

Sustainable Procurement Policy

At C-P-S Holding GmbH & Co. KG and its subsidiaries C-P-S Professionals GmbH, C-P-S Dr. Böckmann s.r.o., C-P-S Automotive L.P., C-P-S / SimPlan (China) Co. Ltd. (referred to here as C-P-S Group), we are always driven by the “True North” values – our unwavering commitment to always do the right thing for our clients, our people and our communities. We are committed towards social impact and strive for sustainability across every function, including sourcing and procurement.

Through this procurement policy, we intend to make our operations more sustainable by:

- Complying with the laws and regulations of the respective countries we operate in
- Endorsing highest standards of economic, social, ethical and environmental practices
- Identifying and moderating risks associated with our procurement process
- Communicating the policy with stakeholders (internal and external) and raising awareness among our suppliers

In accordance with our commitment to the highest standards, we also expect our suppliers to aspire to the same standards in their business operations, including but not limited to:

Occupational Health and Safety:

We expect our suppliers to give high priority to occupational health and safety, to systematically eliminate safety risks, to provide a safe and healthy working environment at all times, to comply with laws, regulations, recommendations and ordinances governing working hours and occupational health and safety.

Environmental Responsibility:

We expect our suppliers to comply with laws and regulations relating to environmental protection and energy management in the countries / jurisdictions in which they operate. In the performance of their duties, we expect them to observe and comply with C-P-S Group's guidelines and policies on the conservation of natural resources and on energy and water consumption and waste management. This includes, but is not limited to:

- Responsible waste management and disposal
- Responsible water consumption
- The improvement of air and water quality
- Responsible use of chemicals
- The reduction of greenhouse gas and other environmentally harmful emissions
- The conservation of non-renewable natural resources
- The use of renewable energy

Business Ethics:

We expect our suppliers to comply with all relevant international and national laws regarding ethical business practices and to demonstrate the existence of procedures to prevent money laundering, fraud, bribery, corruption, conflicts of interest and data security breaches.

We expect our suppliers to adhere to the rules of fair competition for the benefit of all market participants, and to work to secure and maintain free and undistorted competition. This principle is a central idea of the worldwide existing antitrust laws and therefore obligatory for our suppliers.

We expect our suppliers to adopt a whistleblowing policy with the aim of preventing or detecting wrongdoing and taking remedial action when it occurs. The most important aspect of the policy is to create a culture where everyone feels free to report concerns about all aspects of business ethics, human rights, safety and labour standards, environmental protection and illegal or unethical behaviour. It must be possible to report in good faith suspected improper conduct or misconduct within the company.

At the same time, we expect our suppliers to protect their reporting employee from retaliation such as termination of employment, threats, harassment or other unwanted actions.

Labor and Human Rights:

We expect our suppliers to comply with all applicable laws, in accordance with the principles of the International Labor Organization, the UN Global Compact and the UN Universal Declaration of Human Rights:

- Prohibit slavery and the use of forced, bonded, or child labor across the supply chain
- Prohibit unlawful discrimination and harassment to provide a safe and inclusive work environment

Community Development:

- Provide employees with a living wage, at a minimum, in compliance with working time regulations
- Granting freedom of association, incl. collective bargaining
- Partner with the local governments and communities to improve the education, cultural, economic, and social well-being of communities which they operate in.

We understand that procurement performance improvement is a continuous process and recognize the contribution of our suppliers in our journey to become more sustainable.

For detailed guidelines on supplier sustainability, please refer to our Supplier Code of Conduct at

<http://www.c-p-s.de>.

For any grievances or suggestions regarding sustainable procurement practices, please write to

info@c-p-s.de.

Strict confidentiality will be maintained.