Sustainable Procurement Policy

This document defines the principles and commitments of the company in the area of sustainable procurement. The policy is binding for all employees of the company and applies to all direct and indirect suppliers.

1. Purpose and Scope

The purpose of this policy is to integrate environmental, social, and ethical aspects into procurement processes and supplier management. The policy applies to all purchasing activities of the company and supports the achievement of ESG goals and compliance with legislative requirements.

2. Strategic Commitments

The company is committed to the following principles:

- Compliance with EU legislative requirements.
- Reduction of the carbon footprint in production and across the supply chain.
- Support for the circular economy – use of recycled materials and minimization of waste.
- Respect for human rights, ethical standards, and fair working conditions.
- Transparent and ethical business relationships.

3. Supplier Selection and Evaluation Criteria

When selecting and evaluating suppliers, the following criteria, among others, will be taken into account:

- Environmental: use of low-carbon materials, ISO 14001, EMAS and ISO 50001 certification, reporting of company and product carbon footprint.
- Social: compliance with human rights, prohibition of forced and child labor, fair working conditions.
- Governance: anti-corruption measures, transparency, and auditability of processes.

4. Supplier Management Process

- Evaluation: regular scoring of suppliers based on quality, cost, and ESG criteria.
- Monitoring: use of the NQC platform.
- Supplier Development: training and support for innovation.

5. Internal Implementation

- Integration of sustainable procurement into the KPIs of the procurement team.
- Employee training in ESG and sustainable procurement.
- Regular reporting in the company’s annual reports.

6. Review and Updates

This policy will be reviewed regularly. The goal is to continuously improve the company's approach to sustainable procurement and strengthen collaboration with suppliers.

Portfolio Director in collaboration with the entire management team, including the ESG team are responsible for policy implementation.

This policy is approved by senior management and aligned with THK Group's sustainability strategy and material topics.

Approved by:

Hauke Baumann - EU Portfolio Director

Date:

August 2025