



**AEROTEH S.A.**

**Bucharest  
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**SUSTAINABLE  
PROCUREMENT CODE**





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# AEROTEH S.A.

## SUSTAINABLE PROCUREMENT CODE

### 1. Introduction

AEROTEH S.A. is committed to promoting sustainability in all its operations, recognizing the critical importance of responsible procurement to achieve this goal. The *Sustainable Procurement Code* is a crucial step in fulfilling this commitment.

*The Sustainable Procurement Code provides a solid foundation for procurement practices that comply with the principles of sustainable development.*

#### 1.1. Purpose and Scope

*The purpose of this code is to guide the employees of AEROTEH S.A. in adopting and implementing sustainable procurement practices, ensuring that all procurement decisions and actions are aligned with the Company's sustainability values. The code applies to all employees directly or indirectly involved in the procurement process, regardless of their position or level within the organization.*

Therefore, each employee is responsible for understanding and complying with the provisions of this code in their daily activities.

#### 1.2. Relation to the Sustainable Procurement Policy

The *Sustainable Procurement Code* is closely related to the *AEROTEH S.A. Sustainable Procurement Policy*, serving as a practical tool for the implementation among employees of the principles and commitments stated in the policy. While the policy sets out the Company's management vision and objectives for sustainable procurement, the code provides specific and detailed guidance on how these objectives can be achieved in practice.

By adhering to this code, AEROTEH S.A. employees actively contribute to the achievement of the Company's sustainability commitments, while ensuring compliance with the highest ethical and environmental standards in all procurement processes.

This code reflects the dedication of AEROTEH S.A. towards excellence in sustainability, ethics and social responsibility, laying the foundations for a corporate culture that fructifies and promotes responsible procurement practices. Therefore, it is essential that all employees are familiar with the content of the code and engage in a common effort to ensure that AEROTEH S.A. delivers on its promise to be a leader in sustainability in its industry and the wider community.

## 2. Responsibilities of Employees in Terms of Sustainable Procurement

### 2.1. Awareness and Adherence to Principles

Each employee of AEROTEH S.A. has a responsibility to be aware of, and to adhere to, the principles of sustainability defined in the *Sustainable Procurement Code* and the Company's *Sustainable Procurement Policy*. This involves:

#### Deep understanding

Employees must make sure that they have a clear understanding of the Company's sustainability principles, such as resource efficiency, environmental impact minimization, business ethics, and promotion of an ethical and responsible supply chain.

It is critical that employees integrate these principles into all of their procurement activities, from the initial assessment of needs to final supplier selection and contract management.

#### Integration in activities

#### Promoting principles

In addition, employees are encouraged to promote these principles in their relationships with work fellows, partners and suppliers to ensure a strong corporate culture oriented towards sustainability.

### 2.2. Diligence and Integrity in the Procurement Process

Diligence and integrity are essential at all stages of the procurement process to ensure that the decisions taken support AEROTEH S.A.'s commitment to sustainability:

#### Rigorous selection processes

Employees must apply rigorous diligence in evaluating and selecting suppliers, ensuring that they meet AEROTEH S.A.'s sustainability standards. This includes checking their environmental, social and governance (ESG) practices.

When negotiating contracts, employees must ensure that sustainability clauses are properly integrated, thus promoting social responsibility and environmental protection in the supply chain.

## Responsible negotiation

## Transparency & Reporting

It is vital that employees maintain a high level of transparency and accurately report all procurement activities. This includes disclosing any potential conflicts of interest and ensuring that all procurement decisions are properly documented and justified.

Employees must comply with all data protection laws and regulations, making sure that sensitive or confidential information are properly protected throughout the procurement process.

## Data protection

By fulfilling these responsibilities, AEROTEH S.A.'s employees contribute directly to the Company's sustainability success and make sure that sustainable procurement is a standardized and valued practice throughout the organization.

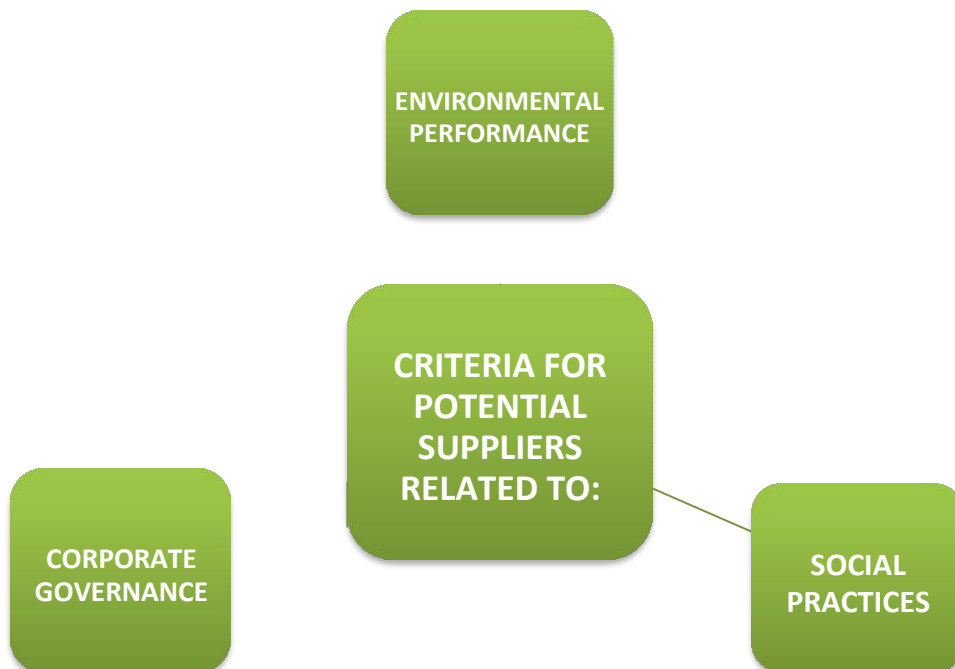
### 3. Procurement Procedures

#### 3.1. Evaluation and Selection of Suppliers

The supplier evaluation and selection process at AEROTEH S.A. is based on principles of sustainability, integrity and transparency.

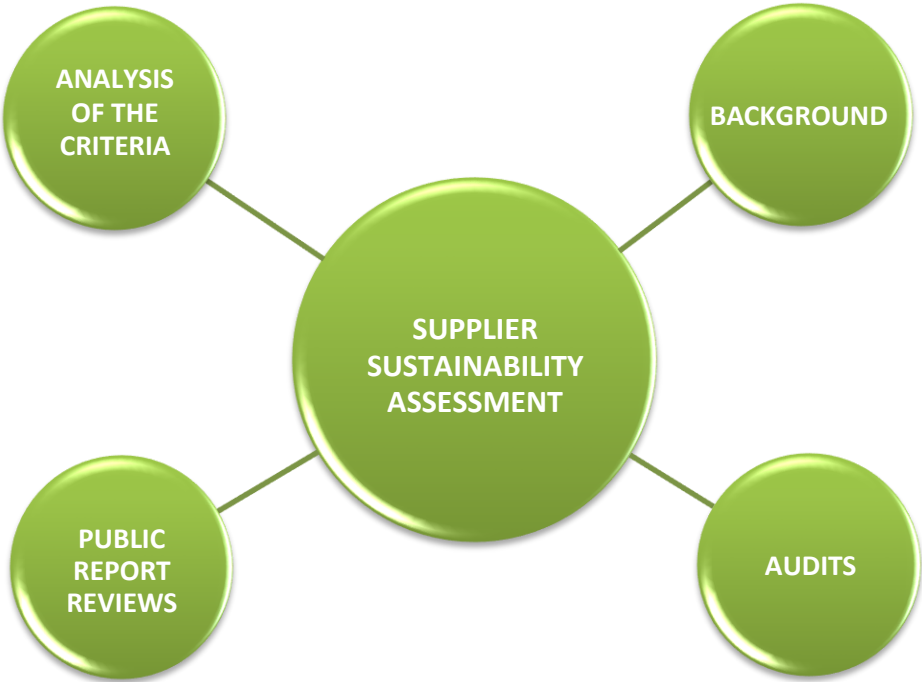
Employees in charge of procurement must:

**Establish sustainability criteria:** Define clear and measurable sustainability criteria that include environmental performance, social practices and corporate governance of potential suppliers.





**Conduct thorough assessments:** Use assessment tools and methodologies to analyse suppliers' ability to meet these criteria, including background checks, sustainability audits and reviews of published sustainability reports.



**Prioritize sustainable partnerships:** Select suppliers that not only meet minimum sustainability standards, but also demonstrate a proactive commitment to continuous improvement and innovation in the field of sustainability.

### ***3.2. Contract Negotiation and Integration of Sustainability Clauses***

Contracts with suppliers must reflect the commitment of AEROTEH S.A. towards sustainable business practices:

- **Integration of sustainability clauses:** Make sure that all supplier contracts include specific clauses requiring adherence to and compliance with sustainable development principles, including resource management, carbon emission reduction, workers' rights and business ethics.
- **Establishment of monitoring mechanisms:** Include mechanisms in contracts to monitor suppliers' compliance with these clauses, as well as consequences for non-compliance.
- **Promotion of sustainable innovation:** Encourage suppliers to propose and implement innovative solutions to improve sustainability in the supply chain.

### ***3.3. Monitoring and Evaluation of Suppliers' Performance***

An essential component of the sustainable procurement process is the continuous monitoring and evaluation of suppliers' performance in terms of established sustainability criteria:

- **Implementation of regular evaluations:** Carry out regular evaluations of supplier performance, using clear and measurable performance indicators (KPIs), to ensure continuous compliance with AEROTEH S.A.'s sustainability standards.
- **Constructive feedback:** Provide suppliers with feedback based on evaluation results, encouraging continuous improvement and recognizing outstanding sustainability achievements.
- **Review and adjustment of partnerships:** Based on evaluations, make informed decisions about continuing, adjusting or ending partnerships with suppliers, to optimize the sustainable impact of AEROTEH S.A.'s supply chain.
- **Through these procurement approaches,** the employees of AEROTEH S.A. take an active role in promoting sustainability in the Company's supply chain, demonstrating a strong commitment to responsible and sustainable business principles.

## **4. Ethics in Procurement**

### ***4.1. Prevention of Conflicts of Interest***

At AEROTEH S.A., integrity in the procurement process is fundamental. All employees involved in procurement have a responsibility to identify and prevent any conflict of interest that could influence, or appear to influence, purchasing decisions. This includes:

- **Reporting relationships:** Employees must disclose any personal or financial relationships with potential suppliers that could represent a conflict of interest.
- **Avoiding favouritism:** Employees with specific duties must make sure that the selection of suppliers is based on merit, without outside or personal influences that could compromise the objectivity of the process.
- **Preventive measures:** AEROTEH S.A. emphasizes the development of clear procedures for managing and resolving conflicts of interest, ensuring transparency and integrity in all procurement decisions.

### ***4.2. Transparency and Fair Reporting***

Transparency in procurement ensures accountability and trust, being essential for maintaining high ethical standards:

- **Documenting decisions:** All procurement decisions and processes must be clearly and fully documented, ensuring there is a record of how decisions were made and based on what criteria.



- **Honest reporting:** Employees are encouraged to accurately and fully report the results of procurement processes, including supplier evaluations and rationale for their selection.
- **Accessibility of information:** Relevant procurement-related information must be accessible for internal review or audit, while complying with privacy and data protection regulations.

### ***4.3. Privacy and Data Protection***

Data and confidential information protection is crucial in the procurement process, to ensure the security and integrity of the information of the Company and its partners:

- **Prudent handling of information:** Employees must treat all information obtained in the procurement process as confidential, using it only for legitimate business purposes.
- **Data security:** It is imperative to comply with Company policy and applicable data protection laws by applying appropriate security measures to prevent unauthorized access, disclosure, loss or destruction of data.
- **Data protection training:** AEROTEH S.A. must provide its employees involved in the procurement process with regular data protection and privacy training, to understand and comply with their responsibilities in this regard.

By adopting these ethical principles in procurement, employees support the commitment of AEROTEH S.A. towards responsible and ethical operation, ensuring that all procurement activities are carried out in a manner that reflects the Company's values and standards.

## **5. Collaboration and Partnership with Suppliers**

### ***5.1. Developing Supplier Capabilities***

Employees of AEROTEH S.A. are encouraged to take responsibility for working closely with the Company's suppliers to help them continuously improve their sustainability performance. This involves:

- **Training and education programmes:** Organization of training sessions and workshops for the Company's suppliers, focused on sustainable practices, environmental management, social responsibility and corporate governance.
- **Technical support and resources:** Provision of technical support and access to resources to help suppliers adopt more efficient and less environmentally damaging technologies and processes.
- **Evaluations and feedback:** Conduct of regular supplier evaluations, followed by constructive feedback, to identify opportunities for improvement and monitor progress in implementing sustainable practices.

### ***5.2. Encouraging Constructive Dialogue***

Open communication and constructive dialogue are essential to building and maintaining solid and sustainable relationships with suppliers:

- **Regular meetings:** Initiation of regular meetings with suppliers to discuss challenges, common goals and explore new opportunities for collaboration in the field of sustainability.
- **Communication platforms:** Creation and use of communication platforms, such as online forums and professional social networks, to facilitate the exchange of ideas and best practices between AEROTEH S.A. and its suppliers.
- **Strategic partnerships:** Identification and development of strategic partnerships with suppliers who demonstrate an exceptional commitment to sustainability, to promote innovation and excellence in the supply chain.

### ***5.3. Supporting Sustainable Innovation***

Innovation is the key to overcoming sustainability challenges and making significant progress in this area:

- **Innovation initiatives:** Encouraging and supporting supplier innovation initiatives through funding programmes, innovation competitions and research and development collaborations.
- **Knowledge sharing:** Promoting the sharing of knowledge and best practices in the field of sustainable innovation, by organizing symposia, conferences and publishing case studies.
- **Acknowledgment of achievements:** Recognizing and rewarding suppliers who make significant progress in sustainable innovation through awards and accolades, to motivate the entire supply chain to pursue excellence in sustainability.

Through these actions, AEROTEH S.A. aims at creating, with the involvement of its employees, an environment that supports sustainable growth and innovation, while strengthening relationships with suppliers and promoting a responsible and sustainably performing supply chain.

## **6. Risk Management and Compliance**

### ***6.1. Identification of Sustainability Risks***

At AEROTEH S.A., we acknowledge that the effective management of sustainability risks is essential for the long-term success of our business and the environment in which we operate. In this sense, the Company's employees must support:

- **Systematic risk assessment:** Conduct of regular sustainability risk assessments in our supply chain, including environmental, social and corporate governance risks.
- **Use of established methodologies:** Application of internationally recognized risk assessment methodologies to identify, analyse and prioritize risks.
- **Implementation of risk mitigation plans:** Development and implementation of action plans to mitigate identified risks, ensuring we have effective strategies to minimize negative sustainability impacts.

## **6.2. Ensuring Compliance with Standards and Laws**

The management of AEROTEH S.A. urges employees to comply with all applicable laws and regulations, as well as to adhere to relevant international standards for sustainability:

- **Legislation monitoring:** The Company ensures continuous monitoring of changes in laws and regulations at national and international level, so that its employees remain in their work in full compliance.
- **Implementation of international standards:** The Company is concerned with aligning to, adopting and implementing international sustainability standards, such as those for environmental management, human rights and ethical labour practices.
- **Training and awareness:** We provide regular training to our employees to ensure full awareness and understanding of applicable legal requirements and sustainability standards.

## **6.3. Internal and External Audit Procedures**

To validate the compliance and effectiveness of our sustainability practices, AEROTEH S.A. implements rigorous internal and external audit procedures:

- **Internal audits:** Concern for carrying out regular internal audits to assess the compliance of our operations with the sustainable procurement policy, identifying opportunities for improvement.
- **Collaboration with external auditors:** The Company is committed to working with independent external auditors to conduct objective assessments of our compliance with laws, regulations and sustainability standards, ensuring that our practices are transparent and accountable.
- **Recommendation reporting and follow up:** All audit findings and recommendations are reported to the management and followed up to implement corrective and improvement measures.

Through these practices, AEROTEH S.A. and its employees demonstrate a strong commitment to managing sustainability risks and ensuring compliance with standards and laws, strengthening stakeholders' confidence in our commitment to sustainability.

# **7. Training and Development**

## **7.1. Training Programmes for Employees**

**At AEROTEH S.A., we recognize that the continuous training and development of our employees is essential for achieving our sustainability goals.**

Therefore, we encourage employees to benefit from the Company's efforts to:

- **Provide specialized training:** AEROTEH S.A. is concerned with initiating dedicated training programmes covering all aspects of sustainable procurement, from environmental impact assessment to procurement ethics and supplier relationship management.

These programmes are designed to ensure that our employees have the necessary knowledge and competencies to make decisions consistent with sustainability principles.

- **Use diverse learning methods:** AEROTEH S.A. is concerned with taking a multi-dimensional approach to training, combining in-person seminars, workshops, e-learning modules and hands-on training sessions to cater to the different learning styles of employees.
- **Update training content:** AEROTEH S.A. is concerned that training materials are regularly reviewed and updated to reflect the latest developments in the field of sustainable procurement, new legal regulations and industry best practices.

## ***7.2. Continuous Improvement of Competencies in Sustainable Procurement***

To promote continuous improvement and adaptability within our team, AEROTEH S.A. adopts the following strategies:

- **Regular competency assessments:** We conduct regular employee competency assessments in the field of sustainable procurement to identify training needs and areas for improvement.
- **Creation of a lifelong learning environment:** We encourage employees to actively participate in conferences, seminars and other educational events related to sustainability, providing them with access to the resources necessary for continuous professional development.
- **Feedback and coaching:** Looking to implement a regular feedback and coaching system where employees can receive customised guidance and advice to improve their sustainable procurement competencies.

Through these initiatives, AEROTEH S.A. aims at providing its employees with an organizational culture that values lifelong learning and professional development, ensuring that our team remains at the forefront of sustainable procurement practices and is well-equipped to meet the challenges of the dynamic business landscape.

## **8. Feedback and Continuous Improvement**

### ***8.1. Feedback Mechanisms for Employees and Suppliers***

AEROTEH S.A. recognizes the value of feedback and encourages its employees to use it as an essential tool in promoting continuous improvement and innovation in sustainable procurement. For this purpose, the Company is concerned with implementing a series of mechanisms, such as:

- **Feedback systems:** Dedicated platforms where employees and suppliers can report feedback, suggestions and concerns related to sustainable procurement practices.
- **Regular feedback meetings:** We hold regular meetings with internal teams and supplier representatives to discuss performance, challenges and opportunities for improvement in sustainable procurement as openly as possible.



- **Anonymity and confidentiality:** We support anonymity and confidentiality for all those who choose to provide feedback, thereby encouraging honest and open communication without fear of repercussion.

## ***8.2. Regular Evaluation and Review of the Code***

To remain relevant and effective, the AEROTEH S.A. Sustainable Procurement Code is subject to regular evaluation and review involving:

- **Feedback-based analysis:** We use feedback from employees and suppliers as a basis for analysing strengths and areas for improvement within the code.
- **Regular evaluations:** We carry out regular evaluations of the code, at least once a year, to ensure it aligns with the latest sustainability standards, legislative developments and industry best practice.
- **Inclusive review process:** We seek to involve a wide range of stakeholders in the review process, including employees from different departments, management, supplier representatives and external sustainability experts to ensure a comprehensive and balanced perspective.
- **Implementation of improvements:** Based on the results of the evaluation, we implement specific improvements to update and refine the code, ensuring that it remains a living and dynamic tool that supports AEROTEH S.A.'s sustainable procurement goals.

Through these continuous feedback and review processes, AEROTEH S.A. and its employees demonstrate an unwavering commitment to excellence in sustainable procurement by cultivating and operating in an environment of transparency, accountability and continuous innovation.

