



Sustainable Procurement Policy

Policy Statement

The Gem Group, Inc. is committed to integrating sustainability into our procurement practices. Our objective is to ensure that our sourcing decisions deliver value while protecting the environment, promoting social equity, and fostering economic growth. This policy outlines our commitment to sustainable procurement, including clear targets to guide our actions and measure our progress.

Corporate Social Responsibility (CSR) is a key element of our operations. The Gem Group, Inc. fully complies with all national and international labor laws and social regulations. In addition, our business partners adhere to the fundamental social standards outlined in this policy. Where national or international regulations, specific industry standards, and this policy address the same topic, the regulation offering greater protection to employees shall apply.

Scope

This policy applies to all procurement activities undertaken by The Gem Group, Inc. including goods, services, and works. It is applicable to all staff involved in procurement decisions at all levels of the business. It covers interactions with internal stakeholders, suppliers, contractors, and subcontractors.

Policy Objectives

Purchasing decisions shall not be based on price alone. The Gem Group, Inc. has an ethical responsibility to avoid inflicting further harm on people or the environment because of our procurement decisions. This policy outlines our commitment to considering the environmental and social impact of our purchasing practices.

Objectives:

- Reduce the environmental impact of our supply chain.
- Promote ethical and socially responsible practices among suppliers.
- Support the local and circular economy.
- Embed sustainability criteria into procurement processes.
- Minimize resource consumption, waste, and carbon emissions.
- Uphold human rights, fair labor practices, and diversity.
- Encourage innovation and foster relationships with small and medium-sized enterprises (SMEs) and local businesses.
- Ensure business integrity, transparency, and adherence to ethical practices across all tiers of the supply chain.

Policy Aims and Commitments

To create a culture of care for the environment and social issues within the business that permeates into procurement strategy and individual purchasing decisions.

The Gem Group, Inc. is committed to sustainable development at every stage of its operations and those of its suppliers. Our Sustainable Supply Chain Policy is based on the following key principles:



Labor Practices

- Employment must be freely chosen.
- No forced or bonded labor.
- Fair wages and benefits.
- No discrimination or harassment.
- Respect for workers' rights to collective bargaining.
- Safe and hygienic working conditions.

Environmental Protection

- Compliance with environmental regulations.
- Preventing pollution.
- Efficient resource use.
- Sustainable sourcing.

Ethics

- Zero tolerance for bribery, corruption, and unethical practices.
- Compliance with laws and regulations.
- Business integrity.

Supply Chain Due Diligence

- Avoiding the use of Conflict Minerals.
- Responsible procurement practices.
- Risk assessment and monitoring of supplier practices.

Measurement of Success

Our success is measured by the effective reduction of negative environmental and social impacts, particularly in local communities. Transparency and engagement are essential indicators of success. This policy is communicated to all employees and key suppliers.

Engagement with Suppliers

- We will foster long-term partnerships with suppliers that share our sustainability vision.
- We will collaborate with suppliers to innovate and improve their sustainability practices.
- We will put in place processes and schemes to prioritize suppliers with effective environmental and social policies.
- We will take action to minimize trade or cease partnerships with suppliers that have been found to act negligently towards people or the environment, irrespective of cost savings that they offer.
- We require our business partners (distributors, manufacturers, and subcontractors) to respect and protect the fundamental rights of workers, regardless of whether they are employees or agency workers, and regardless of the type of agreement entered into with them.



Education and Training

- We will conduct regular training for procurement staff to enhance understanding of sustainable procurement principles.
- We will provide guidance and resources for suppliers to improve their ESG (Environmental, Social, Governance) performance.
- We will train all procurement employees to develop their understanding of social and ethical implications of purchasing decisions.
- We will encourage employees to not only focus on price but to prioritize goods and suppliers that are beneficial to the environment and promote social welfare.

Transparency and Reporting

- We will set out a clear Sustainable Procurement Policy and keep it up to date.
- We will enforce a supplier code of conduct covering environmental and social issues.
- We will encourage open communication with stakeholders to build trust and accountability.

Support for Local Communities

- We will prioritize sourcing local businesses to enhance community development.
- We will promote diversity by supporting underrepresented and minority-owned suppliers.
- We aim to increase supplier diversity by working with organizations such as sheltered workshops, businesses led by women, or companies owned by minorities.

2026 Targets

- Train 100% of procurement staff on sustainable procurement issues.
- Train 100% of procurement staff on environmental issues.
- Train 100% of procurement staff on social issues.
- 100% of key suppliers to sign our Code of Conduct
- 100% of key suppliers to complete our supplier questionnaire covering social and environmental issues

Allocation of Responsibilities

Employees

- Support sustainable purchasing decisions by following internal procurement procedures and approved supplier processes.
- Consider environmental, social and ethical impacts when requesting goods and services.
- Avoid engaging with non-approved suppliers without appropriate due diligence.
- Report any concerns relating to supplier practices, conflicts of interest, or unethical conduct.

Managers

- Ensure procurement decisions within their teams align with the Sustainable Procurement Policy.
- Promote responsible sourcing practices and challenge unsustainable purchasing behaviors.
- Review supplier performance, risks and compliance within their areas of responsibility.
- Escalate identified supplier risks and support corrective action plans where required.

Quality Compliance & Sustainability Manager

- Develop and maintain the Sustainable Procurement Policy and support procedures.
- Conduct supplier risk assessments covering environmental, labour, human rights and ethical risks.
- Monitor supplier performance, sustainability ratings and corrective actions.
- Provide guidance and training to internal stakeholders on responsible sourcing principles and lifecycle considerations.

Executive Leadership Team

- Provide strategic oversight of sustainable procurement objectives and supply chain risk management.
- Ensure adequate resources are allocated to supplier due diligence, monitoring and improvement initiatives.
- Review supply chain risks, performance data and compliance trends to drive continuous improvement.
- Promote responsible sourcing expectations across the organization and communicate sustainability commitments to external stakeholders.

Review

The directors and senior management are ultimately responsible for this policy, including the targets, aims and goals for the business and ensuring they are achieved. Within the company, the responsibility for day-to-day decisions lays with everyone from the Managing Director to individual employees. This policy is reviewed annually to ensure it is up to date.