

**POLICY**

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# **RESPONSIBLE PURCHASING POLICY**

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**PURCHASING DEPARTMENT**

Revision	Date	Defined by	Amendments
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## 1. PURPOSE

This Responsible Purchasing Policy establishes the principles and standards that AKWEL Group expects from all employees, suppliers, and business partners engaged in the purchasing process. Our aim is to ensure that our sourcing activities contribute to environmental stewardship, social responsibility, and ethical governance across the automotive value chain.

## 2. SCOPE

This policy applies to all procurement activities globally, including direct materials, indirect materials, services, and capital expenditures related to our automotive manufacturing and operations.

## 3. FOREWORD

In 2025, AKWEL Group achieved a GOLD MEDAL with score of 79/100 from ECOVADIS which is the pioneering 3rd party sustainability assessment company.

### AKWEL SA (GROUP)

CHAMPFROMIER - France | [Manufacture of parts and accessories f...](#) 

Company size: L  | Assessment scope: Group 

Overall score  
↗ **77** /100  
Percentile  95th



The AKWEL Group considers the collaboration with its suppliers is one of the key factors of its success, therefore strives to operate as an integrated team with suppliers.

The selection of suppliers is not based only on the quality and on competitiveness of their products and services, but also their adherence to social, ethical and environmental principles.

AKWEL takes the 2030 United Nations Sustainable Development Goals as a framework for its actions in the transition to a more sustainable future.

AKWEL commits to contributing to a decarbonized economy by engaging its talents and assets across its products, plants, and other facilities. AKWEL is strongly involved in environmental issues (greenhouse gas, waste recycling, water recycling, the use of natural resources, eliminating the usage of industrial fuel oil, etc.).

In addition to all applicable laws and regulations to be observed by the Supplier, it is also Supplier's obligation to respect social responsibility duties, especially but not limited to requirements based on the Universal Declaration of Human Rights (UDHR) proclaimed by the United Nations General Assembly in Paris on 10 December 1948, the International Labor Organization (ILO) conventions proclaimed to respect employees' rights, age and working hours limits and the United Nations Sustainable Development Goals agenda 2030, etc.

## 4. LABOR & HUMAN RIGHTS PRACTICES

Suppliers shall respect human rights in all countries in which it operates, including in geographical areas where human rights may not yet be sufficiently protected. Supplier agrees to work towards preventing situations of complicity or acts of collusion concerning fundamental human rights violations. Supplier pledges its commitment to fulfill its responsibility towards respecting human rights in its operations and throughout its entire supply chain.

#### **4.1. RIGHT TO ORGANISE AND COLLECTIVE BARGAINING**

In accordance with the International Labor Organization's Right to Organize and Collective Bargaining Convention within national legislations, the AKWEL group promotes social dialogue between staff representatives and management as a means of constructive discussion, particularly with regard to relationships between them and working and employment conditions. In accordance with the provisions on freedom of association and protection of the right to organize, the AKWEL group expects its suppliers to respect the right of employees to associate, join a union, appoint representatives and be elected as representatives in accordance with the specifics of each country.

#### **4.2. FORCED LABOR AND CHILD LABOR**

The AKWEL group prohibits any form of forced or compulsory labor. During the working relationship, the Group undertakes to ensure that its staff are free to accept or refuse a job or a change of role within the Group, to express themselves freely, to be a member of a union and to terminate their work contract in accordance with the laws and practices in force in their country of assignment.

In accordance with the International Labor Organization's directives on minimum age and within the framework of national legislation, the AKWEL group commits to the effective abolition of child labor by refraining from employing candidates who are not of the minimum required age and/or do not meet the legal requirements of the country in which it operates.

Supplier must not engage in, and will require its suppliers to not engage in, directly or indirectly, child or forced labor practices.

#### **4.3. ELIMINATION OF DISCRIMINATION**

Supplier's employees must be treated in a fair and nondiscriminatory manner, with the guarantee of equal opportunity and the absence of any policy aimed at, or indirectly resulting in, discrimination towards them on any basis prohibited by law, including, as applicable, but not limited to, race, gender, sexual orientation, health condition, disability, age, nationality, or religion (in accordance with applicable laws and regulations and consistent with the spirit underlying ILO Convention 111).

Consequently, "no person may be excluded from a recruitment procedure or access to a work placement or training period in a company; no employee may be sanctioned, dismissed or made the subject of a discriminatory measure, whether direct or indirect, particularly as regards remuneration, training, reclassification, assignment, qualification, classification, professional promotion, transfer or renewal of contract for reasons of their origin, gender, proclivities, sexual orientation, age, marital status or pregnancy, genetic characteristics, membership or non-membership (whether actual or supposed) of an ethnic group, nation or race, their political opinions, union or mutual activities, religious beliefs, physical appearance, family name, health status or disability.

#### **4.4. REMUNERATION**

Supplier is committed to ensuring that remuneration is at least equal to the minimum amount mandated by applicable laws and regulations (and legally guaranteed minimum for a profession, if any) or as set forth in the relevant collective bargaining agreements. Supplier is committed to the principle that its compensation should seek to provide its workers and their families decent wages to afford reasonable and adequate shelter, food, and other necessities. Supplier is expected to commit to the principle of equal pay for equally valued and productive work, between men and women (ILO Convention 100).

#### 4.5. WORKING HOURS

Supplier is committed to complying with applicable laws, regulations, ILO Conventions 1 and 30, and/or automotive standards, collective bargaining, and practices applicable in those countries where it operates, whichever is strictest, regarding working hours, fair compensation break times and periodic days off.

#### 4.6. HEALTH AND SAFETY AT WORK

AKWEL strives for an accident-free workplace. Supplier is committed to implementing effective occupational health and safety policies and procedures that meet or exceed applicable laws and regulations with the goal of zero workplace safety incidents. These policies and procedures shall be applied at Suppliers' various sites in the form of concrete action plans that involve each employee at their level of responsibility in the company, including labor and management representatives. Supplier employees will have the right to refuse to work in unsafe work conditions without the fear of retaliation (ILO Convention 155)

#### 4.7. RESPECT TO VULNERABLE GROUPS

AKWEL recognizes and respects the rights of vulnerable populations around the world such as children, migrant workers, minorities, persons with disabilities, indigenous peoples, and women. Suppliers are expected to similarly commit to protecting the rights of these groups, implement measures to address any health and safety concerns specific to these groups and work to extend them to their supply chain.

### 5. ETHICAL PRACTICES

Suppliers are expected to design, engineer, and manufacture products that meets all applicable laws, regulations, voluntary standards, and industry practices. Supplier shall provide disclosure information in the event of any breach in applicable requirements.

#### 5.1. FIGHT AGAINST CORRUPTION

Supplier agrees to comply with all applicable anti-corruption laws and regulations, including, without limitation, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and the French Sapin II Law.

Accordingly, Supplier must:

- Not engage in any form of bribery, facilitation payment, or commercial corruption.
- Not directly or indirectly provide, promise, or offer anything of value to any public official, employee of a governmental authority, or representative of a government-owned, government-controlled, or government-affiliated entity, with the intent of influencing such person in violation of their official duties in order to grant Supplier any benefit, including obtaining or retaining any contract, business opportunity or other business benefit
- Ensure that its employees, subcontractors, agents, and other associated third parties are informed of and adhere to these standards.
- Cooperate fully with the Company in any compliance audit, review, or investigation relating to anti-corruption obligations
- Promptly report to the Company any suspected or actual violation of anti-corruption laws or of AKWEL Ethics Charter.

- Suppliers commit that they acknowledged and comply with [AKWEL Ethics Charter](#) and [AKWEL Anti-Corruption Policy](#) by signing the Responsible Purchasing Policy adherence.

## 5.2. FAIR TRADE PRACTICES

Notwithstanding the terms and conditions applicable to Supplier's sale of goods or services to AKWEL, contracts, purchase orders or other contractual instruments, Supplier agrees to conduct the following activities;

- Supplier undertakes to ensure all taxes, fees, royalties for the extraction of minerals and/or obtaining of raw materials and/or the production of goods are paid.
- Supplier agrees to know about and comply with any applicable rule relating to competition, and will not implement any anti-competitive practices (cartels, etc.). Supplier must independently determine its behavior and its commercial policy on the market to maintain healthy competition between all players.
- Suppliers shall compete strongly and deal fairly in compliance with anti-trust rules. They shall implement adequate internal control to assure none of their employees or representatives take unfair advantage through manipulation, theft, concealment, abuse of confidential information, misrepresentation, or other unfair practices.
- Supplier undertakes to have processes to prevent, detect and remediate any conflict of interest, especially any conflict of interest that may influence its business with AKWEL.
- Supplier undertakes to have processes and controls in place around the giving and receiving of gifts and entertainment with business partners.
- Supplier undertakes to respond diligently and transparently to requests for information from AKWEL, whether financial or non-financial.
- Supplier will apply appropriate protections for the confidential information it receives from AKWEL, consistently with non-disclosure agreements, terms and conditions or contractual requirements that AKWEL may require for that purpose. Supplier will also respect the intellectual property rights of other parties.
- Supplier will apply appropriate protections for the products or components which are pre-defined at each project and are in scope of ISO 21434 Road Vehicles - Cyber Security Engineering
- Supplier will prohibit any activity that facilitates the production or trade of counterfeit products or components throughout its supply chain and will cooperate with AKWEL in any investigation related to suspected counterfeit activity.
- Supplier will prohibit and have controls in place to detect any activity that facilitates money laundering, the funding of terrorism, other criminal activities, or inappropriate financial activities.
- For businesses to operate in complex and volatile environments, where local law enforcement or public security forces may be absent or unreliable, the management of risks and threats to personnel and property should be managed through private security services, local or international.

### 5.3. PROHIBITED PRACTICES

Supplier will abstain from conducting, directly or indirectly, any form of torture, cruel, inhuman or degrading treatment practices, war crimes, crimes against humanity, support of non-state armed groups in any activity related to the supply of goods or services to AKWEL, including but not limited to the extraction, transportation, distribution and sale of minerals, or other serious violations of international law.

## 6. ENVIRONMENTAL PRACTICES

Environmental Practices are consisted of environmental management system, environmental policy, field applications, KPIs and development activities. Suppliers must have a set of practices on environment subject.

### 6.1. ENVIRONMENTAL MANAGEMENT SYSTEM

AKWEL encourages its suppliers to have an Environmental Management System (EMS) that complies with local law. Certification of the EMS according to international standards (i.e. ISO14001, EMAS or equivalent) is strongly recommended for manufacturing processes of large scale or having a significant influence on the environment.

### 6.2. ENVIRONMENTAL POLICY

Suppliers should have an environmental policy which limits the hazard to the environment and thus, supplier promotes research and development to find out new innovative solutions for its manufacturing techniques and material science.

### 6.3. RESPONSIBLE SOURCING OF RAW MATERIALS

The supplier supports activities that ensure responsible procurement of raw materials. The procurement and use of raw materials that have been obtained illegally or through ethically reprehensible or unreasonable measures must be avoided. In particular, the use of raw materials that are affected by embargoes or other import restrictions (e.g., **conflict minerals**) must be excluded. The supplier therefore undertakes to identify these raw materials in manufactured products in the supply chain and to disclose the origin and sources of supply of the raw materials they use on request.

### 6.4. GREEN HOUSE GASES (GHG)

Greenhouse gases are consisted of different gasses trapped inside earth's atmosphere like; carbon dioxide, nitrous oxide, fluorinated gases and methane. Greenhouse gases are measured as equivalent CO<sub>2</sub> (CO<sub>2</sub>e). There are 3 scopes of greenhouse gasses;

**Scope 1:** Direct effect to the environment through emission of company cars, any type of fuel combustion.

**Scope 2:** Indirect effect to the environment through used energy, etc.

**Scope 3:** Indirect impact in to the environment through purchased raw material, components, outsourced activities, and employee travels, etc.

AKWEL expects its suppliers to eliminate the usage of industrial fuel oil, to use green energy, to measure the Scope 1-2-3 CO<sub>2</sub>e emissions and share results when requested by AKWEL.

## 6.5. PRODUCT CARBON FOOTPRINT

Product carbon footprint measures the greenhouse gas (GHG) emissions generated during the life cycle of goods and services: from material procurement, preprocessing, production, distribution, storage, usage and end of life. AKWEL measures product carbon footprint and share results with its customers. AKWEL expects its supplier to measure product carbon footprint and share with AKWEL when requested.

## 6.6. WATER MANAGEMENT

Water management is the control and movement of water resources to minimize damage to life and property and to maximize efficient beneficial use of it. AKWEL expects its suppliers to minimize water consumption at production processes and use resources efficiently and share results with AKWEL when requested.

## 6.7. WASTE MANAGEMENT

Management of waste is so important to limit the hazard to the environment and thus to the society. AKWEL expects its suppliers to reduce the waste production, to use recyclable and/or biodegradable materials and share the results when requested by AKWEL.

## 6.8. DEFORESTATION, LAND CONVERSION & BIODIVERSITY

The preservation of biodiversity is one of the key challenges of sustainability. AKWEL is committed to the prevention of unregulated deforestation and land conversion, and to the protection of natural ecosystems, natural habitats and soil quality.

AKWEL intends to have a deforestation-free supply chain, and expects its supplier to take specific measures, including due diligence throughout its supply chain, to prevent or mitigate the risk of deforestation, in alignment with the EU Regulation 2023/1115 on Deforestation-free products.

Supplier undertakes to forbid deforestation or land conversion throughout its supply chain. Supplier commits to provide to AKWEL;

- A deforestation-free and land conversion- free commitment
- If not possible to commit, in this case supplier must provide;
  - A detailed mapping of its supply chain (from the “farm” or “mine” to the plant) that includes the address of each manufacturing site
  - A time-bound plan with clear actions and milestones to meet that commitment
  - Regular reporting of progress to AKWEL Logistic Department

AKWEL will rely on Suppliers that are actively implementing deforestation-free supply chains, with tangible results coming from reliable initiatives and local agreements or partnerships.

## 7. SUSTAINABLE PROCUREMENT

AKWEL suppliers must cascade all the requirements and expectations in **AKWEL RESPONSIBLE PURCHASING POLICY** to its suppliers and sub-suppliers and must provide the reports of its supply base when requested by AKWEL.

## 8. PERFORMANCE MANAGEMENT

### 8.1. ESG & CSR PROGRAMS

AKWEL implements 2 different level of responsible purchasing programs to its suppliers based on the purchasing turnover that AKWEL has with them. The level of program is informed to the supplier by their Commodity Lead Buyer during the supplier panel integration process. The level of program may be changed during the business relation based on the developing turnover that supplier has with AKWEL.

#### 8.1.1. ESG Program

ESG Program is structured to have measurable and quantitative outputs of which externally regulated and assessable.

The Suppliers must fulfil the requirements;

- **AKWEL Responsible Purchasing Policy adherence.**
- Complying with **Performance Indicators (KPIs)** and reporting to AKWEL and AKWEL's business partner (ECOVADIS).
- 50 or higher score from **ECOVADIS assessment**.

#### 8.1.2. CSR Program

CSR program is more self-regulated and implemented through supplier's corporate/company culture and values and provides qualitative outputs. Suppliers may implement their own policy or shall adopt AKWEL Responsible Purchasing Policy.

The Suppliers must fulfil all the requirements;

- **AKWEL Responsible Purchasing Policy adherence.** The supplier must present evidences to AKWEL when requested.

### 8.2. POLICY ADHERENCE

Suppliers must adhere Responsible Purchasing Policy or provide their own which is in line with AKWEL requirements. By adhering to the policy, supplier accepts to fulfill the requirements and/or practices defined in the AKWEL Responsible Purchasing Policy.

### 8.3. PERFORMANCE MEASUREMENT

#### 8.3.1. Sustainability Assessment

AKWEL works with a 3<sup>rd</sup> party partner (ECOVADIS) that performs sustainability assessment to suppliers in behalf of AKWEL. As defined in this policy, ECOVADIS performs the assessment in 4 different categories; Environment, Labour & Human Rights, Ethics and Sustainable Procurement.

Suppliers must show strong performance by achieving **a minimum score of 50** from ECOVADIS assessment (average of 4 pillars). Sustainability assessment questionnaire of ECOVADIS which is implemented for our suppliers is in line with OECD DUE DILIGENCE GUIDANCE FOR RESPONSIBLE BUSINESS CONDUCT.

### 8.3.2. Performance Indicators

AKWEL requests its suppliers to follow up performance indicators (KPIs) consist of Ethics, Labor & Human Rights and Environment pillars. Suppliers in ESG program must share the performance indicators requested by AKWEL through ECOVADIS platform during its assessment or AKWEL may launch a due diligence campaign annually and suppliers shall report KPIs to AKWEL.

#### 8.3.2.1. KPIs – Ethics and Labor & Human Rights Pillars

Although there is no given target for KPIs, AKWEL expects suppliers to measure each indicator and report the progress.

KPIs	Unit	ECOVADIS Metrics
Woman employment	%	% Of woman employed in the whole organization
Duration of training per employee	Hour	Average hours of training per employee
Number of confirmed corruption incidents	Amount	Number of confirmed corruption incidents
Number of confirmed information security incidents	Amount	Number of confirmed information security incidents
Number of days lost because of HSE incidents	Day	Number of days lost to work related injuries, fatalities and illness
Employees paid below living wage	%	% Of employees paid below living wage
Minority and Vulnerable groups	%	% Of workers from minority groups and/or vulnerable workers employed in relation to the whole organization

#### 8.3.2.2. KPIs – Environmental Pillar

Targets and metrics to be measured and reported are as below.

Environmental KPIs	2025 Target	2028 Target	Unit	ECOVADIS Metrics
CO <sub>2</sub> reduction (scope 1 & 2 & 3)	-%15	-%40	Tons	Total gross Scope 1 GHG emissions (CO <sub>2</sub> eq.) Total gross Scope 2 GHG emissions (CO <sub>2</sub> eq.) Total gross Scope 3 GHG emissions (CO <sub>2</sub> eq.)
Water consumption	-	-%20	M <sup>3</sup> / gross production margin	Total water withdrawal (unit: ML)
Waste production	-	-%15	K€ / gross production margin	Total weight of waste (unit: T)
Waste recycling	-	%95	Tons, M <sup>3</sup> , etc.	Total weight of waste recovered (unit: T)
Eliminating industrial fuel oil	-	%100	Tons, M <sup>3</sup> , L	Difference of Total energy consumption (unit: GJ) and Total renewable energy consumed (unit: GJ)
Green Electricity consumption	-	%70	Watts	Total renewable energy consumed (unit: GJ)

Given targets shall be compared according to 2021 outputs. If suppliers don't have 2021 outputs, they shall compare according to date of first data they have.

### 8.3.3. Supplier ESG & CSR Risk Measurement

AKWEL implements weighted measurement method to obtain supplier's ESG/CSR Risk based on;

- Adherence to Responsible Purchasing Policy
- Output of Environmental KPIs
- Score of ECOVADIS assessment

Based on risk calculation, AKWEL Supplier ESG/CSR risk levels are divided into 4 different categories which are "**High Risk**", "**Medium Risk**", "**Low Risk**" and "**No Risk**".

If supplier is in ESG Program; ESG Risk and if supplier is in CSR Program; CSR Risk is measured based on requirements and fulfillment of the related program.

## 9. NON-COMPLIANCE WITH POLICY

The ultimate goal of the Responsible Purchasing Policy is to measure the risk and eliminate or control the High and Medium Risk levels from supply chain. AKWEL intends to develop business with the suppliers which have Low Risk and No-Risk.

Therefore, High and Medium Risk level suppliers are requested to make improvement to reduce their ESG/CSR Risk level.

**The ESG/CSR Risk level is an important indicator taken into account at new business nomination to suppliers.**

## 10. SUPPORT TO SUPPLIERS

In order continuously develop its supply chain, AKWEL is willing to support its suppliers to make them understand ESG/CSR/Sustainability subject and the requirements expected by AKWEL. Thus, AKWEL suppliers have privilege to reach such content through AKWEL's ESG/CSR partner ECOVADIS.

ECOVADIS provides plenty of training contents and video-webinars in its platforms as free of charge. Our suppliers are able to reach the contents anytime they would like.

Apart from ECOVADIS contents, AKWEL Purchasing Department supports our suppliers whenever they need support about topics declared in this policy.

## 11. WHISTLE BLOWING SYSTEM

The AKWEL whistleblowing procedure details the principles of the Group as part of its ethical approach and its duty of care as a parent company. These principles must also be observed and ensured by the subcontractors. By way of example, a Report could concern fraud, corruption, conflicts of interest, financial offences, anti-competitive practices, discrimination and harassment in the workplace, occupational health and safety, environmental protection and human rights. The AKWEL whistleblowing procedure is available in [AKWEL Web Page](#).

## 12. REVIEW AND UPDATES

This policy is reviewed and updated as necessary to reflect evolving customer and legal requirements, stakeholder expectations and industry best practices.

**AKWEL RESPONSIBLE PURCHASING POLICY ADHERENCE**

Dear Supplier,

We kindly ask you to confirm your adherence to the principles described in our Responsible Purchasing Policy.

We thank you in advance to fill in the following form and to return it completed and signed to us.

We remain at your disposal for any additional information you might need on above,

Yours Sincerely,

Karine LESNE

**Executive Vice President Purchasing**

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Company Name.....

Represented by..... Function.....

- My company undertakes to comply with the scope of **CSR Program** as defined in this policy.
- My company undertakes to comply with the scope of **ESG Program** as defined in this policy.

E-mail:

Date & Signature / Stamp: