

PROCUREMENT POLICY

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Signed off by:	Heras HoldCo AS, GMT

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1 PURPOSE AND SCOPE

This Policy establishes the principles, responsibilities, and controls governing procurement across Heras HoldCo AS and all its subsidiaries ("the Group"). It applies to all employees and consultants who request, approve, source, contract, order, or manage goods or services on behalf of the Group.

The Policy supports value creation, operational continuity, legal and ethical compliance, sustainability, risk management, and Group-wide standardisation. Detailed requirements are set out in the applicable procedures, supplier lists, and the Delegation of Authority.

2 GOVERNANCE AND RESPONSIBILITIES

No person may commit the Group to a commercial obligation without appropriate authority under the *Delegation of Authority.*

2.1 Group Procurement

Group Procurement owns the procurement framework and is responsible for:

- **Governance:**
  Procurement policies, standards, controls, reporting, and compliance requirements;
- **Category and product management:**
  Product-group definitions, category strategies, and product harmonisation;
- **Sourcing and contracting:**
  Strategic sourcing, Group framework agreements, and centralised sourcing where beneficial;
- **Supplier management:**
  Supplier approval, harmonisation, performance, risk, and sustainability.
- **Data monitoring and follow-up:**
  Monitor and follow up procurement and product data for compliance, performance, and decision-making.

2.2 Country Management

Country Management is accountable for financial and operational performance, for ensuring appropriate and efficient allocation of employees and resources, and for providing the leadership and support required to achieve agreed procurement and supply chain targets.

2.3 Country Supply Chain

Country Supply Chain is responsible for adhering to the Heras Procurement Policy and its objectives, executing approved sourcing and purchasing activities, implementing Group strategies and supplier agreements, maintaining compliant local processes, and delivering the agreed procurement and supply chain targets as specified in the *Group Procurement Scorecard*.

3 PRODUCT GROUPS AND SUPPLIERS

All goods and services are classified as either:

- **Strategic Product Groups**
  Product groups designated and governed by Group Procurement; or
- **Operational Product Groups**
  All remaining goods and services.

Suppliers within Strategic Product Groups are classified as:

- **Group Preferred**
  Approved for use by multiple Group entities.
- **Approved**
  Approved for use by a specific Group entity.
- **Legacy**
  Restricted to existing spare-parts or contractual obligations and not permitted for new business.

The applicable Strategic Product Groups and authorised suppliers are maintained in the *Strategic Product Groups and Authorised Suppliers List*.

Group Procurement drives the supplier classifications, which will in turn be approved by Group Management Team.

3.1 Blacklisted Suppliers

Regardless of product group classification a supplier can belong to the blacklisted category. No business may be conducted with a Blacklisted Supplier. The decision to blacklist a supplier must be approved by the Group CEO. All blacklisted suppliers are listed in the *Blacklisted Supplier List.*

4 SOURCING, ONBOARDING, AND CONTRACTING

Only Group Procurement, or persons expressly authorised by the Group Director Procurement, may tender supplier agreements for Strategic Product Groups. Sourcing activities for Operational Product Groups require prior approval from the relevant Country Head of Supply Chain.

Competitive sourcing shall be used where commercially appropriate, unless a documented exception is approved by the Group Director Procurement.

Before engagement, suppliers shall complete the applicable approval, risk, compliance, and sustainability checks.

Suppliers within Strategic Product Groups shall have:

- a valid written agreement; and
- a signed Heras Supplier Code of Conduct, or an approved equivalent.

For approved exceptions and suppliers within Operational Product Groups, the minimum requirements are an approved purchase order, acceptance of the *Heras Terms and Conditions*, and a signed *Supplier Code of Conduct* or approved equivalent.

Heras Agreement Templates shall be used unless an authorised exception is approved. Agreements shall be signed in accordance with the *Delegation of Authority* and stored in the designated Group contract management system.

All suppliers within Strategic Product Groups are subject to the *Sustainable Supply Chain Due Diligence Process*.

5 REQUISITIONS AND PURCHASE ORDERS

Orders within Strategic Product Groups may be placed only by authorised procurement personnel as defined in the *Authorized Procurement Personnel List*. Other employees shall submit a purchase requisition through the approved process.

Purchasers shall use an approved supplier and purchase order unless an authorised exception applies (see paragraph 6).

Each purchase order shall include, as applicable:

- product or service description;
- supplier name;
- supplier item number;
- product group;
- quantity and price;
- required delivery date; and
- reference to the applicable agreement or to the Heras Terms and Conditions and Supplier Code of Conduct.

Purchases shall not be split or otherwise structured to avoid approval thresholds or procurement controls.

6 SUPPLIER AND PRODUCT EXCEPTIONS

An exception is required before using an unapproved supplier or product. For Strategic Product Groups, this includes the use of a Legacy Supplier for new business.

For Strategic Product Groups, exceptions require prior approval from the Group Director Procurement. For Operational Product Groups, exceptions shall be managed and approved by the relevant Country Head of Supply Chain.

Each request shall include at least:

- documented justification,
- the proposed supplier and product,
- the relevant customer or project,
- and a defined validity period.

Approval is required before any commitment is made or the supplier or product is included in a customer quotation. Blacklisted Suppliers may not be approved through the exception process. All exceptions shall follow the *Supplier Exception Procedure*.

7 COMPLIANCE AND MONITORING

All Group entities and employees shall comply with this Policy, the *Delegation of Authority*, applicable laws, and related Group procedures.

Group Procurement shall monitor:

- spend with Group Preferred Suppliers;
- purchase-order compliance;
- spend under contract;
- Supplier Code of Conduct coverage;
- supplier exceptions;
- non-approved spend;
- compliance with the Delegation of Authority; and
- expansion of Strategic Product Groups where beneficial.

Breaches may result in withdrawal of purchasing authority, supplier restrictions, cancellation of commitments where legally possible, or other corrective action.

7.1 Sustainability

Procurement plays a critical role in achieving the Group's sustainability objectives. Procurement activities and decisions shall therefore support the targets set out in the Group Sustainability Strategy. This includes translating the applicable targets into procurement requirements and supplier engagement activities.

7.2 Anti-Bribery and Business Integrity

Employees involved in procurement shall disclose actual or potential conflicts of interest and comply with the Group's rules on gifts, hospitality, anti-bribery, and competition law. For more information, please see the Heras Employee Code of Conduct.

7.3 Information Security and Data Protection

Suppliers with access to Group systems, confidential information, or personal data shall complete the applicable information-security and data-protection assessments and meet all related contractual and legal requirements before engagement.

Changes to supplier bank details shall confirmed by phone with the supplier by someone who knows the confirmer and by using only the number previously provided by the supplier.

8 RELATED DOCUMENTS

The following documents support this Policy and shall be applied where relevant:

- *Heras Supplier Code of Conduct*
- *Heras Terms and Conditions of Purchase*
- *Purchase Requisition and Purchase Order Procedure*
- *Heras Agreement Templates*
- *Authorized Procurement Personnel List*
- *Heras Employee Code of Conduct*
- *Blacklisted Supplier List*
- *Group Sustainability Strategy*
- *Group Procurement Scorecard*
- *Strategic Product Groups and Authorised Suppliers List*
- *Delegation of Authority*
- *Supplier Exception Procedure*
- *Sustainable Supply Chain Due Diligence Process*

9 DOCUMENT CONTROL

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