



PURCHASING POLICY

DECEMBER 2023

DEFINITIONS

Whenever the policy refers to:

Supplier – this should be understood as a natural or legal person and an organizational unit without legal personality, being a party to the contract concluded with Relpol S.A or a party supplying materials, raw materials or providing services.

ESG - this should be understood as an acronym from English meaning environmental, social and corporate governance.

ESG is the idea that a company should be concerned not only with its own economic interest, but more importantly with its impact on the environment, local communities or ethical issues.

Product quality - this should be understood as the degree to which the requirements placed on the purchased material, good or service are met.

Supplier Code of Conduct - should be understood as a document that defines the standards of conduct that Business Partners, including Suppliers, are required to follow, on issues related to compliance with corruption laws and regulations, labor conditions, human rights, and environmental and sustainability issues.

Corruption - this should be understood as an illegal action involving the use of a privileged position for economic gain. This action is characterized by placing private interests above the interests of the company.

Supplier qualification - this should be understood as the process of evaluating and analyzing Suppliers to determine whether they meet certain requirements and criteria to deliver the organization's products or services.

Policy - this should be understood as the following Purchasing Policy document.

Employee - this should be understood as a natural person performing work for Relpol S.A. regardless of their position and form of employment.

Risks - in the context of purchasing this should be understood as threats, which refer to potential problems, and which the company may encounter in the process of purchasing

Corporate social responsibility - this should be understood as a way of operation that takes into account social interests and environmental aspects, relations with various stakeholder groups, including employees.

Sustainable development - this should be understood in a general sense as activities aimed at meeting the needs of current generations without adversely affecting the satisfaction of the needs of future generations. The idea is to treat economic, political, social and environmental factors as dependent on each other.

OUR GOALS

The goal of Relpol S.A.'s Purchasing Policy is to ensure dynamic, sustainable growth and maintain high standards in relationships with Partners, while working systematically with Suppliers to maintain competitiveness, quality and timeliness of deliveries or services provided, minimizing costs and risks and maximizing value for our end customers while respecting the environment, caring for human welfare and social justice.

This policy expresses and confirms the implementation of our commitment to develop our business in a sustainable manner, to continuously develop innovations, to improve the production of high-quality relays with respect for human health and safety, and to counteract the negative effects of climate changes.

We are aware that our activities extend beyond our company to include Relpol S.A.'s Suppliers and Business Partners, who are an integral part of our supply chain, to which this policy applies.

Relpol S.A. has implemented an optimal system for the procurement of materials and products, empowered by appropriate processes and procedures. When selecting, qualifying and evaluating, we apply the same criteria to all Suppliers.

The document is public, delineates and informs the general purchasing principles that guide us and may be published.

SUSTAINABLE SOURCING ACTIVITIES

1. Identification of needs.

At Relpol S.A., before purchasing new raw materials, materials or services, we define our technical and quality requirements and, based on them, we submit requests for quotations or orders.

2. Selection of Suppliers.

We make every effort to properly manage the economic, social and environmental impacts on supply processes by balancing the three types of capital: economic, human and natural. In view of this, we select Suppliers on the basis of their ability to deliver quality goods and services on time and in accordance with our quality standards with particular attention to natural resource efficiency, low carbon footprint and their social responsibility.

Cooperation with suppliers must be in accordance with the aforementioned standards and also based on the key aspect of meeting the requirements. Therefore, before the material is put into production, they must go through the process of supplier and material qualification described in more detail in the internal procedure "*PW09.01_01-P-Supplier Qualification*".

Only after meeting the requirements from the documentary and quality aspects, we introduce the raw material or allow as a substitute giving a guarantee to maintain the quality of the products we produce.

3. Supplier Relations.

We strive to build long-term relationships with Suppliers based on cooperation and respect, which promotes, in our view, stability and trust in business.

We practice, in accordance with the internal procedure "*PW09.01_02-P-Assessment of Suppliers of Materials and non-manufacturing and direct manufacturing services*", regular evaluations in terms of quality, timeliness and efficiency, so we help suppliers identify their weaknesses and us build awareness about our Partners and draw conclusions.

4. Promoting sustainable development.

We support and appreciate Suppliers who care about the environment, work ethics and corporate social responsibility.

We practice and ourselves encourage Suppliers to use the Earth's natural resources in a rational and economical manner and to carry out activities aimed at reducing energy consumption and reduce greenhouse gas emissions.

In this aspect, in order to spread our knowledge and experience as well as requirements, a separate document was created as a continuation of this policy: "*Code of Conduct for Suppliers*".

5. Identifying threats.

We are constantly monitoring and evaluating the risks associated with the supply of raw materials and materials, and are looking for alternative sources of supply, especially for strategic raw materials. At the same time, we monitor market developments and local changes that may affect the availability of raw materials and materials.

6. Spending of appropriations.

Our goal is to achieve favorable pricing, payment terms and delivery costs. In order to avoid over-investment of capital, we make every effort to manage inventory efficiently.

The actions we are taking:

Price negotiations. We work with suppliers on pricing terms that allow us to remain competitive in the finished product market. This includes monitoring prices in the market and looking for opportunities to develop savings where possible to ensure that the cost of manufacturing our products is attractive.

Inventory management. This is a key aspect in terms of allocating resources for material storage. We strive to keep inventories as optimized as possible while maintaining fluidity of supply and providing materials for production without excessive storage. The process of warehouse management is regulated and described in the internal procedure document "*PW01.03_01-P-Warehouse Management*". Therefore, we combine information such as lead time, time needed for transportation and its frequency, production needs; we draw conclusions.

Transportation cost analysis. We monitor the cost of transporting raw materials and supplies from Suppliers to our production facility. We try to choose the most economical and efficient transportation routes, and communicate with suppliers to minimize delivery costs.

Process optimization. We are continuing to develop and rationalize our purchasing procedures to minimize unnecessary administrative and bureaucratic costs. We are implementing electronic workflows to save natural resources, costs and working time, as well as improving business communication.

Market monitoring. We monitor the market on an ongoing basis and investigate the availability of alternative sources that can supply needed raw materials and materials at a lower cost.

If necessary, we consider changing suppliers to save money, improve quality or introduce as an alternative source.

Each time we analyze the prices of raw materials on commodity exchanges.

7. Quality control.

To make sure that materials and raw materials meet our quality requirements, we follow strict quality control procedures during qualification and in ongoing deliveries as described in the internal procedure "*PW09.03_01-P-Supply Controls*."

Quality reports and technical documentation must be provided and kept up to date by Suppliers. We sign quality agreements with suppliers of strategic raw materials with the aim of creating a transparent cooperation environment to build, maintain and raise awareness and standards.

8. Innovation.

We do not stop at finding new ideas and technologies to improve our production processes and efficiency and minimize costs. Thus, we encourage Suppliers to introduce new products and services and improve existing ones through cooperation, conversation.

9. Compliance with laws and standards.

We duly comply with all applicable laws and industry standards related to purchasing, including data protection, anti-corruption, and tax law, with particular attention to applicable economic sanctions and the rules of cooperation with high-risk countries contained in the AML-CFT system. We reflect the same requirements on suppliers by placing expectations on them to meet legal requirements, environmental standards, as described in the procedure already cited in this document called "PW09.01_01-P-Supplier qualification".

10. Improvement.

We are working hard to ensure that the results of our purchasing policy produce tangible results, and we are open to adapting and taking new directions that benefit us as a company and planet Earth as our environment. We report activities and progress both internally and externally on an ongoing basis.



SUPPLIER CODE OF CONDUCT

DECEMBER 2023

Relpol S.A. conducts its activities as a responsible company with legal personality and observing all relevant local, national as well as international laws.

Our mission is to be the best business partner for our customers and Suppliers around the world, a solid European brand associated with quality, innovation and timeliness.

We want to bring our shareholders the benefits of their invested capital by growing sustainably and responsibly as a modern organized company. We want to be a desirable employer with committed and loyal employees, offering the expected conditions for personal development and a friendly working atmosphere and respect. At the same time, we want to maintain relationships with Partners with consistent views for respecting safety and human rights, the conditions of their employment, environmental protection, ethics and fair business practices.

Relpol S.A. expects its Suppliers to comply with applicable laws and internationally recognized standards of occupational health and safety, environmental protection, social responsibility and management.

We are aware that our business reaches beyond our company to include Relpol S.A.'s Suppliers and business partners, who are an integral part of our supply chain. Therefore, we expect them to conduct their business in accordance with the values and principles defined in this Supplier Code of Conduct and in full compliance with all applicable laws and regulations, as well as the appropriate selection of its sub-suppliers and contractors.

The purpose of the Code is to unify the rules of conduct of Suppliers, identify good practices in the area of corporate social responsibility, reduce the likelihood of the occurrence of risks in the supply chain regarding social, climate or ethical issues, and to commit Suppliers to the UN Sustainable Development Goals as well as the climate policy goals of the European Green Deal.

The key four areas of greatest emphasis are:

- 1. Human rights and employment standards.**
- 2. Environment and Sustainability.**
- 3. Ethics and fair business practices.**
- 4. Continuous improvement through responsible management.**

1. Human rights and employment standards.

Relpol S.A. company does not apply or accept discrimination, harassment, invasion of privacy, slavery or servitude, restriction of freedom of assembly or unfair practices in employment and expects all entities with which it does business to apply similar standards.

Suppliers are required to:

- Comply to the prohibition of forced labor in any form, including forced labor of prisoners, labor of persons subject to labor orders, labor of debtors paying off debt with labor for the benefit of creditors, slave labor or any form of human trafficking.
- Comply with the minimum age for work as defined by national laws and/or regulations and relevant International Labor Organization standards.
- Promote respect and non-discrimination toward employees: All employees must be treated with dignity and respect. The principles of equal opportunity and equal treatment of employees must be applied regardless of color, race, nationality, ethnicity, political opinion, social background, disability, gender, sexual identity and orientation, marital status, religious beliefs or age.
- Comply with applicable laws and industry regulations on working time, including regulations covering overtime.
- Apply a system of employee compensation and benefits that complies with relevant national laws, including minimum wage laws, and that is in line with practices in the industry and local labor markets.
- Recognize, to the full extent permissible, the right of workers to freely organize and collective labor agreements
- Take care of health and safety aspects. All employees, in accordance with applicable laws and regulations, must be provided with a safe and healthy work environment in which accidents and injuries do not occur, and in which occupational diseases and health problems related to their activities are prevented.

2. Environment and Sustainability.

It is the duty of Relpol S.A. employees to respect the environment and the principles of sustainable development in carrying out their daily tasks. Therefore, going beyond the company's framework, it is also expected from Suppliers to constantly and effectively reduce their negative impact on the environment, by means of all possible and common practices.

Our suppliers are obliged to use the earth's natural resources in a rational manner and economically and carry out activities aimed at reducing energy consumption and greenhouse gas emissions.

We therefore expect Suppliers to be responsible for managing their impact on the natural environment and to assess and minimize these impacts. More specifically, this includes reducing air emissions, including greenhouse gases, reducing waste, recovering raw materials, and rationally managing water consumption and wastewater discharge.

All materials used by our Suppliers should remain in compliance with applicable rules, laws and regulations regarding the prohibition or restriction of the use of certain substances for their safe and responsible handling, storage, handling, reuse, recycling and disposal.

Therefore, we expect our Suppliers to actively contribute to the closed-loop process of the economy, to focus on optimizing the consumption of natural resources and possibly minimizing waste. In addition, full compliance with the requirements of the RoHS3, REACH directives is an overriding goal.

Suppliers are required to obtain and keep current all environmental permits and must comply with them.

3. Ethics and fair business practices

Relpol S.A. communicates its values and responsible business practices and requires its Suppliers and all participants in the supply chain to apply them.

- Suppliers are required to behave ethically in their daily operations and thus comply with the law and common rules of the business environment.
- Suppliers should act with respect to fair competition, anti-money laundering regulations and should monitor and prevent conflicts of interest.
- We expect partners to comply with applicable economic sanctions, trade regulations in the field of trade (i.e., laws, orders on export and import of goods or technologies, as well as the provision of services), and in this regard we reserve the right to request statements and documents from Suppliers attesting the compliance with the established sanction regulations.

- Suppliers are not allowed to disclose any information that was obtained during the course of cooperation, including confidential information and business secrets of Relpol S.A.
- Suppliers should promote ethical attitudes among their employees and business partners.
- All forms of corrupt behavior are unacceptable. Suppliers have an absolute obligation to comply with applicable anti-corruption laws, taking into account international regulations and anti-corruption regulations introduced in all countries in which they operate. Suppliers should monitor their activities and processes on an ongoing basis with the aim of eliminating potentially corrupt behavior and take appropriate countermeasures, if necessary.

4. Continuous improvement through responsible management.

Relpol S.A. is convinced that responsible management, continuous improvement and commitment are the key to improving the social and environmental health of our supply chain. As essential to this process is risk management, meeting widely developed legal and quality requirements, implementing our own business ethics policies, keeping full and transparent records, improving employee qualifications and developing technology.

We expect Suppliers to:

- manage risk. The Supplier shall ensure that mechanisms are implemented to identify and identify and manage risks in all areas indicated in this Code and applicable legal requirements.
- Run trainings and competencies. The supplier shall enable employees to participate in training courses designed to aimed at obtaining an appropriate level of knowledge and understanding of the law, social norms and this Code.
- Manage documentation. Suppliers are required to accurately and honestly record and report to appropriate parties all business information relating to employment, health and safety, and environmental practices, as well as comply with all relevant regulations regarding the preparation and accuracy of relevant reports.

Relpol S.A. company understands that achieving the standards established by the provisions of this Code is not a one-time action and encourages Suppliers to continue their efforts to improve quality and enforce ethical values throughout the supply chain.

We are committed to continually supporting our Suppliers, local communities and, most importantly, our employees in building awareness and promoting best practices for responsible business and sustainability.

We reserve the right to control audits of supply chain standards and compliance with the above code, including in terms of ESG activities .

If a supplier observes, in the context of its business relationship with Relpol S.A., any behavior or situations that are contrary to the ethical principles set forth by our company or in violation of the law, it may report them, in good faith with the belief that they are true, to a designated contact person at Relpol S.A. or through a dedicated address: etyka@relpol.com.pl .

SUPPLIER'S DECLARATION

We declare that in our activities we are guided by the values and principles described in this Code and we undertake to observe them in our cooperation with Relpol S.A.

For and on behalf of the supplier/contractor:

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Company name

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Name, surname and position of the Representative

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Date and stamp

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Signature of the representative