

Supplier Assessment Procedure

1. Introduction

About the Company

Boni Holding is Bulgaria's largest pork producer and a key player in the food industry, supplying 30% of the country's fresh pork. The company primarily focuses on pig breeding and meat processing, complemented by its feed production operations, which support its breeding activities.

We operate seven pig farms for raising our livestock and have three feed production facilities dedicated to our animals. Our main meat processing center is situated in Lovech, featuring an industrial cutting house, a factory for production of salami and delicacies, and a factory for production of meat preparations (meat cuts, minced meats, raw sausages and semi-manufactured products; ready to eat/cook products). The close proximity of these three enterprises creates a highly efficient production complex.

Additionally, we have a unique facility for raw-cured products in Karlovo, known for its specialized microenvironment that imparts a distinctive flavor to our offerings. In 2021, we enhanced our business model by launching Bulgaria's most technologically advanced pig slaughterhouse in Targovishte, which plays a vital role in ensuring the high quality of our livestock throughout the meat processing chain.

Through our feed mills, pig farms, and meat production facilities, we ensure that our products meet the highest quality standards while contributing positively to the Bulgarian economy and society. Our mission is to provide Bulgarians with responsibly produced meat, ensuring care for people, animals, and the environment. To achieve this, we have set four strategic goals to shape the Company's development in the coming years and beyond:

- To increase the share of pork produced in Bulgaria in the consumption of Bulgarians (currently 2/3 of pork comes from Europe).
- To increasingly assert our leadership position and be the leading innovators in the meat industry.
- To respond to our customers' needs through scale and the ability to control more stages of production.
- To work to maintain the image of meat as a necessary food and to focus efforts in this direction.

2. Purpose

The aim of this document is to establish the procedure for managing the environmental and social aspects of contracting with suppliers. This procedure is designed to comply with local legislation on environmental and social matters, while also ensuring best practices and sustainable sourcing of raw materials and services.

3. Scope

This procedure applies to all divisions and enterprises within the structure of Boni Holding:

Pig farming division:

- Boni Farm Brestak AD
- Boni Farm Krumovo Gradishte AD
- Boni Farm Zimen AD
- Boni Farm Nikola Kozlevo AD
- Boni Farm Shumen AD
- Boni Farm Levski AD
- Boni Farm Pleven AD
- Boni Fodders Pordim EOOD

Meat Processing Division

- Boni Mesokombinat Lovech AD
- Boni Mesokombinat Karlovo AD
- Boni Mesokombinat Ruse AD

- Boni Marketing EOOD

4. Definitions

Direct suppliers are classified as tier 1, 2 and 3 as follows:

- Tier 1 – Tier 1 suppliers are those that provide Boni Holding with essential resources—such as meat, feed components, and medical products—whose total annual supply value exceeds €1,000,000 within a calendar year.
- Tier 2 – Suppliers, whose annual total supplies to Boni Holding for a calendar year exceed € 500,000;
- Tier 3 – Suppliers, whose annual total supplies to Boni Holding for a calendar year do not exceed € 500,000.

5. Procedure

5.1. Pre-contractual screening

Prior to concluding a contract with a supplier, procurement teams or the responsible employee/s, assigned to these functions, must request from the suppliers the following information and / or commitments:

- For Tier 1 suppliers:
 - 1) To fill in the information in the supplier questionnaire;

2) To accept and sign Boni Holding's Supplier Code of Conduct;

- For Tier 2 suppliers:

1) To accept and sign Boni Holding's Supplier Code of Conduct;

- For Tier 3 suppliers – no need to request specific information.

5.2. Assessment results

The willingness to commit and provide necessary information should be an important factor when deciding which supplier to engage with.

Additionally, the results from the assessments conducted are reviewed by Boni Holding's team in terms of performance metrics, reliability, compliance, sustainability practices and commitment to ongoing improvement. These factors are carefully considered when making a decision regarding the selection of a supplier or contractor.

5.3. Ongoing monitoring

Once a contract with Tier 1 and 2 suppliers has been signed, the procurement team or the responsible employee/s, assigned to these functions, should monitor for any developments or information, which could indicate that the environmental and social performance of the relevant supplier falls short of the expectations of Boni Holding. If this is the case, appropriate actions should be taken to address the situation, including escalating the matter to the Management of Boni Holding or other relevant specialists as needed depending on the type of discrepancy identified.

Information about the contractor is retained for the duration of the contract and for three years after its conclusion, in compliance with relevant regulatory requirements and GDPR.

Version number	Approver	Periodic review date	Performed by	Next review date
1.0	Board of directors decision dated 05.06.2025			01.07.2026
2.0	Board of directors decision dated 05.06.2026			01.07.2028

