

The Sustainable Procurement Policy of ALTEO Energiaszolgáltató Nyilvánosan Működő Részvénytársaság and its subsidiaries, as defined in Article 3 (2) (2) of Act C of 2000 on Accounting (hereinafter jointly referred to as the “ALTEO Group”) was prepared with the intention and goal that the various entities in the Group’s supply chain are in harmony and comply with the Group’s vision and values, considering that taking responsibility for the society and our environment goes beyond the Group’s operations.

ALTEO Group is committed to the following values: sustainability, security, being knowledge driven, continuous improvement, responsible and ethical behavior, partnership and cooperation. We expect our Suppliers to strive to comply with these values in the performance of their own operations and their contracts with ALTEO Nyrt. or any of its subsidiaries under Article 3 (2) (2) of Act C of 2000 on Accounting.

ALTEO Group undertakes to identify the ecological, social, societal and economic impacts affecting and resulting from its operations and to optimize them in the Supplier network as well. In doing so, it expects maximum support and cooperation from its Suppliers.

In our daily operations, this means that ALTEO acts in the procurement of the necessary goods, services and works in a way to achieve the most optimal impact in terms of environmental, social and economic sustainability.

This is how we align our procurement practices with the broader environmental and societal goals, while keeping sustainability in mind.

The key elements of our Policy:

1. Environmental considerations:

The Supplier agrees to comply with all applicable environmental laws and standards in the countries in which it operates. Obligations of the Supplier:

- To minimize its environmental impact through **energy efficiency**, waste reduction and a responsible use of natural resources.
- To adopt practices to reduce **greenhouse gas** emissions and support the climate change mitigation initiatives.
- To strive to use **sustainable materials and environmentally friendly processes** throughout the supply chain.
- To give preference to suppliers who **minimize the amount of waste** and offer products that are minimally packaged or easily recyclable.

2. Social responsibility:

ALTEO Group places a special emphasis on continuously increasing the satisfaction of Stakeholders (external and internal Partners), while we also make a lot of efforts for our wider social environment, as part of which we carry out several educational and charitable activities. The following expectations apply to our Suppliers:

- **To adopt fair labour practices:** To comply with ethical labor practices, including fair wages, safe working conditions, and the prohibition of child and forced labor.
- **To establish a safe and healthy working environment,** in accordance with the international health and safety standards.
- **Diversity and inclusion:** to support suppliers who promote diversity and inclusion in their workforce and supply chain, avoiding racial, gender, religious or other discrimination.

When evaluating our Suppliers, we take into account their community impact: including their contribution to the local communities, job creation, skills development and charitable activities.

3. Economic sustainability:

The following expectations apply to our Suppliers:

- To ensure that the procurement process delivers long-term value for money, while taking into account the environmental and social impacts, rather than focusing solely on immediate cost savings. (**Value for money**)
- To work with partners who have stable and flexible business models that support long-term relationships. (**Pursuit of partnerships**)
- To give preference to local suppliers (when possible), to support local economies and reduce transport emissions. (**Environmental footprint reduction**)

4. Ethical conduct and transparency:

We expect our Suppliers to comply with the guidelines and requirements of ALTEO Group's Code of Ethics and we expect them to inform ALTEO Group immediately if they commit any irregularities in relation to the Sustainable Procurement Policy.

The Code of Ethics can be found at the following link: <https://alteo.hu/wp-content/uploads/2024/10/alteo-etikai-kodex.pdf>

If the Supplier violates the relevant legislation or provides negative feedback that potentially jeopardizes the brand or operation of ALTEO Group, the Supplier will be excluded from doing business with ALTEO Nyrt. or its respective subsidiary under Article 3 (2) (2) of Act C of 2000 on Accounting.

5. Supplier commitment:

As ALTEO Group commits to its excellent Suppliers, we expect our Suppliers to do the same with their own subcontractors, to ensure a smooth supply chain and sustainability. We expect our Suppliers to comply with the criteria set out in the Sustainable Procurement Policy and to pay special attention to the following:

- **Collaboration with the suppliers:** To involve their suppliers in developing sustainable practices, offer incentives for improvement, and build long-term business relationships.
- **Sustainability criteria:** To incorporate the sustainability criteria into the tender and contract evaluation processes, ensuring that the suppliers' practices are aligned with their objectives. To this end, we expect our Suppliers to provide the necessary data and to cooperate fully with such requests.

- **Transparency:** We expect our Suppliers to immediately provide information if they engage in any activity in their own operations or in their value chain that is contrary to ALTEO Group's Code of Ethics or Sustainable Procurement Policy.

6. Continuous improvement:

Continuous improvement forms the basis of our Integrated Management System, for which we continuously strive to find innovative solutions and apply the available best practices in our daily operations, and for this reason we apply the following approach:

- **Training and awareness-raising:** Upon request, we provide training to the external and internal stakeholders (procurement, partner departments, Suppliers) on the importance of sustainability in the procurement process.
- **Innovation:** We encourage our Suppliers to implement innovative technologies and practices that improve the sustainability outcomes.
- **Regular reviews:** We review our Policy on an annual basis, to reflect the evolving best practices, the regulations and stakeholder expectations, which is the responsibility of our Purchasing and Facilities Manager.

The commitment to sustainability is an integral part of the operation of ALTEO Group, and we expect this approach from our Suppliers as well, driven by our common interest and to ensure our future.

Budapest, 4 December 2024

Yours sincerely,

Electronically signed by:

Magdolna Tokai

Deputy CEO for Corporate Support

Electronically signed by:

Anita Simon

Deputy CEO
for Sustainability and Circular Economy