K.02.0.RL.01 Responsible Sourcing Policy

Introduction

HOSTI GmbH is committed to responsible, sustainable and legally compliant corporate governance throughout the supply and value chain. The purpose of this policy is to systematically integrate social, environmental and ethical standards into procurement processes and supplier relationships, identify sustainability risks at an early stage and minimise adverse impacts.

HOSTI seeks to build long-term, transparent and responsible business relationships and expects suppliers, service providers and other business partners to comply with comparable standards within their own operations and supply chains.

This policy supplements the general Code of Conduct of HOSTI GmbH and specifies the requirements for sustainable procurement, responsible supplier management and compliance with human rights, environmental and ethical due diligence obligations. The requirements of this policy are based, among other things, on the core labour standards of the International Labour Organization (ILO), the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the Universal Declaration of Human Rights, and the principles of the Initiative for Compliance and Sustainability (ICS), as well as relevant legal requirements, including the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz - LkSG).

1. Scope, Implementation and Continuous Improvement

This policy applies to all suppliers, service providers, business partners and other contractors of HOSTI GmbH. Business partners are expected to communicate the requirements described herein appropriately within their own supply chains and promote their implementation on a risk-based basis.

Implementation of this policy is supported and regularly reviewed by the responsible procurement, compliance and management functions. HOSTI follows a continuous improvement approach and continually develops its sustainable procurement processes and measures.

To manage and further develop sustainable procurement processes, HOSTI considers in particular:

the assessment of sustainability-related risks, the integration of social, environmental and ethical criteria into supplier decisions, regular reviews of relevant processes and policies, training and awareness-raising measures,

and the promotion of transparent communication within the supply chain.

In the event of serious or repeated violations of this policy, HOSTI GmbH reserves the right to take appropriate action, up to and including termination of the business relationship

2. Human Rights and Working Conditions

- Prohibition of child labour: Exploitative child labour must not be used. Only workers who are older than 15 years or above the compulsory school-leaving age may be employed (ILO Conventions 138 and 182). If child workers have to be removed from employment, adequate transitional financial assistance and appropriate educational opportunities must be provided.
- Business partners should establish appropriate measures to identify and minimise human rights risks within their operations and supply chains at an early stage.
- Prohibition of forced labour: No form of coercion, exploitative contracts or debt bondage is permitted. Slave labour and exploitative prison labour are prohibited (ILO Conventions 29 and 105). Workers must not be required to lodge a deposit or surrender original identity documents to their employer.
- Freedom of association and collective bargaining: Trade union organisations must be protected.
- Non-discrimination: Equal treatment regardless of gender, age, origin, religion, sexual orientation or disability.

- Fair remuneration: At least statutory or collectively agreed minimum wages must be paid. Wage deductions as a disciplinary measure are not permitted, nor are deductions without the express consent of the workers concerned unless required or permitted by national law.
- Working hours: Working hours must comply with local law and provide for appropriate rest periods and breaks.
- Health and safety: Safe and hygienic workplaces must be provided, together with preventive and emergency measures.

3. Environmental and Climate Protection

- Legal compliance: Compliance with all relevant environmental laws and regulations.
- Environmental management: Reduction of emissions, waste, water consumption and energy use.
- Chemicals management: Safe and transparent handling of hazardous substances.
- Sustainability: Promotion of environmentally sound technologies, materials and packaging.
- HOSTI GmbH's quantitative environmental targets are set out in the Environmental Policy.

4. Ethical Conduct

- Prohibition of corruption: Zero tolerance for bribery, improper benefits and extortion.
- Fair competition: Compliance with antitrust and competition law.
- Data protection: Confidential handling of business and personal data.
- Transparency: Honest and traceable communication.

5. Supply Chain Responsibility

- Subcontractors: Business partners are required to communicate this policy to subcontractors and, on a risk-based basis, provide evidence that they monitor implementation by their subcontractors.
- Risk analysis: Due diligence processes must be carried out and documented.
- Documentation: Evidence and reporting must be provided upon request.
- Sustainability-related criteria may be included in supplier selection, assessment and development.

6. Implementation and Review

- Self-assessment: Accurate disclosure of information as part of a self-assessment (HOSTI form F00101 ICS Self-Assessment).
- Audits: If the self-assessment indicates serious violations of this policy, audits in accordance with the ICS standard may be carried out by HOSTI or commissioned third parties following consultation.
- Corrective actions: Suppliers are expected to remedy identified deficiencies. If corrective actions are not initiated within the agreed period, HOSTI may reject products, cancel orders, suspend future orders, terminate the business relationship or enforce agreed contractual penalties.
- Training: Regular training for employees on social and environmental standards.
- Whistleblowing system: Confidential complaint and reporting channels must be established

7. HOSTI GmbH Targets

HOSTI aims to continuously reduce sustainability-related risks within the supply chain and to assess relevant suppliers on a risk-based basis against social, environmental and ethical criteria.
HOSTI aims to provide regular training for employees with procurement responsibilities on sustainable sourcing, human rights and compliance topics.

Procurement Targets	Indicator	Target Date
1. Assess key suppliers on a risk-based basis against social, environmental and ethical criteria	Share of assessed suppliers in relevant procurement volume	at least 80% by the end of 2028
2. Require relevant suppliers to comply with the Responsible Sourcing Policy or equivalent standards	Share of relevant procurement volume covered by confirmed acceptance of the policy or an equivalent supplier code	at least 80% by the end of 2028
3. Conduct a documented sustainability and compliance review of new relevant suppliers before approval	Percentage of new relevant suppliers reviewed	100% by 2028
4. Obtain a documented self-assessment from suppliers with elevated compliance risk	Percentage of high-risk suppliers with a complete ICS self-assessment	100% from 2028 onwards
5. Address identified material deviations through documented corrective actions	Percentage of material deviations with an action plan, assigned responsibility and deadline	100% from 2028 onwards
6. Provide regular training on sustainable sourcing, human rights and compliance to employees with procurement or supplier responsibilities	Percentage of relevant employees trained	100% by the end of 2027; thereafter at least 90% annually
7. Subject suppliers with material or repeated violations to enhanced review	Percentage of substantiated risk cases with a documented decision on audit, measures or the business relationship	100%
8. Regularly review the effectiveness of responsible sourcing	Documented management or process review	at least once annually

8. Responsibilities

- Implementation of this policy is supported by the responsible functions within HOSTI GmbH and reviewed regularly, at least every two to three years.
- Management of violations: HOSTI GmbH reserves the right to suspend or terminate business relationships in the event of serious or repeated violations of this policy.

9. Revision

The policy is reviewed regularly and whenever circumstances require and is updated as necessary, at least every two to three years.

The business partner hereby confirms that it will implement this policy in its activities.

Company: _____ Date: _____

_____ Name / Position: _____

_____ Signature: _____

Related documents

F00101 ICS Self-Assessment