

## CORPORATE POLICY

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# Jacobi Group Sustainability and Corporate Social Responsibility Policy

**Jacobi Carbons has established a comprehensive Sustainability and Corporate Social Responsibility Policy which is actively part of our daily activities. Our policy requirements are verified through both internal and external measures. The purpose of this document is to share the structure, defined responsible parties and verification practice used to ensure our policies, goals and requirements are achieved.**

### STRUCTURE

Jacobi Carbons' policy is structured on three main elements: People, Product and Planet. This structure allows for us to easily define our policy requirements in an easy to understand format. The details for each of these elements are explained in our Sustainability and Corporate Social Responsibility Policy document.

### RESPONSIBLE PARTIES

The best means to ensure the implementation and on-going execution of our policy is by assigning responsible parties. This does not mean that the responsible party is solely responsible for the policy, but instead that they ensure the policy is understood throughout the organisation and that business activities reflect the policy. Of course, everyone within the Jacobi Carbons organisation has a part in the policy as it encompasses all activities.

Provided on the next page is a table showing the responsible parties for each main and sub-element.

**Table 1: Responsible Parties for Sustainability and Corporate Social Responsibility Policy Goals and Requirements**

Policy Elements	Global Human Resources	Corporate Safety and Environment	Group Production Technology	Supply Chain
<b>People</b>				
Work-Life Balance	✓			
People and Leadership Development	✓			
Ethics	✓			
Diversity and Equality	✓			
Safety		✓		
Community Engagement	✓			
Supplier Code of Conduct				✓
<b>Product</b>				
Renewable Raw Materials			✓	
Recycling			✓	
Innovation			✓	
<b>Planet</b>				
Environmental Permits and Reporting		✓		
Environmental Management Systems		✓		
Resource Consumption, Pollution Prevention and Waste Minimisation		✓		

### VERIFICATION

Internally at Jacobi Carbons, we are driven to meet our policy goals, but increasingly our customers are also interested in our policy and how we verify the achievement of them. In the past several years, there have been numerous 3rd party organisations which have emerged to evaluate our corporate Sustainability and Corporate Social Responsibility efforts. Jacobi participated with these organisations upon our customers' request. All of the 3rd party organisations offered audits which had many good aspects, but most lacked a thorough understanding of our business and lacked the ability to evaluate Jacobi Carbons across our entire operation which includes plants in eight (8) different countries. In addition, the use of multiple 3rd party audits resulted in unnecessary duplication of work. Therefore, Jacobi Carbons developed a comprehensive programme of its own to ensure compliance. The programme developed is extremely robust and in many ways far superior to a single 3rd party assessment. The programme established includes both internal and external reviews. A summary of the internal and external reviews is provided in table 2, along with the policy element which is reviewed.

**Table 2: Internal and external reviews used for verification of policy compliance**

Standard or Assessment	Internal or External Review	People	Product	Planet
SMETA	External	✓		✓
ENHESA	External Measures with an Internal Audit	✓		✓
Corporate Safety Management Programme	Internal	✓		
ISO 45001 (Safety)	External	✓		
ISO 14001 (Environment)	External		✓	✓

The application of the reviews is based on the number of employees at each facility as certain standards are not applicable to some of our plants based on their production activities which is closely linked to the number of employees. Table 3 provides a reference to how the standards and assessments are applied based on employees along with the frequency of reviews.

**Table 3: Application of Assessments Based on the Number of Employees**

Standard or Assessment	Application of Compliance Review	Review Frequency
SMETA	Production subsidiaries with > 100 employees	Biennial
ENHESA	Production subsidiaries with > 50 employees	Annual
Corporate Safety Management Programme	All production subsidiaries	Annual
OHSAS 18001 / ISO 45001	Production subsidiaries with > 50 employees	Triennial
ISO 14001	Production subsidiaries with > 100 employees	Triennial

As stated earlier, Jacobi Carbons has a robust verification program. The internal and external reviews used may not be familiar so a brief explanation of each review is provided. Each review has a specific focus on an element of our Sustainability and Corporate Social Responsibility program. There is also overlap of many elements reviewed which provides the assurance we are meeting the goals of our policy.

## *Explanation of Internal and External Reviews*

### **SMETA (Biennial 3rd Party Audits)**

SMETA (Sedex Members Ethical Trade Audit) is an audit methodology developed by Sedex. SEDEX stands for Supplier Ethical Data Exchange. It is a not-for-profit organisation for businesses committed to the continuous improvement of ethical performance within their supply chains. The SMETA (audit) is designed for 3rd party auditors to conduct high quality audits that encompass all aspects of responsible business practices, covering the four pillars of Labor, Health and Safety, Environment and Business Ethics. Audits typically take two to three days and included a two member team from the SEDEX approved auditor. The auditors are from within the country our plants are located which ensures they are knowledgeable on the local and government regulations in addition to international standards. The results from the audit are shared on a SEDEX website. The convenience of the SEDEX website allows manufacturers, such as Jacobi, to share audit results with other SEDEX members.

### **ENHESA (Annual Audits)**

ENHESA is a company which provides consolidated summaries of state and federal regulations concerning requirements for Health and Safety, Water and Air Emissions, Waste Management, Hazardous Material Control, and Operating Permits. The summaries of regulations are tailored for each region in which Jacobi operates. This means each summary is specific to the country of operation. ENHESA has a team of people dedicated to monitoring the ever-changing regulation. Each year, an update summary is prepared which allows for each plant to verify compliance with applicable regulations. The average number of requirements for each plant is 300. Compliance to these regulations is audited by Jacobi Corporate management on an annual basis. Annual review is required as regulations are continuously changing and being updated by state and federal governments. This methodology ensures all Jacobi plants are in full compliance with regulations.

### **Corporate Safety Management Programme (Annual Audits)**

Jacobi Carbons established its Corporate Safety Matrix (CSM) Guidelines in 2015. The guidelines set the minimum standard for 32 Health and Safety requirements, which are specific to activated carbon manufacturing plants, for all plants. In addition, annual comprehensive plant inspections are completed which review the physical plant, equipment, processes and safe working practices.

### **ISO 45001 / OHSAS 18001 (Triennial 3rd Party Audits)**

ISO 45001 is an international standard that specifies requirements for an occupational health and safety management system which enables an operation to proactively assess safety risk, implement corrective actions and improve its safety performance. For those familiar with OHSAS 18001, this was replaced with ISO 45001 in March 2018. Plants certified to OHSAS 18001 will be recertified to ISO 45001 at the time of recertification which is every 3 years.

### **ISO 14001 (Triennial 3rd Party Annual)**

ISO 14001 is the international standard that specifies requirements for an effective environmental management system. It provides the framework for identifying and establishing environmental performance requirements. This standard allows for the improvement of environmental management to conform with its established environmental policies and requirements.

Jacobi Carbons is proud of its Sustainability and Corporate Social Responsibility policy but even more proud of the employees who, through hard work and with passion, bring the policy into action. We are pleased to share additional information and it is available upon request.