

SUSTAINABLE PROCUREMENT POLICY

PREAMBLE

At Peter Greven, sustainability and the responsible use of natural resources have always been a fundamental aspect and are firmly established in our corporate philosophy. All products are based on natural, renewable raw materials and the responsible sourcing of sustainable raw materials is important.

This policy applies to the raw material procurement of the entire Peter Greven Group and all of its legal entities, both domestic and foreign.

1. COMMITMENTS

The Peter Greven Group is committed to building a more sustainable supply chain. With this policy we outline our approach of the integration of environmental, labor and human rights issues in our supply chain management and procurement processes and considerations.

Our main objective is the engagement with our suppliers to mitigate any negative social and environmental harm and to help drive positive impact.

With these efforts we support the following Sustainable Development Goals (SDGs), which we identified as being of particular relevance for our business:



The SDGs were developed by the United Nations to identify sustainable development priorities that promote the well-being of all while protecting the planet.

2. MATERIAL PROCUREMENT MATTERS AND ANALYSIS OF OUR UPSTREAM SUPPLY CHAIN

In our double materiality analysis, which we regularly perform together with our stakeholders, we identify relevant impacts, risks and opportunities and the material sustainability matters for our business which need to be considered within our sustainability strategy. The following topics are of particular relevance for the sustainable procurement of our raw materials:

First, as an oleochemical company, our business model is based on the production of sustainable products using natural oils and fats. The majority of our products are already made from bio-based materials, which enables us to contribute to the defossilization of the chemical industry and our customers'

industries. A material topic for us is the resource use and we are committed to the full transformation of our feedstock basis to renewable raw materials.

Secondly, in line with our climate change mitigation efforts and *Climate Protection Strategy* our carbon emissions are another material topic. Besides Scope 1 and Scope 2 emissions we also take a look at the emissions and general environmental impact along our supply chain that are counted to Scope 3 GHG emissions (upstream) and are committed to continuously working on reducing our footprint.

Thirdly, governance and due diligence in regards to Human Rights including health & safety are material matters for us. Our *Code of Conduct* serves as our guideline for entrepreneurial conduct and at the same time as our position statement on Human Rights. We see the protection of Human Rights as a core element of our entrepreneurial responsibility and are committed in implementing our high standard in our supply chain as well.

As part of our double materiality analysis we also take a close look at our supply chain to understand the scale and complexity of our supply chain and to identify key areas. The analysis of our upstream supply chain shows a high concentration of palm(kernel) oil-based materials and those are therefore our main focus within our sustainable procurement efforts. We support the use of sustainably certified palm oil and are committed to our role in moving the palm oil industry towards full sustainability as laid out in our dedicated *Palm Oil Sourcing Policy*.

3. ACTIONS, INDICATORS AND TARGETS TO ADDRESS OUR SUSTAINABILITY MATTERS

For the different material matters we have identified and implemented several actions to increase our sustainable procurement performance. We are committed to building a more sustainable supply chain by having a performance measuring system in place that includes the setting of a range of relevant and impactful targets.

1. Resource use:

- Engagement in global initiatives: the Renewable Carbon Initiative supports the transformation of the chemical industry by switching from fossil to renewable carbons for organic chemicals and materials. We have been an active member of the RCI since 2022.
- Full transformation to renewable carbon in our raw materials: As part of our purchasing processes, we are continuously reviewing bio-based, recycled and CO2-based alternatives for our few raw materials that are not yet bio-based.

Process indicator	% of renewable raw materials purchased
Target	Increase the percentage of renewable raw materials to 80% by 2030

2. Climate change mitigation:

- We are gaining increasing transparency about our Scope 3 GHG emissions (upstream). Together with our suppliers we are working on increasing the number and accuracy of primary emission data for our raw materials to be able to calculate our total scope 3 emissions and in the next step set Scope 3 reduction targets.

Process indicator	% of available data for scope 3 GHG emissions for our raw materials divided into primary and database data
Target	Increase the overall percentage of available data for scope 3 GHG emissions for our raw materials to 100% by 2027

3. Due Diligence and Human Rights:

- From our suppliers we request through a signature to admit to their social responsibility and obligate themselves to meet the core principles of our Code of Conduct, which also serves as our Supplier Code of Conduct, as well as implementing them throughout the whole supply chain.

Process indicator	% of suppliers that have signed our Code of Conduct
Target	Increase the percentage of suppliers that have signed our Code of Conduct to 100% by 2025

4. Governance:

- We are committed to only purchasing raw materials from suppliers that can prove they are compliant with environmental, quality and energy use best practices. Therefore we commit to regularly perform supplier assessments via questionnaires on ESG practices and include clauses on environmental, labor, and human rights requirements in our purchasing contracts as part of our supplier approval process.

Process indicator	% of targeted suppliers covered by a CSR assessment
Target	Increase the percentage of suppliers covered by a CSR assessment to 80% by 2025 and to 100% by 2027

5. Sustainable Palm oil Use:

- Collaboration: Collaboration is needed to raise and increase awareness, drive the necessary market transformation and achieve impact on the ground. We engage in global and local multi-stakeholder initiatives and have been a member of the Roundtable on

Sustainable Palm oil (RSPO) since 2010 and a member of the German Forum for Sustainable Palm (FONAP) since 2017.

- **Physical Transformation:** The physical market transformation based on RSPO certification and NDPE commitments is an important element on our journey toward sustainable palm. From our suppliers in the palm oil supply chain we require to offer RSPO-certified materials and to adopt and fully adhere to strong No Deforestation, No Peat, No Exploitation (NDPE) policies in their own operations and 3rd party palm supply chain.

Process indicator	% RSPO-certified oil palm product volume of total oil palm volume purchased
Target	+2% annual uptake of certified volumes
Process indicator	% of suppliers confirming NDPE Commitment
Target	Increase the percentage of suppliers confirming NDPE Commitment to 70% by 2025, 80% by 2027 and 100% by 2030

- **Smallholder Inclusion:** No sustainability policy can be effective without considering smallholders as a crucial part of the value chain. We have been supporting the FONAP smallholder projects since 2019 to include smallholders and advance diversity in the supply chain.

4. IMPLEMENTATION AND POLICY REVIEW

The Peter Greven Group undertakes all appropriate and reasonable efforts to implement and to apply the principles and values described in this policy in a continuous way and, where necessary, to remedy any existing deficits as soon as possible.

The sustainability manager together with the Procurement team is responsible for drafting the policy, presenting the objectives and performance to the Management, identifying best practices and developing initiatives and tools to improve the company's performance and achieve its commitments and targets. This allocation of responsibilities allows for good Governance practices and best results.

The policy is to be regularly checked and updated if necessary every two years or when substantial changes to the organization have occurred by the sustainability manager and procurement team and all changes will be communicated to interested parties.

Version 1, February 2025