



Sustainable Procurement Policy

Version	Owner (dept. or function)	Target audience	Approved by	Approval date	Review frequency	Reviewed topics
1	Group procurement and sustainability	Supply chain, own operations and contractors	ExCom	April 2024	At least every 3 years	/
2	Group procurement and sustainability	Supu chain, own operations and contractors	ExCom	March 2025	At least every 3 years	Review minimum requirements/targets

I. Introduction

At VPK, enhancing sustainability and prioritizing ESG objectives are fundamental aspects of our strategy. We are committed to upholding The Ten Principles of the UN Global Compact.

We have integrated sustainability criteria into our procurement decisions, underscoring our dedication to responsible business practices. VPK actively collaborates with its suppliers to encourage them to adopt similar principles.

Principles

Environmental Responsibility:

- We prioritize products and services that minimize environmental impact.
- Consideration will be given to energy efficiency, waste reduction, recyclability, and carbon footprint.

Social Responsibility:

- We support fair labor practices, human rights, and diversity.
- Suppliers must adhere to ethical standards and treat their employees fairly.

Economic Responsibility:

- We aim to support local economies by sourcing products and services locally whenever feasible.
- Cost-effectiveness remains a priority, but not at the expense of sustainability.

Innovation and Collaboration:

- We encourage innovation in sustainable products and services.
- Collaboration with suppliers, industry partners, and other stakeholders is essential.

The VPK Supply Chain System serves as a vital management tool in our diligence process, aiding in the identification, prevention, mitigation, and accountability of our



activities' impacts across the value chain. Utilizing a risk-based approach, we prioritize actions and concentrate on outcomes and impacts within the value chain. This system encompasses a supplier code of conduct (*cf. VPK Group's Supplier Code of Conduct and Supply Chain Standard*) continuous independent risk monitoring, prevention and mitigation measures, and collaborative efforts with suppliers.

II. Scope

This policy applies to all employees, contractors, and Tier-1 suppliers involved in procurement activities on behalf of our organization.

In order to make this possible from an operational point of view VPK Group will use an external platform to perform (1) ESG (Environmental, Social, Governance) risk assessments on our strategic suppliers (raw materials, goods & services, in- & outbound logistics and capital investments) and (2) to make sure that risk areas are continuously monitored after the initial risk assessment.

Due Diligence will need to be performed on the on all suppliers/supplier industries/country of origin where the initial risk assessment in the external tool showed a high ESG risk, independent of spend or criticality to VPK Group.

After the initial risk assessment continuous monitoring will be done on identified risk area's as mentioned above via the external platform.

Scope accounts for **all activities within VPK Group** where VPK has operational control.

III. Commitments and objectives

VPK Group will do an initial risk assessment (peer scoring) on the top group vendors.

The vendors/industries/commodities that are identified as potential high risk will be monitored on a continuous basis (up to 500 supplier locations).

Depending on the identified risk, the Sustainability Steerco will evaluate whether and which kind of action will be required.

When high risk alerts would pop-up during the continuous monitoring it is also the Sustainability Steerco that will decide on the actions that need to be taken.



IV. Targets

Minimum vendor requirements for all suppliers by 2028:

- Ensuring that 90% of the spend with our strategic suppliers¹ is covered by the VPK Supplier Code of Conduct or equivalent.
- Ensuring that 90% of the spend with our strategic suppliers is covered by VPK's ESG Due Diligence process, evaluating their social impact and responsibility, environmental practices, and governance².

V. Responsibility and governance

The Executive Committee is accountable for implementation of this policy. Board-level oversees this policy.

KPI stewards: Group procurement manager, reporting to the Sustainability Steering Committee and the Executive Committee.

As not all buying categories are managed on group level, every division/business unit shall prepare a responsibility matrix with respect to this Policy. The responsibilities shall form an integral part of overall job responsibilities of all employees. All employees are required to ensure strict adherence.

¹ By strategic suppliers, VPK considers suppliers of raw materials, goods and services, in-/outbound logistics and capital investments with a minimum spend of 1 Mio € on an annual basis. They account for approximately 50% of total expenditure of VPK Group.

² For further details, refer to the VPK Group's Supply Chain Standard.