



SUSTAINABLE  
PROCUREMENT POLICY



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## 1. Document Management

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## 2. Purpose and Scope

Raycap leverages its global supply chain to drive positive environmental and social impacts while ensuring the delivery of high-quality goods and services. We view sustainability as integral to our overall strategy, complementing our profitability goals. This Sustainable Procurement Policy, in conjunction with our Third-Party Code of Conduct, applies globally to all Raycap entities, employees, and any Third Parties involved in procurement-related activities.

Third Parties include, but are not limited to, suppliers, vendors, sales agents, subcontractors, distributors, and any other persons or entities who are either doing business with or acting for or on behalf of Raycap. Any Third Party providing or receiving a service or product to or from Raycap is subject to this policy and is expected to uphold sustainability principles in alignment with our Third-Party Code of Conduct, ensuring responsible business practices are embedded throughout our value chain.

## 3. Governance and Oversight

Ultimate responsibility for this policy lies with the Board of Directors, with the CEO overseeing its formal approval.

To support effective implementation, oversight, and continuous improvement, Raycap has established the Procurement Performance Taskforce—a cross-functional group led by the Chief Supply Chain and Sustainability Officer (CSCSO). The Taskforce includes the ESG & Sustainability Manager, as well as the Procurement and Quality Managers from key supply chain operations in Greece, Slovenia, and the USA.

The Taskforce plays a central role in driving procurement-related initiatives across the organization, including supplier engagement, performance improvement, risk assessment, and the integration of sustainability and compliance standards into procurement practices. It is also responsible for reviewing this policy, identifying improvement opportunities, and recommending updates to ensure continued relevance and alignment with Raycap's strategic objectives. The CSCSO regularly reports key developments, challenges, and opportunities to the CEO and Board of Directors.

This policy is reviewed at least annually to maintain its relevance, effectiveness, and alignment with evolving regulatory requirements and best practices. Revisions may be made based on management reviews, stakeholder input, or changes in the external operating environment.

#### 4. Policy Statement

Raycap is committed to sustainable procurement, acquiring goods and services in a manner that delivers long-term value while benefiting the organization, society, and the environment. Our principles include:

- **Environmental Responsibility:** We prioritize procurement with minimal environmental impact throughout the lifecycle, focusing on energy efficiency, waste reduction, carbon footprint, and renewable resource use.
- **Social Equity:** We uphold fair labor practices, safe working conditions, fair wages, and human rights protection across our supply chain. We work with Third Parties promoting diversity, equality, and social inclusion.
- **Ethical Conduct:** We maintain high ethical standards and transparency in all procurement activities, collaborating with Third Parties that adhere to legal and regulatory requirements, uphold business integrity, and support responsible economic growth.
- **Collaboration and Continuous Improvement:** We engage with relevant stakeholders, including Third Parties, to advance sustainability across the supply chain. We regularly assess procurement performance, integrate feedback, and refine our approach based on evolving industry standards and best practices.

#### Key Focus Areas for Sustainable Value Creation:

1. **Third Party Code of Conduct and Compliance:** All Third Parties must review, acknowledge, and comply with Raycap's Third-Party Code of Conduct or demonstrate commitment to equivalent standards, adhering to all applicable laws, regulations, and industry standards in their operating jurisdictions.
2. **Data Security and Privacy:** We ensure Third Parties adhere to stringent data security and privacy practices to protect sensitive information and maintain trust.
3. **Business Integrity and Responsible Sourcing:** Third Parties must uphold ethical business practices, transparency, and respect for human rights, avoiding materials that contribute to human rights violations, such as conflict minerals. Raycap expects Third Parties to conduct due diligence on their own supply chains, ensuring traceability of high-risk materials and ethical sourcing practices.
4. **Human Rights and Labor Practices:** Third Parties must comply with internationally recognized human rights and labor standards (e.g., ILO, UN Global Compact, Universal Declaration of Human Rights) to ensure fair wages, appropriate working conditions, and the elimination of forced or child labor.
5. **Diversity, Equity and Inclusion:** Raycap encourages Third Parties to implement non-discriminatory hiring practices and promote workforce diversity.
6. **Health and Safety:** Third Parties must implement robust health and safety measures to protect workers and local communities, adhering to recognized occupational health and safety management frameworks.
7. **Environmental Responsibility and Climate Action:** Third Parties must implement practices for efficient water usage, energy conservation, comprehensive waste management, and biodiversity protection. Raycap integrates supplier emissions data into its Scope 3 reporting and climate strategy, encouraging Third Parties to align with Net Zero targets through verified emissions tracking and reductions. We specifically encourage Third Parties to measure, report, and set targets to reduce their GHG emissions in alignment with the 2050 Net Zero Initiative.
8. **Hazardous Materials:** Raycap enforces REACH and RoHS compliance, ensuring all Third Parties provide safe, compliant products by eliminating hazardous materials.
9. **Circularity and Innovation:** Third Parties are urged to prioritize materials and products that benefit the circular economy, share recommendations with Raycap and invest in and adopt innovative technologies that enhance efficiency and reduce environmental impact.
10. **Risk Monitoring, Accountability and Capacity Building:** Raycap integrates sustainability criteria into Third Party selection, risk assessment, audit, and tender evaluation procedures, aiming to perform annual performance evaluations of our critical suppliers to ensure compliance with this policy. To encourage excellence, we offer and communicate incentives such as preferential selection for new project awards to top-performing suppliers. Third Parties not meeting sustainability criteria will receive support and guidance for improvement, including access to training materials and ongoing communication. We aim to foster stronger partnerships and promote sustainable growth through continuous engagement. If no progress is demonstrated over a reasonable timeframe, Raycap reserves the right to initiate a structured disengagement process and seek alternative options.
11. **Local Purchasing Incentives:** Raycap promotes local purchasing incentives to support community growth and sustainability, striving to improve our procurement from local and national suppliers where feasible, while monitoring our annual local spend.
12. **Raycap Human Capital:** Raycap fosters a culture of continuous improvement and upskilling by ensuring procurement personnel receive ongoing training in sustainable procurement practices. This enables responsible decision-making and effective Third-Party engagement. Sustainable procurement objectives are integrated into buyers' performance reviews, ensuring accountability for responsible sourcing practices.

## 5. Grievance Mechanism

We encourage all relevant stakeholders to report in good faith any suspected violations of this policy through the established channels, as outlined in our Whistleblower Protection Policies, Raycap's Code of Conduct, and Third-Party code of Conduct. We are committed to maintaining a safe and transparent reporting environment, ensuring strict confidentiality and strong protections against any form of retaliation for those who come forward.

Concerns or incidents related to this policy may be reported anonymously or with identification via the following dedicated reporting channels:

 [codeofconduct@raycap.com](mailto:codeofconduct@raycap.com) (General)

 [speakup@raycap.com](mailto:speakup@raycap.com) (For Raycap employees)

 [supplychaincompliance@raycap.com](mailto:supplychaincompliance@raycap.com) (For Third-Parties)

Employees may also use subsidiary-level or local reporting lines in accordance with regional whistleblowing regulations.

Raycap ensures that all reports undergo a prompt, thorough, and impartial investigation, with appropriate corrective actions taken as necessary to uphold ethical business practices. Depending on the severity of the violation, remediation efforts may involve risk mitigation, additional training to prevent recurrence, strengthened compliance measures—including enhanced monitoring or contractual actions for third parties—and, where necessary, disciplinary measures such as termination or legal proceedings. By embedding accountability at all levels, Raycap reinforces its commitment to environmental stewardship.

Third-parties are encouraged to contact [supplychaincompliance@raycap.com](mailto:supplychaincompliance@raycap.com) if they wish to seek further guidance on the application of this policy or provide feedback on areas of improvement.



***Raycap***

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