

# Sustainable Procurement Policy

25 march 2025

**n@klar**  
DRIVEN BY PASSION



Strategy  
Supply Chain

**P1 (Public)****Basic Information**

Frequency of revision 24 month  
 1st revision without changes 31/03/2025  
 2nd revision without changes xxx  
 Next revision date 31/03/2027 *date + month "frequency of revision or last revision without change"*

**Responsibilities & distribution**

Revision & Ownership of the document Global Procurement Director  
 Distribution of the document by Global Technical Procurement Manager  
 Responsibilities of execution / use -  
 Must acknowledge ALL  
 Detailed distribution list -

**Scope & Trainings**

Globally mandatory appliance (yes/no) Global Appliance  
 Scope – Mark with cross (X) ☒ HQ ☒ TRS ☒ ZM ☒ WX ☒ SMA  
 Document affect local Operators no  
 Trainings needed yes  
 Who will be trained Procurement Staff  
 Responsible for enhancing training: Global Procurement Director

**Change history (mandatory field)**

Issue	Date	Change	Responsible
0	31.03.2025	New document	J. Toral

## Contents

1. Introduction .....	5
2. Scope of application and responsibilities.....	5
3. Commitments and Principles of Action.....	5
3.1. Human and Labor Rights, Diversity, and Non-Discrimination.....	5
UN Global Compact.....	5
Safe and healthy work environments. ....	5
Prohibit discrimination or bias against women .....	6
Dignified work. ....	6
Discrimination, harassment, and violence in the workplace .....	6
Prohibit all forms of modern slavery .....	6
Labour regulations. ....	6
Worker’s rights.....	6
3.2. Environment and Climate Change .....	6
Neklar Policy of Responsible Mineral Sourcing:.....	6
Climate Change Mitigation and Adaptation: .....	6
Innovative Product and Process Design:.....	7
Circular Economy Practices:.....	7
Energy Efficiency: .....	7
Awareness and Culture Building: .....	7
Transparent Environmental Reporting: .....	7
Water and Waste Management: .....	7
Environmental Management Systems: .....	7
3.3. Legality, Fiscal Responsibility, and Anti-Corruption.....	7
Due Diligence, Compliance with Laws and International Standards: .....	7
Fiscal Responsibility: .....	7
Anti-Corruption and Fraud Prevention: .....	7

Strategy

**P1 (Public)**

Supply Chain

3.4. Shareholder Value and Governance .....	8
Value Creation:.....	8
Governance and Fairness:.....	8
3.5. Customers .....	8
Sustainable Product Development: .....	8
Safety and Quality Assurance: .....	8
Responsible Project Management:.....	8
3.6. Supply Chain.....	8
Cultural and Policy Alignment:.....	8
Local Sourcing Support:.....	8
Traceability and Fair Trade:.....	8
Information Security: .....	9
Open Communication Channels: .....	9
3.7. Development of Society and Communities.....	9
Community Engagement:.....	9
Social Action Initiatives: .....	9
4. Related Policies .....	9
5. Monitoring and Supervision.....	10
5.1. Due Diligence framework.....	10
5.2. Audit and Assessment Risk.....	10
5.3. Investigation of Allegations.....	10
5.4. Non-Compliance and Remediation .....	10
5.5. Reporting and Grievance Mechanisms .....	11
6. Approval and Dissemination .....	11

## 1. Introduction

This Procurement Policy establishes Neklar Group's (hereinafter, "Neklar") framework for integrating environmental, social, and governance (ESG) principles into our procurement practices and decisions.

As a company committed to sustainable growth, Neklar seeks to build long-term, value-driven relationships with suppliers who share our commitment to responsible business practices.

Aligned with the United Nations Global Compact, Neklar supports the 2030 Agenda and the achievement of the 17 Sustainable Development Goals (SDGs). We prioritize suppliers who demonstrate a commitment to these goals, especially in areas where we can collectively make a positive impact—such as promoting clean and sustainable mobility. By working closely with our suppliers, we aim to foster sustainable practices across our supply chain for the benefit of all stakeholders.

## 2. Scope of application and responsibilities

This Procurement Policy applies to all companies that are part of the Neklar Group and promotes the adoption of its principles and guidelines among all suppliers, contractors, and any third parties connected to Neklar through non-employment relationships, wherever feasible.

The Global Procurement Director holds ultimate responsibility for the implementation of this Policy, with the support and active involvement of the entire procurement team to ensure its effective application across all procurement activities.

To facilitate this Policy implementation, internal training programs shall be provided to all relevant procurement personnel, ensuring awareness and alignment with sustainable procurement practices.

In addition, Neklar is committed to engaging and supporting suppliers in understanding and meeting the expectations outlined in this Policy, through transparent communication, capacity building, and collaboration where appropriate.

## 3. Commitments and Principles of Action

To advance its mission and vision, Neklar establishes the following commitments and principles as a regulatory framework for its procurement activities and relationships with suppliers and contractors:

### 3.1. Human and Labor Rights, Diversity, and Non-Discrimination

**UN Global Compact.** Require suppliers to respect internationally recognized human rights, as outlined in the 10 Principles of the UN Global Compact, the International Bill of Human Rights, the Universal Declaration of Human Rights, and the European Convention on Human Rights.

**Safe and healthy work environments.** Ensure that suppliers provide safe and healthy work environments, enhance certified occupational health and safety management systems, to minimize workplace risks and support a zero-accident goal.

Strategy

P1 (Public)

Supply Chain

Prohibit discrimination or bias against women in hiring, pay, promotion, job assignments, or business engagement. Neklar encourages supplier diversity and the inclusion of women-owned businesses throughout the supply chain.

Dignified work. Mandate that suppliers uphold fair and dignified working conditions for all workers, avoiding any form of exploitation.

Discrimination, harassment, and violence in the workplace should be eliminate in the suppliers, ensuring equal treatment and opportunities regardless of gender, race, religion, sexual orientation, disability or background.

Prohibit all forms of modern slavery, including forced labor, child labor, and human trafficking, and require suppliers to adopt the same zero-tolerance approach.

Labour regulations. Require suppliers to comply with all applicable labor regulations regarding working conditions and to respect collective agreements and workers' rights.

Worker's rights. Promote and safeguard workers' rights to free association and collective bargaining within supplier organizations.

### 3.2. Environment and Climate Change

Neklar, in collaboration with its suppliers, is committed to minimizing its environmental impact and addressing mitigation of climate change and the preservation of biodiversity. To this end, Neklar requires that suppliers adhere to the following principles and actively contribute to sustainable procurement practices:

Sustainable Resource Management: Implement sustainable development criteria across all procurement activities, emphasizing efficient management of natural resources and minimizing environmental impact, particularly in relation to climate change and biodiversity preservation.

Neklar Policy of Responsible Mineral Sourcing: Suppliers must only source minerals from smelters and refiners that appear on an official, verified industry list (RMI Conformant Smelter List at [www.responsiblemineralsinitiative.org](http://www.responsiblemineralsinitiative.org)), to ensure alignment with responsible sourcing and Due Diligence protocols. Use of the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) is required to maintain transparency and traceability. 3TG from smelter whose due diligence practices have been validated by third party.

Climate Change Mitigation and Adaptation: Establish and follow mitigation and adaptation measures for climate change, including actions such as:

Gradually reducing greenhouse gas emissions by setting and tracking quantifiable targets in all upstreaming discharges.

Integrating climate change considerations of Paris Agreement 2015 into procurement decision-making and risk management processes, ensuring that long-term environmental risks are assessed. These based in mitigation of CO2 emissions and boost the recyclability.

**Innovative Product and Process Design:** Collaborate on innovations in product or process design that provide sustainable solutions, such as utilizing renewable energy sources and prioritizing recyclable materials.

**Circular Economy Practices:** Incorporate circular economy principles by prioritizing recycled materials in production processes and minimizing waste across the supply chain.

**Energy Efficiency:** Adopt and promote energy-saving and efficiency measures in operations, supporting Neklar's commitment to reduce environmental impact.

**Awareness and Culture Building:** Engage in initiatives that raise awareness of climate change among suppliers, employees, and other stakeholders, fostering a culture of responsible energy and resource use.

**Transparent Environmental Reporting:** Commit to transparent reporting on relevant climate change actions and outcomes, supporting Neklar's goal of accountability in environmental stewardship.

**Water and Waste Management:** Actively improve practices for responsible water use and its protection, and implement strong protocols for the handling and reduction of potentially hazardous materials and waste.

**Environmental Management Systems:** Maintain and continuously improve environmental management systems to uphold high environmental standards and support certification initiatives.

### 3.3. Legality, Fiscal Responsibility, and Anti-Corruption

Neklar expects all suppliers and procurement partners to uphold the highest standards of legality, fiscal responsibility, and ethical conduct. To ensure a responsible and transparent supply chain, Neklar requires suppliers to adhere to the following principles:

**Due Diligence, Compliance with Laws and International Standards:** Adhere to all applicable local laws and regulations in the regions where they operate. Suppliers are encouraged to adopt additional international standards and commitments voluntarily, where appropriate, to strengthen compliance and ethical practices.

**Fiscal Responsibility:** Conduct all business activities in a fiscally responsible manner, fully complying with applicable tax regulations, cooperating transparently with tax authorities, and making tax-related decisions based on well-informed, reasonable interpretations. Suppliers must avoid opaque or artificial structures intended solely to reduce tax burden.

**Anti-Corruption and Fraud Prevention:** Implement robust control measures to prevent, detect, and address any form of corruption, bribery, or fraud. Suppliers must uphold Neklar's zero-tolerance policy toward unethical practices, ensuring that all actions align with the highest standards of integrity and transparency.

### 3.4. Shareholder Value and Governance

Neklar recognizes that responsible procurement practices contribute to long-term value creation for shareholders. Therefore, the company requires its suppliers and procurement partners to act in alignment with sustainable and value-driven objectives that support Neklar's commitment to shareholders.

**Value Creation:** Operate efficiently and responsibly, supporting Neklar's mission to generate shareholder value by ensuring sustainability throughout the supply chain, thereby contributing to positive returns on invested capital and mitigating risks.

**Governance and Fairness:** Uphold principles of transparency and fairness, ensuring that all procurement activities are conducted in a manner that respects the rights of shareholders. The Board of Directors, as the cornerstone of Neklar's governance system, commits to providing accurate information to shareholders and ensuring equal treatment, preventing any procurement-related conflicts of interest that could create undue advantage or privilege.

### 3.5. Customers

Neklar is dedicated to understanding and meeting the sustainability needs of its customers through responsible procurement practices. To achieve this, Neklar and its suppliers commit to the following principles:

**Sustainable Product Development:** Collaborate with suppliers to develop products that align with customers' sustainability strategies and expectations.

**Safety and Quality Assurance:** Ensure that all products and services meet applicable safety regulations and adhere to the highest quality standards.

**Responsible Project Management:** Engage in responsible project management practices that prioritize customer satisfaction while identifying, evaluating, and responding to their needs through sustainability criteria.

### 3.6. Supply Chain

Suppliers play a crucial role in the effectiveness of Neklar's value chain. The company is committed to fostering trusting, stable, and mutually beneficial relationships with suppliers based on principles of transparency and risk management. To this end, Neklar undertakes to:

**Cultural and Policy Alignment:** Extend its culture, policies, and codes of conduct to the supply chain, promoting service excellence, resource efficiency, and responsible action, while encouraging the integration of sustainability criteria into daily operations.

**Local Sourcing Support:** Favor the hiring of suppliers from the local area or region where Neklar operates when competing suppliers are similar, thus supporting positive social impacts within the community.

**Traceability and Fair Trade:** Promote practices that enhance traceability and ensure fair trade of raw materials from their source, ensuring ethical sourcing throughout the supply chain.



Strategy

**P1 (Public)**

Supply Chain

**Information Security:** Suppliers must meet minimum information security requirements aligned with ISO 27001, especially when handling sensitive or confidential data. Risk assessments and appropriate due diligence shall be conducted during supplier selection and contract negotiation.

**Open Communication Channels:** Foster and expand communication channels that enable Suppliers to report incidents or inquire about any aspect related to Neklar's products and services, ensuring responsiveness and transparency.

### 3.7. Development of Society and Communities

Neklar aims to strengthen its connections with the communities in which it operates, respecting the diverse social and cultural realities of each community. The company, along with its suppliers, is committed to:

**Community Engagement:** Build strong relationships with local communities, understanding and respecting their unique social and cultural contexts.

**Social Action Initiatives:** Support and promote initiatives that foster the development of a more inclusive and sustainable society through technology and innovation, with particular attention to empowering individuals with disabilities and addressing social, environmental, and climate change challenges faced by local communities.

**Training and Awareness:** Adopt continuous skills development for all employees across all levels of responsibility, and supported by Neklar.

## 4. Related Policies

Neklar Group has established a comprehensive set of standards designed not only to comply with applicable regulations but also to incorporate best national and international practices and recommendations in sustainability.

This Procurement Policy is complemented by Neklar's internal regulations, particularly the following:

*Neklar's Sustainability Policy**Anti-Corruption Policy**Business Principles**Information Security Policy**Neklar's Sustainability Policy**Safety, Health, and Environmental Policy**Code of Ethics**Labor and Sexual Harassment Protocol**Compliance Policy**Neklar's Supplier Code of Conduct**Competition Policy*

## 5. Monitoring and Supervision

Neklar's management is responsible for ensuring compliance with this Procurement Policy through the development and approval of specific action plans. The effectiveness of these plans will be monitored regularly.

Annually, progress in implementing this policy will be analyzed through the Procurement Annual Report.

### 5.1. Due Diligence framework

Neklar requires all suppliers, regardless of their country of operation or incorporation, to implement responsible business conduct and due diligence processes that align with international standards.

This includes proactive identification, prevention, and mitigation of adverse impacts related to human rights, labor, environmental protection, and ethical governance across their operations and supply chains.

Neklar reserves the right to assess supplier due diligence maturity as part of onboarding, contract renewal, or in response to specific risks.

### 5.2. Audit and Assessment Risk

Neklar's ESG performance, including procurement related aspects, is evaluated annually through platforms like EcoVadis.

In our procurement management, to ensure adherence to this Procurement Policy, Neklar reserves the right to conduct periodic audits or assessments of its suppliers. These may include, but are not limited to:

- Third-party ESG compliance audits or in site audits, like Ecovadis ESG System Assessment.

- Supplier self-assessments and declarations

Suppliers are expected to fully cooperate with any such audits and provide accurate and timely information as requested.

### 5.3. Investigation of Allegations

If Neklar receives credible information regarding a supplier's potential breach of this policy, Neklar may initiate an investigation, either internally or through an independent third party. Suppliers are expected to support the investigation process and take immediate interim measures to mitigate any potential harm.

### 5.4. Non-Compliance and Remediation

In the event of confirmed non-compliance, Neklar may implement the accordingly measures. Neklar will prioritize remediation and improvement wherever feasible but maintains a zero-tolerance policy for serious breaches of human rights, environmental law, or ethical misconduct. Severe violations could suppose the immediate termination of the supplier relationship and potential legal action.

Strategy  
Supply Chain

**P1 (Public)**

### 5.5. Reporting and Grievance Mechanisms

Neklar encourages suppliers, to report any potential violations of this Procurement Policy. Anonymity and confidentiality will be respected in accordance with Neklar's Whistleblower Protection Policy. [Ethical Channel link](#)

## 6. Approval and Dissemination

This Procurement Policy is approved by Neklar's Global Procurement Director on March the 31th, 2025, and it is effective immediately from this date.

To facilitate awareness among interested parties and recipients, this Policy will be published on the Group Portal and disseminated to the suppliers to ensure understanding and compliance.

Neklar is committed to provide appropriate training for procurement staff and other relevant employees to ensure they understand and can effectively integrate sustainable procurement practices.



**Jorge Toral**

Global Procurement Director

31/03/2025