



SUSTAINABLE PROCUREMENT Annex 2 to Supplier Handbook

SUSTAINABLE PROCUREMENT STATEMENT

Background

This document is to be considered as an annex of the FlexLink Supplier Handbook.

Purpose

At FlexLink, we are driven by our commitment to do the right thing for our customers, our employees, and our communities. We are committed towards reducing our environmental impact and strive for sustainability across every function, including our sourcing and procurement.

Through this statement, we intend to make our operations more sustainable by:

- Endorsing the highest standards of economic, social, ethical and environmental practices
- Identifying and moderating risks (e.g economic, environmental, social responsibility etc.) associated with our procurement process
- Upholding the laws and regulations of the respective countries we operate in
- Communicating this statement with our stakeholders (internal and external) and raising awareness among our suppliers

In accordance with our commitment to the highest standards, we also expect our suppliers to aspire, as we do, to the same standards in their business operations.

Reporting

We encourage suppliers to report their sustainability status through annual reporting using Corporate Sustainability and Responsibility- CSR¹, Global reporting Initiative- GRI² or similar reporting methods and the setting of objectives and targets such as Science Based Targets initiative- SBTi³ or other Greenhouse Gas Protocol- GHG⁴ targets or KPI's.

Commitment

We expect our suppliers to work collaboratively and be supportive of our approach to continually improve performance, by conducting risk assessment of their supply chain, through the selection of sustainable products and solutions, innovative thinking, and the employment of best practice to meet our objectives and targets.

We recognize that improving our procurement performance is an ongoing process and that our suppliers are important partners in our aim to become more sustainable.

Environment

We expect our suppliers to comply with all the applicable environmental laws of the respective countries in which they operate. In addition, we encourage them to:

- Undertake initiatives to promote greater environmental responsibility such as setting objectives and targets in:
 - Reduction of greenhouse gas and other emissions harmful to the environment
 - Eliminating the release of polluting products to water courses
 - Reducing overall energy use in their general facilities and production processes
 - Conservation of non-renewable natural resources

- Reducing waste and by-products by increasing recycling and designing-in the improved life cycle and reuse of products
- Reducing water consumption in their general facilities and production methods.
- Biodiversity, land use and deforestation
- Soil quality, contamination of
- Noise emissions

Business Ethics

We expect our suppliers to observe all relevant international and domestic laws on ethical business practices and their financial statement reporting.

- Suppliers should have systems in place to manage and prevent:
 - Money laundering
 - Anti-corruption, fraud or bribery
 - Conflicts of interest
 - Data protection and security issues
- Have controls or processes in place to:
 - Maintain and enforcement of any 'export control' or economic sanctions (e.g. Dual Use statement) when required
 - A 'whistleblowing' procedure in place and protection against retaliation

Labor and Human Rights

We ask our suppliers to follow the FlexLink Code of Ethics as stated in the Supplier Handbook. In addition, we encourage them to:

- Comply with all applicable laws, in accordance with the principles of International Labour Organisation- ILO and the UN Universal Declaration of Human Rights
- Prohibit slavery and the use of forced, bonded, or child labor across the supply chain
- Prohibit unlawful discrimination and harassment and provide a safe and inclusive work environment for all employees
- Carry out ethical recruiting
- Apply diversity, equity, and inclusion of minorities and indigenous peoples including women's rights
- Consider the effects on land, forest and water rights and protection against forced eviction from such areas for commercial reasons

Community Development

We encourage our supplier to:

- Provide employees with a living wage, as a minimum
- Partner with local governments and communities to improve the education, cultural, economic, and social well-being of communities which they operate in.

¹ Refer to <https://www.csreurope.org/>

² Refer to <https://www.globalreporting.org/>

³ Refer to <https://www.mainstreamingclimate.org/sbti/>

⁴ Refer to <https://ghgprotocol.org/>