





3 WHAT RISKS SHOULD BE CONSIDERED

SOCIAL RISKS

- Violation of fundamental rights
- Child labour or forced labour
- Occupational health and safety deficiencies
- Discrimination
- Lack of fair working conditions

ENVIRONMENTAL RISKS

- Excessive use of resources
- Pollution and waste generation
- Environmental damages
- Impacts related to climate change

GOVERNANCE / ETHICAL RISKS

- Corruption and bribery
- Money laundering
- Lack of transparency in operations
- Legal violations (e.g. taxation, data protection)
- Inadequate complaint management

WHY IS IT NECESSARY?

Risk identification and prevention

Reputation and market expectations

Legal compliance

Supply chain stability

Competitiveness



HOW DOES THE SUPPLIER RISK ASSESSMENT PROCESS WORK?

- 1** Supplier identification
Mapping direct and, where possible, indirect partners
- 2** Data collection
Declarations, self-assessment questionnaire, ESG rating (if available)
- 3** Risk identification
Based on social, environmental and governance factors
- 4** Risk assessment
Materiality analysis
- 5** Risk categorisation
Low / medium / high
- 6** Definition of measures
Preventive and corrective actions
- 7** Continuous monitoring
Review at least annually



WHAT DOES THIS MEAN FOR SUPPLIERS?

SUPPLIERS HAVE ONE MAIN TASK! - to complete the supplier self-assessment questionnaire, allowing the Gyermelyi Group to integrate the received information into its risk management process.

WHY DO WE REQUEST THIS INFORMATION?

Because legislation requires companies to conduct supply chain risk analyses and obtain declarations from suppliers regarding ESG risks. The supplier questionnaire provides the basic information needed for this process.



SUPPLIER CODE OF ETHICS

The Gyermelyi Group expects the following from its suppliers:

LAWFUL AND ETHICAL OPERATIONS:

Complete prohibition of corruption and bribery
Fair competition
Full compliance with national and international laws and regulations

ENVIRONMENTAL PROTECTION:

Compliance with environmental regulations
Resource efficiency
Minimisation of emissions
Environmentally friendly packaging
Protection of biodiversity

HUMAN AND LABOUR RIGHTS:

Prohibition of child and forced labour
Non-discriminatory employment practices
Safe and healthy working environment
Freedom of association and the right to collective bargaining






RESPONSIBLE SUPPLY CHAIN:

Ensuring transparency
Communicating expectations throughout the supply chain

WHISTLEBLOWING

The Gyermelyi Group places strong emphasis on ethical conduct and transparency. Therefore, we ensure that suppliers and their employees can safely report any ethical or legal misconduct they may observe.

WHAT CAN BE REPORTED?

-  Legal violations or suspected violations
-  Corruption or bribery
-  Labour or human rights abuses
-  Environmental damage
-  Eviolations of the Code of Ethics or contractual requirements



HOW CAN A REPORT BE SUBMITTED?

-  Online: reporting form available at www.gyermelyi.hu
-  Email: visszaelesbejelentes@gyermelyi.hu
-  Phone: +36 34 570 500 / Complaint extension
-  By post: 2821 Gyermely, Bajnai út 1.
Please indicate “Complaint Handling” on the envelope.



WHISTLEBLOWING

PROTECTION OF WHISTLEBLOWERS

- 🌿 Whistleblowers are protected from any form of retaliation.
- 🌿 Reports are treated confidentially and cannot be accessed by unauthorized persons.
- 🌿 If the whistleblower provides their identity, it will only be used to the extent necessary for the investigation.

WHY IS THIS IMPORTANT FOR SUPPLIERS?

- 🌿 A safe and ethical business environment
- 🌿 Early identification of risks
- 🌿 Supports long-term partnerships based on trust
- 🌿 Protects companies operating fairly and responsibly



REQUIREMENTS, ADVANTAGES

WHAT DO WE EXPECT FROM OUR SUPPLIERS?

- ✦ Responsible operations in accordance with the Code and legal requirements
- ✦ Full cooperation in risk management and compliance matters
- ✦ Transparency in all relevant areas
- ✦ Proactive problem-solving and implementation of corrective actions

BENEFITS FROM A SUPPLIER PERSPECTIVE

- ✦ Long-term, stable business relationship
- ✦ Reduced legal and reputational riskst
- ✦ Improved market position due to sustainability and ethical practices
- ✦ Participation in a flexible and sustainable supply chain

THANK YOU FOR YOUR COOPERATION!

ESG and sustainable procurement are in everyone's interest.
Through cooperation with the Gyermelyi Group,
you can also become part of an ethical,
sustainable and stable supply chain.