

Procurement Policy

Purpose

This mandatory procurement policy applies to all purchases and contracting of goods and services by the Lantania Group. Its objective is to ensure sustainable sourcing, effectively manage spending, and protect the company and its stakeholders from unnecessary risks. This policy is aligned with the Code of Ethics, the Corporate Sustainability Policy, the Group's Integrated Management System Policy, all relevant European and national regulatory requirements, as well as the principles of ISO 20400.

Scope of Application

- ✎ This policy is mandatory and applicable to all companies within the Lantania Group and their employees.
- ✎ All employees, as well as collaborators and business partners who interact with suppliers on behalf of the Group, must comply with this policy.
- ✎ Directors and managers are responsible for ensuring compliance with this policy.

General Principles

The Lantania Group's Procurement Policy relies on the following fundamental principles:

- ✎ **Transparency and Ethics:** All purchases must be conducted fairly, impartially, and transparently, avoiding conflicts of interest.
- ✎ **Competitiveness:** Procurement processes must be competitive, always seeking the best value for money and optimal compliance with the sustainability requirements established by the Lantania Group.
- ✎ **Regulatory Compliance:** All purchasing processes must comply with applicable local, national, and international laws and regulations.
- ✎ **Sustainability:** Promote responsible sourcing of sustainable products and services, prioritizing those with lower environmental impact while meeting the quality standards required by the Lantania Group.
- ✎ **Innovation:** Encourage the adoption of innovative solutions that enhance efficiency and sustainability.
- ✎ **Continuous Improvement:** Commitment to the continuous improvement of procurement processes, in line with ISO 20400.
- ✎ **Supplier Selection Criteria:** The Lantania Group will evaluate and select its suppliers based on criteria of quality, sustainability, social responsibility, and regulatory compliance. Preference will be given to suppliers holding ESG certifications. Strategic suppliers may be disqualified or delisted in cases of serious non-compliance with sustainability requirements, whenever circumstances allow.
- ✎ **Circular Economy:** Promote the procurement of products and services that reduce waste, optimize resource use, and prioritize recycled, recyclable, or reusable materials, fostering sustainable models throughout the value chain.

Sustainable Procurement Principles

The policy emphasizes the following sustainability principles:

- ✎ **Positive Impact:** Maximize the positive environmental, social, and economic impact throughout the life cycle of the purchased products and services.
- ✎ **Ethics and Integrity:** Uphold principles of ethics, equal opportunity, fair competition, transparency, and independence.
- ✎ **Human and Labor Rights:** Ensure respect for human and labor rights in all procurement activities.
- ✎ **Diversity and Inclusion:** Promote equality, diversity, inclusion, and non-discrimination.
- ✎ **Climate Action:** Prioritize suppliers with responsible practices in energy, water, and materials management, promoting the circular economy.
- ✎ **Preservation of the Natural Environment:** Evaluate suppliers' environmental performance.
- ✎ **Local Development:** Encourage purchasing from local suppliers.
- ✎ **Dialogue and Communication:** Establish appropriate communication channels with suppliers.
- ✎ **Collaborative Innovation:** Promote partnerships with suppliers to foster innovation.
- ✎ **Training and Awareness:** Educate buyers and suppliers on ethics, compliance, and ESG aspects.

- “ **Quality and Sustainability of Products and Services:** The Lantania Group will ensure that all products and services purchased from strategic suppliers meet established quality standards and promote sustainability throughout the supply chain. Priority will be given to the use of recycled materials, low environmental impact materials, and energy- and resource-efficient solutions.
- “ **Continuous Improvement:** The Lantania Group is committed to establishing a continuous improvement management system for all sustainability-related aspects (Measure–Observe–Improve).

Supply Chain and Responsible Practices

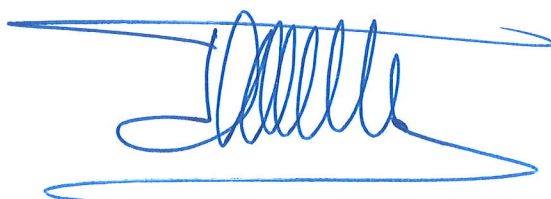
The Lantania Group promotes the engagement of suppliers who meet Sustainability and Corporate Social Responsibility criteria, endorse the UN Sustainable Development Goals, and hold ESG certifications. Additionally, suppliers and partners are encouraged to adhere to the following principles:

- “ **Legal Compliance:** Adherence to laws in all jurisdictions where the Group operates.
- “ **Labor Rights:** Prevent child and forced labor, and uphold non-discrimination, equal opportunities, and labor rights.
- “ **Safe Working Environment:** Comply with occupational health and safety standards.
- “ **Environmental Sustainability:** Implement environmentally friendly practices, including the use of renewable energy and emissions reduction.
- “ **Code of Ethics:** Acknowledge and comply with the Lantania Group's Code of Ethics.
- “ **Sustainable Procurement:** The Lantania Group is committed to managing its purchases from a sustainable sourcing perspective, adhering to the principle of purchasing only what is necessary, requiring suppliers to implement sustainable packaging practices for deliveries, and reviewing the optimal storage period and delivery frequency to minimize the adverse impact of supplier deliveries on the Group's carbon footprint.

Policy Oversight

The Lantania Group is committed to maintaining continuous oversight of this Procurement Policy to ensure its effectiveness and relevance in an ever-evolving business environment:

- “ **Periodic Review:** Conduct annual reviews or additional reviews whenever significant changes occur.
- “ **Updates:** Policy adaptations in response to new regulations or identified needs.
- “ **Monitoring and Reporting:** The policy includes mechanisms to ensure compliance, with regular reports provided to senior management.
- “ **Training and Awareness:** Provide ongoing training to ensure that all employees and stakeholders stay informed about this policy and its updates.



Federico Ávila Álvarez
President - CEO