

«Approved»
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Ethical sourcing policy for food and consumable supplies

Ethical choice of suppliers is an integration of social, ethical and environmental factors into the sourcing process. Supplier selection is critical for all industries. As supply chains continue to expand globally in an effort to reduce costs and increase production capacity, they expose companies to an increasing range of risks. These risks include the potential for supply disruptions, cost volatility, threats to brand reputation and challenges in complying with local laws and regulations. Companies must meet the growing expectations of stakeholders (customers, shareholders, employees, NGOs, trade associations, unions, government watchdogs, etc.) and take responsibility for the environmental, social and ethical standards adopted by their suppliers. Thus, the University is increasingly incorporating ethical sourcing into its procurement and supply chain management process to better understand and manage risk while capitalising on significant opportunities.

The ultimate goal of ethical sourcing is to build strong, long-term relationships with suppliers. Improving environmental, social and ethical performance is vital to developing such relationships. Working towards this goal has become an extension of the company's commitment to corporate responsibility and as such is a key component of the overall business structure and model. Effective supply chain management can help create a competitive advantage for companies, particularly in industries such as food and clothing, where production is largely outsourced.

1. The purpose of an ethical sourcing policy.

The Regulation on the Responsible Partnership Programme of Al-Farabi Kazakh National University with food producers describes a set of measures aimed at forming a network of qualified partners supplying products under direct contracts, active involvement of partners in activities to reduce the use of antibiotics, pesticides, non-recyclable packaging, reduce carbon footprint, applying in their activities a policy aimed at protecting the environment and health, as well as ensuring the following activities

2. Scope of application

2.1. Statute disseminates its effect effect on interaction of "KazNU named after Al-Farabi" with the participants of the partnership programme.

3. Terms, definitions and abbreviations

Responsible production - uses GMO-free products, systematically reduces the use of pesticides (herbicides, insecticides, fungicides, zoocides), antibiotics, non-recyclable packaging. Fulfils the requirements of humane treatment of animals and uses a limited list of food additives. Does not tolerate any inequality towards employees and contractors.

4. Purpose and scope of application

4.1. The objectives of the partnership programme are:

- providing consumers with food products produced with minimal use of food additives, while eliminating the use of pesticides and GMOs;
- promoting environmental and biodiversity conservation through the purchase of products from producers who reduce or completely eliminate the use of pesticides, GMOs and non-recyclable packaging in their production;
- Helping to reduce the development of antibiotic resistance in the population by purchasing products from manufacturers that reduce or completely eliminate the use of antibiotics in their production;
- Helping to reduce society's carbon footprint by prioritising local producers;
- promoting the survival of enterprises that observe the principles of humane treatment of animals and social responsibility to their employees;
- promoting the prosperity of all participants in the supply chain. Participation in the programme shall not be allowed to the detriment of the economic efficiency of one of the participants.

4.2. The partnership programme includes:

- Creating a class of qualified responsible partners;
- purchasing products from responsible partners on a regular basis;
- use of design elements indicating participation in the programme (brands and other recognisable elements) in the design of product packaging;
- carrying out a set of measures to promote sales of products of responsible partners;
- monitoring of key stages of the production and logistics chain on the partner's side to control its compliance with the programme parameters;
- Ensuring traceability of programme requirements at all stages of production and logistics.

4.3. A list of companies qualified to participate in the partnership programme is published on the website.

4.4. The decision to award the relevant qualification is made by the executive committee of the programme.

4.5. The programme is implemented as part of ARR's commercial activities

5. Partnership Programme

5.1. The number of programme participants is limited by the number of covered consumer needs. Producers supplying the same type of products to ARR or the same products under a different TM (within the same geography) cannot participate in the programme.

5.2. Participation in the programme is voluntary and free of charge to the participant.

5.3. Information support for programme participants is provided through publication on the website.

- Uncovered needs of the consumer.
- General qualification requirements for the supplier

5.4. Assortment, brand, commercial terms of product delivery are determined on contractual terms.

5.5. The scope, style of the programme promotion as a separate commodity is agreed with NAO "KazNU named after Al-Farabi".

6. Joining a partnership programme

6.1. Any manufacturer meeting the requirements normally applicable to an ARR supplier, plus qualification requirements, may participate in the partnership programme. Supplier qualification requirements are verified through a supplier audit

6.2. The monitoring department audits production and provides an opinion on the conformity of the product and production with the programme requirements.

6.3. The decision to enter the programme is made by the executive committee on the basis of a combination of the audit results and the commercial terms of the partnership.

7. Withdrawal from the partnership programme

7.1. A programme participant can leave the programme independently after fulfilling all his/her obligations under the concluded contracts.

7.2. The Executive Committee may exclude a participant from the programme. The Executive Committee takes such a decision in case of detection of non-compliance of the producer with the requirements, and the remedial measures by the producer are not taken or do not achieve results.