



Sustainable Procurement Policy

CPS's policy on sustainability

Sustainability is a key element of CSP's strategy in line with our company's purpose to enable our partners to go beyond performance and realize a sustainable future. We have the ambition to realize a circular SMC value chain and to reduce our environmental footprint to zero. CSP's sustainability goals are straightforward, and good for everyone – people, the planet, and our customers and suppliers. We are therefore hands-on in protecting the environment, cutting waste, using less energy, and investing in clean tech. We've forged alliances with our partners to make sustainability a team effort, understanding that sustainability benefits the environment and also has positive impacts on business profitability.

Sustainable procurement

Based on the above, the procurement department assesses possibilities for improvements within the supply chain. This is an ongoing process that we manage step by step and in which we focus on large contributors to our carbon footprint: the raw materials and utilities suppliers.

We:

- a. Look into the possibilities of bio-based and recycled precursor materials for our raw materials and support developments in that area (joint effort from the Purchasing, Research and Development departments). We contact business partners which potentially will use these precursor materials to produce more sustainable raw materials for CSP.
- b. Have dialogues with our raw material suppliers on their actions to produce and purchase in a more sustainable way (e.g., by reducing energy consumption or using green electricity and/or green steam).
- c. Investigate with our utility suppliers the possibility of using more sustainable fuels (e.g., biomass) to generate electricity.
- d. Investigate if we can contract potential suppliers of sustainable (green, biobased) electricity.
- e. Purchase renewable / green electricity where offered and possible.
- f. Investigate the possibilities of concluding Power Purchase Agreements for the supply of renewable energy (e.g., produced by wind or solar farms).
- g. Have the procedure 'Corporate Social Responsibility Declaration' in place which covers amongst others:
 - Safety & Health.
 - Environment, including waste, pollution prevention, environmental management system and environmental permits/reporting.
 - Good employment practice, including freedom of association, no child labor and freely chosen employment.
 - Non-Discrimination rules.

Based on a risk analysis, defined groups of suppliers are required to sign our CSR Declaration before concluding a contract.

- h. Act according to our Integrity & Ethics Policy and our Code of Conduct with chapters on e.g., Fair and Transparent Transactions, Intellectual Property, and Anti-bribery and Anti-corruption, and expect the same from our suppliers.
- i. Target acceptance of supplier's annual signoff will increase by 30% by 2030 from baseline of 2024.
- j. At least 50% of relevant purchasing individuals will be trained in environmental and labor/human rights by 2026.