

Sustainable Procurement Policy



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Purpose

This Sustainable Procurement Policy sets out AltoVita's commitment to integrating sustainability considerations into its procurement processes and decisions. It aims to align our practices with the principles of ISO 20400: Sustainable Procurement Guidance, ensuring that economic, environmental and social impacts are considered throughout the supply chain.

Scope

This policy applies to all employees, contractors, and business units involved in procurement and supply chain activities at AltoVita. It also communicates our expectations to our suppliers, partners and stakeholders.

Commitment

AltoVita is committed to:

- Embedding sustainability into procurement decisions to deliver long-term value to the business, society and the environment.
- Supporting ethical, responsible and inclusive supply chains.
- Minimising negative environmental and social impacts associated with the goods and services we procure.
- Enhancing transparency, accountability and stakeholder engagement across our supply chain. Data-driven transparency is deeply important to us to ensure that our partners genuinely support our mission to responsibly operate in our community.
- AltoVita is committed to advancing sustainability across our supply chain. As part of this commitment, by 2030 we will only engage, contract, or renew agreements with suppliers who achieve a minimum Tier 3 (*see Appendix 1) ranking in our Sustainable Procurement Framework.

Principles

Aligned with ISO 20400, our sustainable procurement approach is guided by the following principles:

Accountability

We take responsibility for the impacts of our procurement decisions and actively manage the associated risks and opportunities through competitor analysis.

Transparency

We promote openness and clear communication with stakeholders about our procurement processes and sustainability performance.

Ethical Behavior

We expect the highest standards of integrity and ethics in our dealings with suppliers and contractors by abiding by protections for human rights, equal opportunity, and the environment, and protections against slavery, human trafficking and child labour, bribery and corruption, money laundering and other relevant regulations.

Respect for Stakeholder Interests

We engage stakeholders and consider their views in procurement decisions, including communities, employees, customers and suppliers.

Respect for the Rule of Law

All procurement activities are conducted in compliance with applicable legal and regulatory requirements. This includes, but is not limited to, freedom of association and collective bargaining, safety and hygiene standards, wages and remuneration, data protection and information security, and anti-facilitation of tax evasion.

Respect for International Norms of Behavior

We support internationally recognised standards including human rights, labor practices, environmental management, and anti-corruption.

Integration of Sustainability

Sustainability is a core pillar of our business model, and we strive to improve our environmental performance beyond legal and regulatory requirements. We incorporate environmental, social, and economic criteria into all our business decisions, including our procurement strategy, practices, and performance evaluation.

As a women-owned business, we are continuously committed to empowering women at AltoVita and in the wider community.

Objectives

To deliver on our commitments, AltoVita will:

- Identify and prioritise sustainability risks and opportunities in the supply chain.
- In evaluating suppliers, we allocate a higher weightage on environmental performance, social responsibility and ethical conduct. For supplier contracts over the value of \$5,000.00 per annum, we must meet a minimum of 3 providers for analysis. Higher weightage will also be allocated to suppliers who complete annual ESG reporting.
- Promote procurement of sustainable products and services, such as those with low carbon impact, reduced packaging, and certified sustainability standards.
- Build the capacity of procurement staff through training and awareness on sustainable procurement.
- Support local economies and small and diverse suppliers where feasible.
- Continuously improve procurement processes through monitoring, feedback and reporting mechanisms.

Supplier Expectations

AltoVita expects its suppliers and contractors to:

- Comply with all applicable laws and regulations, including but not limited to human rights, anti-slavery, anti-human trafficking, anti-child labour, freedom of association and collective bargaining, working environment, wages and remuneration, data protection and information security, environmental regulations, anti-facilitation of tax evasion, anti-bribery and corruption.
- Uphold human rights and fair labor practices.
- Minimise environmental harm through efficient resource use and pollution prevention.
- Operate with integrity and transparency.
- Work collaboratively with us to improve sustainability performance.

We may require suppliers to complete sustainability assessments or audits and demonstrate continuous improvement over time.

Governance and Implementation

This policy is the responsibility of the AltoVita Leadership Team to oversee.

Implementation will be supported through:

- Integration into procurement strategies, procedures and contract management.
- Engagement with stakeholders and suppliers.
- Performance tracking and reporting on key sustainability metrics.

The policy will be reviewed annually and updated as needed to ensure relevance and effectiveness.

Appendix 1

Sustainable Procurement Ranking Framework

Category	Weight	Description
Environmental Performance	25%	Supplier’s environmental practices, emissions reduction efforts, sustainable sourcing, waste management, circular economy practices, and resource efficiency.
Social Responsibility	25%	Employee welfare, diversity and inclusion, fair wages, community engagement, and adherence to labour standards.
Ethical Conduct	25%	Anti-corruption, transparency, compliance with laws, fair competition, and responsible marketing practices.
Commercial Performance	20%	Quality, cost-effectiveness, delivery reliability, and service performance
Innovation & Continuous Improvement	5%	Suppliers proactive measures to improve sustainability performance and adopt new technologies.

Suppliers who publish a verified Annual ESG or Sustainability Report receive:

- +5% bonus to their total score.
- Eligibility for “Preferred Sustainable Supplier” status, which can influence contract renewal and tender shortlisting.

Scoring Tiers

Score Range	Tier	Action
85–100	Tier 1 (Preferred Supplier)	Highest priority for procurement; fast tracked in tender processes.
70–84	Tier 2 (Approved Supplier)	Eligible for contracts; encouraged to implement improvement plans for next review.

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*This applies to Kravlux Limited and all companies within its corporate group (the Group or AltoVita).

50–69	Tier 3 (Conditional Supplier)	May be considered but must submit an improvement plan; reviewed within 12 months.
Below 50	Non-Approved Supplier	Not eligible for procurement until major improvements are demonstrated.