

RASAD NIGERIA LIMITED

POLICY 01

Responsible Sourcing Policy

VERSION	Version 1 · September 2026
POLICY OWNER	Operations and Procurement Lead
APPROVED BY	Board of Directors, Rasad Nigeria Limited
REVIEW	Annually, or sooner if law, buyer requirements or our risks change

1. Why this policy exists

Rasad buys cocoa, cashew, sesame, soya and other crops from farmers and licensed buying agents in Nigeria and Benin Republic. Every bag we buy carries the conditions under which it was grown, bought and moved. This policy sets the standard we hold ourselves to at three points: when we buy, while we aggregate, and when we hand stock over to Axias Global or any other buyer.

2. Scope

This policy applies to:

- all Rasad directors, employees, field agents and temporary workers;
- every purchase of agricultural commodities by Rasad, whether made directly from farmers, through licensed buying agents (LBAs), from aggregators or from other traders;
- all Rasad hubs, warehouses, vehicles and third-party hauliers carrying Rasad stock;
- all handovers of stock to Axias Global and to any other buyer.

3. Our commitments

We commit to:

1. Buy only from suppliers we can identify and, for cocoa, only from farms we can locate.
2. Pay fair, transparent prices, weigh accurately and pay on the terms agreed.
3. Refuse stock linked to child labour, forced labour, deforestation or other serious harm, and act on those risks when we find them.
4. Keep complete records from farm to handover, so any lot can be traced back to its source.
5. Work with suppliers to improve, rather than walk away at the first problem, except where the harm is severe or the supplier refuses to act.
6. Keep this policy consistent with Nigerian law, the laws of Benin Republic where we operate there, the EU Deforestation Regulation (EU) 2023/1115 (EUDR), the Rainforest Alliance

Sustainable Agriculture Standard, the UN Guiding Principles on Business and Human Rights and the OECD-FAO Guidance for Responsible Agricultural Supply Chains.

4. Standards at purchase

4.1 Knowing the supplier

Before we buy from a new supplier, we record:

- the supplier's full name, community, state and phone number;
- for LBAs and aggregators: registration details, the communities they buy from and the farmers they buy from;
- for cocoa: each farm's GPS boundary (polygon for plots over 4 hectares, point or polygon for smaller plots), size and owner;
- a signed acknowledgement of the Supplier Code of Conduct (Policy 08).

We do not buy from anyone who refuses to provide this information.

4.2 Fair trading

- Scales are calibrated and checked at least monthly, and before the start of each main cocoa season. Suppliers may watch every weighing.
- Prices, deductions for moisture or quality, and payment terms are explained before the sale and written on the purchase receipt.
- Every purchase gets a receipt showing date, supplier, weight, grade, price and total paid.
- Payments are made to the named supplier, preferably by bank transfer or mobile money. Cash payments are recorded and countersigned.
- No staff member may take a personal payment, gift or favour in return for buying from a supplier (see Policy 09).

4.3 Stock we will not buy

We will not knowingly buy stock:

- from land cleared of forest after 31 December 2020, or from protected areas or forest reserves;
- produced or handled with child labour or forced labour;
- that cannot be traced to its farm (cocoa) or its supplier (other crops);
- that is stolen, smuggled or bought in breach of export or tax rules;
- treated with pesticides that are banned in Nigeria or in the destination market.

5. Standards during aggregation

- Stock from mapped, traceable sources is kept apart from any stock whose origin is not yet verified, and is labelled so the two cannot be confused.
- Each hub keeps a lot register linking every bag or batch to its purchase receipts.
- Quality checks (moisture, bean count, defects, foreign matter) are recorded for every lot.

- Warehouses are kept clean, dry, pest-controlled and secure. Chemical use in storage follows label directions and is logged.
- Workers at hubs and warehouses are covered by Policies 03 (Human Rights and Labour) and 05 (Health and Safety).
- Vehicles and hauliers must carry the lot documents and may not mix Rasad stock with other loads without written approval.

6. Standards at handover

At handover to Axias Global or any other buyer, each lot must carry:

- the lot number and its link to purchase receipts;
- farm-level geolocation data for cocoa, in the format the buyer and the EUDR require;
- the quality report;
- confirmation that the lot passed our deforestation and social risk checks.

A lot that fails any check is held, not shipped, until the issue is resolved or the lot is sold in a way that does not misrepresent its origin.

7. Risk assessment and due diligence

We assess sourcing risks at least once a year, and whenever we enter a new region or take on a large new supplier. The assessment covers deforestation, child labour, forced labour, working conditions, corruption and community impact. Higher-risk suppliers and areas receive more frequent visits, spot checks and support.

When we find a problem, we follow a clear sequence:

1. Record it and, where people are at risk, act at once (see Policy 02 for children).
2. Agree a corrective plan with the supplier, with dates.
3. Follow up and verify the fix.
4. Suspend purchases if the supplier does not act, and end the relationship if the harm is severe or repeated.

8. Roles and responsibilities

Role	Responsibility
Board of Directors	Approves this policy and reviews annual results.
Managing Director	Accountable for implementation and resourcing.
Operations and Procurement Lead	Owns this policy, supplier onboarding, hub procedures and handover checks.
Sustainability Lead	Runs farm mapping, risk assessment and supplier improvement programmes.

Role	Responsibility
Hub managers and field agents	Apply this policy at every purchase and report concerns immediately.

9. Monitoring and reporting

We track, at minimum: the share of volume traceable to farm or supplier, farms mapped, supplier assessments completed, issues found and closed, and suspended suppliers. We share a summary with buyers and financiers on request and report publicly once a year.

10. Breaches

Staff who breach this policy face disciplinary action up to dismissal. Suppliers who breach it face corrective action, suspension or termination. Anyone can raise a concern through our grievance channels (Policy 07) without fear of retaliation.

11. Related policies

Policy 02 Child Labour Prevention and Remediation · Policy 03 Human Rights and Labour · Policy 04 Environmental and Deforestation · Policy 07 Grievance Redress and Whistleblower Reporting · Policy 08 Supplier Code of Conduct · Policy 09 Anti-Bribery and Corruption