

# GROUP POLICY

## GL\_P0006\_Group Policy – Procurement Policy



### CPI PROPERTY GROUP PROCUREMENT POLICY

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## 1 INTRODUCTION

- 1.1 The Group operates its business in several European countries and complies with applicable laws and the Group's Code of Business Ethics and Conduct and other Group internal rules and policies.
- 1.2 Recognizing the significance of environmental, social, and corporate governance (ESG) goals, the Group takes its commitments in this area seriously. Being a subject to non-financial reporting under the applicable legal regulation<sup>1</sup>, the Group is dedicated to set up all related processes, both in relation to employees, Representatives and Business Partners, including Suppliers, as well as in relation to the relevant authorities in a transparent manner and to keep all necessary records for the statutorily required period. These processes are governed by the relevant internal rules and all Representatives responsible for implementing them receive regular training.
- 1.3 The purpose of this Policy is, in connection and compliance with the Group's Code of Business Ethics and Conduct, especially Section on Prohibition of Corruption, Bribery and Frauds, Anti-Corruption, Anti-Bribery and Countering of Frauds Policy, Group's Competition Law Compliance Policy a Anti-Money Laundering and Counter-Terrorist Financing Policy, Code of Conduct of Suppliers, and other Group internal rules<sup>2</sup> and policies, to set out universal standards for the Procurement Process, so that all Procurement within the Group is conducted in a cost-effective, transparent and non-discriminatory manner and in compliance with applicable laws, and to ensure that Representatives understand all their responsibilities relating to Procurement and the Procurement Process.
- 1.4 Defined terms have the meanings assigned to them in Section 3.1 of this Policy.

## 2 APPLICABILITY

- 2.1 This Policy applies to, and shall be observed by, all companies within the Group and their Representatives. If applicable, the Group will also seek to pursue the same principles and standards when directly dealing with any Business Partners or Agents.
- 2.2 Prior written approval of the Board of Directors of CPI Property Group S.A. is required for any deviation from this Policy, provided that such deviation does not breach applicable laws.

## 3 DEFINITIONS

- 3.1 Unless expressly stated otherwise herein or unless the context requires otherwise, the capitalized terms used in this Policy shall have the meaning ascribed to them in this Section 3.1:
  - 3.1.1 **"Acquisitions, AM & Sales Director"** means a person in the position of Acquisitions, AML & Sales Director;
  - 3.1.2 **"Agent"** – agent, consultant, contractor, sub-contractor and anyone other, who works on behalf of the Group, and **"Agents"** shall be construed accordingly.
  - 3.1.3 **"AML – Anti-Money Laundering"** – measures against Money Laundering, against acts which seek to disguise the illegal origin of money and give the impression that it is legally acquired money.

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<sup>1</sup> Directive 2014/95/EU on the disclosure of non-financial and diversity information (NFRD) (and in the near future the Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (CSRD)) and the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation)

<sup>2</sup> Including, but not limited to the Group's Environment and CSR Policy, Human Capital and Employment Policy, Non-discrimination, Inclusion and Diversity Policy, Sanctions and Export Controls Policy, and the relevant directives that implement them, plus the respective business ethics related policies specified in Section 6 below.

- 3.1.4 “**Associate**” means any person or entity closely connected to the **Representative**, including spouse, domestic partner, child or dependent, spouse’s or domestic partner’s child or dependent, company controlled by the Representative, or any other closely related party, and “**Associates**” shall be construed accordingly.
- 3.1.5 “**AVL – Approved Vendor List/White list**” means list of Suppliers that the Group addresses preferentially for its Procurement and Procurement Process.
- 3.1.6 “**Black List**” means list of Suppliers who provided the Group with any late, subpar or otherwise unsatisfactory Procurement or who proved to be otherwise unreliable and are, therefore, ineligible for participation in Procurement and the Procurement Process.
- 3.1.7 “**Business Partner**” means any existing or prospective business partner of the Group, including tenants, purchasers, suppliers, lenders and joint venture collaborates, and “**Business Partners**” shall be construed accordingly. “**Central Purchasing Director**” means a person in the position of Central Purchasing Director;
- 3.1.8 “**Compliance Officer**” means Compliance Officer of the Group.
- 3.1.9 “**Confidential Information**” means all material, non-public, business-related information, written or oral, whether or not it is marked as such, that is disclosed or made available to the receiving party, directly or indirectly, through any means of communication or observation.
- 3.1.10 “**Conflict of Interest**” means a situation in which possible conflicting interests of Representatives involved in any form of Procurement or Procurement Process (or their Associates) and their professional judgment regarding the Group’s interests could theoretically be influenced by another interest.
- 3.1.11 “**Contract**” means a contract used within the Group, e. g. contract for work, mandate agreement, agency agreement etc.
- 3.1.12 “**Contract Guarantor**” means an employee responsible for a Contract concluded with the Group’s Supplier for the period of its duration.
- 3.1.13 “**Evaluation Criteria**” means criteria according to which the Procurement winner is to be selected.
- 3.1.14 “**GDPR**” means General Data Protection Regulation.
- 3.1.15 “**Group**” means CPI Property Group S.A. and its subsidiaries.
- 3.1.16 “**Implementing Regulation**” means rules for cost-effective, transparent and non-discriminatory Procurement adopted by individual companies within the Group.
- 3.1.17 “**Life Cycle Costs**” means all costs that will be incurred during the lifetime of a product, work or service.
- 3.1.18 “**NDA**” means Non-Disclosure Agreement or respective local instrument.
- 3.1.19 “**Policy**” means this CPI Property Group Procurement Policy.
- 3.1.20 “**Procurement**” means the process of procuring for the Group goods or services in exchange for financial consideration.
- 3.1.21 “**Procurement Process**” means the formalised process by which Suppliers for the Group are to be selected, and “**Procurement Processes**” shall be construed accordingly.
- 3.1.22 “**Representative**” means any officer, director, employee or anyone other directly engaged with and authorized to act on behalf of the Group, and “**Representatives**” shall be construed accordingly.
- 3.1.23 “**Supplier**” means any natural or legal entity other than a member of the Group, which participates in Procurement and the Procurement Process, and its subsidiaries, including

their employees, officers, directors, partners and other representatives, and **“Suppliers”** shall be construed accordingly.

3.1.24 **“Sustainability”** means the ability of something to maintain or “sustain” itself over time. Sustainable policies place emphasis on the future effect on natural resources, environmental degradation and social resources of any given policy or business practice on humans, the economy and ecology.

3.1.25 **“Qualification Criteria”** means requirements for eligibility of potential Suppliers for participation in the Procurement and Procurement Process.

## **4 MANAGEMENT RESPONSIBILITIES**

4.1 Overall responsibility for pursuing this Policy rests with the Board of Directors of CPI Property Group S.A. that acts through the Compliance Officer. The Compliance Officer reports to the Board of Directors of CPI Property Group S.A. on a regular basis.

## **5 PROCUREMENT PRINCIPLES**

5.1 Procurement and the Procurement Process shall always be subject to, or, as the case may be, each Representative involved in any form of Procurement or Procurement Process shall always adhere to, the following principles:

### **5.1.1 4-Eye Principle**

The 4-Eye Principle means that decision-making activities within Procurement and the Procurement Process, such as approvals, decisions or Supplier selections, must be approved by at least two responsible persons (4 eyes).

### **5.1.2 Anti-Money Laundering**

It is required to adhere to the principle of transparency and other principles set out in other internal Group policies related to AML (see Group’s Anti-Money Laundering and Counter-Terrorist Financing Policy).

### **5.1.3 Associates**

Representatives are obliged to check whether Associates have not been included in Procurement or the Procurement Process and draw attention to the fact if such Associates appear during Procurement or the Procurement Process.

### **5.1.4 Binding Nature**

This Policy or the principles relating to Procurement and the Procurement Process, as the case may be, shall not be circumvented. Representatives are prohibited to split or manipulate any relevant documents (including orders or invoices) or in any other way distort the processes prescribed herein in order to avoid application of this Policy or the principles relating to Procurement and the Procurement Process, as the case may be.

### **5.1.5 Confidentiality**

Representatives are prohibited to provide any third party with information related to specific terms and conditions, especially prices, under which the Group procures or intends to procure goods or services from its Suppliers or potential Suppliers.

In the event that Confidential Information is to be provided to potential Suppliers or the winner of the Procurement Process, it is necessary to ensure that an NDA is concluded beforehand. It is permissible to proceed without an NDA only if there are other agreements/legal regulations in place which provide as a minimum the same level of protection as an NDA.

### **5.1.6 Conflict of Interest**

Representatives are prohibited in any way to circumvent or distort the processes prescribed herein for their personal gain or for the gain of their Associates. Should any Representative involved in Procurement or the Procurement Process find out that he/she or his/her Associate has a Conflict of Interest, he/she is obliged to inform his/her supervisor. Such notification must be done without undue delay and demonstrably.

Conflict of Interest is defined as:

- if a Representative owns or knows that his/her Associate owns a shareholding in any entity that does or seeks to do business with the Group or is a competitor of the Group, the same applies to silent partnership;
- if a Representative or his/her Associate acts as a member of the statutory body (board of directors, supervisory board etc.), agent or person authorized to act on behalf of an entity or is an employee or a person providing services of any kind to an entity, which is involved in or seeks business cooperation with the Group or is a competitor of the Group;
- if a Representative or his/her Associate acts as an intermediary, sales representative or otherwise for the benefit of a third party in transactions concerning, even if potentially, the Group or its interests;
- any other situations or circumstances, including family or other personal relationships, that could discourage Representatives from acting in the best interest of the Group; or
- if a Representative or his/her Associate performs any type of work for the Group's contractor, subcontractor or competitor.

### **5.1.7 Cost Efficiency**

The purpose of Procurement shall be to optimize the value-for-money ratio, i.e. to determine, which Supplier can provide the Group with the best price, quality and added value in relation to Life Cycle Costs, Sustainability & Energy Efficiency.

### **5.1.8 Energy Efficiency**

When purchasing products, equipment and services that consume energy and that have or may have an impact on significant energy uses, it is obligatory to inform Suppliers that their Energy Efficiency is one of the Evaluation Criteria (requirement of the Energy Management System).

### **5.1.9 GDPR**

Inquiries sent to potential Suppliers must contain a statement that personal data related to the offers provided by them is processed within the scope of legitimate interest (based on a favorable result for the Group of a balancing test). Potential Suppliers must be informed that by participating in the Procurement or Procurement Process they acknowledge this statement.

### **5.1.10 Legality**

The Procurement and Procurement Process shall be conducted in accordance with applicable laws and the Group's Code of Business Ethics and Conduct and other Group's internal rules and policies.

### **5.1.11 Long-Term Contracts**

If a Long-Term Contract is concluded with the winning Supplier (framework, mandate, service etc.), it is obligatory to stipulate maximum validity of the Contract for **5 years** based on its internal evaluation. (Exception: contracts tied up with the projects e.g. pre-development, development).

Prior to the extension of the Contract the Contract Guarantor is obliged to evaluate the Contract performance for the previous period and negotiate with the Supplier to reduce costs and/or to expand services and/or to improve the parameters of the Contract. The Contract shall be

extended no more than once, afterwards it is necessary to carry out a new Procurement Process for the Supplier of the respective goods or services.

If the warranty period or the duration of the project is longer than the period specified in paragraph 1 of this Article, it is permitted to conclude a related service or agency agreement for this period.

#### **5.1.12 Prevention of Vendor Lock-In**

In order to ensure that a competitive Procurement Process can be used to select another potential Supplier after the lifetime of the solution supplied under this process, an anti-lock-in requirement must be met. All technical specifications, interfaces, protocols or formats implemented by the supplied solution and required for the full use of all data created or maintained using the supplied solution during its lifetime must be made available to providers of equivalent technologies who may be awarded a subsequent contract. Any costs required for migration of data must be borne by the Supplier of the supplied solution or in line with the real cost of migration. Such costs may be minimized by ensuring that the supplied solution uses only, interfaces, protocols or formats that:

- are implementable by all potential Suppliers of equivalent technologies;
- are developed through an open and transparent process; and
- have no restrictions on re-use, and require no payments for re-use.

#### **5.1.13 Non-Discrimination**

Procurement and the Procurement Process shall be conducted in a non-discriminatory manner, and all current and potential Suppliers shall be treated equally and without any special preference. Suppliers may be placed on the Black List for material reasons only.

#### **5.1.14 Reporting Corrupt Offers**

Representatives are obliged to notify the local Compliance Officer of any Corrupt Offers or suspected Corrupt Offers from potential Suppliers or third parties without undue delay. A Supplier in whose favour such an offer will be made will be excluded from Procurement and the Procurement Process and will be placed on the Black List.

#### **5.1.15 Transparency**

Procurement and the Procurement Process shall be conducted in a transparent manner, especially Qualification and Evaluation Criteria. All relevant processes, qualification, evaluation and communication shall be conducted in a way which does not raise doubts about proper selection of the most suitable Supplier for the Group. Purchase orders shall be created and approved before ordering and before receiving goods or services.

Relevant documentation must be properly archived to allow subsequent reconstruction of each Procurement Process.

#### **5.1.16 Value Cumulation**

In determining the estimated value of Procurement, it is necessary to take into account all similar related performances that the Representatives intend to acquire during one accounting period (calendar year) and add up their values. The obligation to add up expected values also applies to performances that are locally, materially and time related, or which subject matter of performance forms one functional unit. It is inadmissible to divide the subject matter of performance. The obligation to add up expected values also applies during the year, taking into account orders that have already taken place.

It is necessary to cumulate annual total values without VAT for one Supplier, or for Associates together in relation to one order, commodity or project.

## **6 PROCUREMENT GOVERNANCE**

- 6.1 The Board of Directors of CPI Property Group S.A. delegates within the Group's jurisdictions the implementation and effectuation of the local Implementing Regulation to country managers, setting out, in order to accommodate local circumstances in accordance with applicable laws and the Group's Code of Business Ethics and Conduct and other Group's internal rules and policies, in particular:
- 6.1.1 Procedure on Conflict of Interest;
  - 6.1.2 Qualification and Evaluation Criteria;
  - 6.1.3 Procurement Types based on appropriate criteria (e.g. financial thresholds), regulating the minimum number of potential Suppliers, minimum number of submitted offers, type of contractual documentation, number of rounds, method of approval, execution and evaluation of Procurement and the Procurement Process and selection of the winning Supplier, all in line with the Procurement Principles set out in the Article 5 Procurement Principles;
  - 6.1.4 Responsibilities of the relevant Representatives with respect to each Procurement Process, as well as with respect to selection of Suppliers without any Procurement Process;
  - 6.1.5 Rules for elaboration, keeping and archiving the relevant Procurement and Procurement Process documentation; and
  - 6.1.6 Rules for maintaining the local AVL – Approved Vendor List/White list and Black List, including specification of the Representatives authorised to make any changes therein.
- 6.2 Local Implementing Regulation must be approved by the Central Purchasing Director and Country manager and any deviation therefrom, provided that such deviation does not breach applicable laws and/or other internal/external regulations, is subject to prior written approval of the Country manager and/or CEO and/or the Group's Executive Director and/or Acquisitions, AM & Sales Director.

## **7 TRANSITIONAL PROVISIONS**

- 7.1 Valid Contracts concluded before the effectiveness of this Policy for a period longer than that specified in the Article 5.1.11 must be reviewed within 2 years after the effectiveness of this Policy and brought into compliance. In justified cases, an exemption may be granted by the Country manager, the Group's Executive Director or Acquisitions, AM & Sales Director.
- 7.2 AVL – Approved Vendor List/White list will be formed gradually based on the results of the Procurement Process and performances for the Group.

## **8 FINAL PROVISIONS**

- 8.1 To ensure compliance with the above listed principles, the Group conducts mandatory trainings, which are repeated with each material change to this Policy.
- 8.2 The Board of Directors of CPI Property Group S.A. shall regularly revisit and reevaluate this Policy in light of the development of the Group's business and applicable laws.
- 8.3 The Board of Directors of CPI Property Group S.A. shall regularly revisit and reevaluate this Policy considering the development of the Group's business and applicable laws.
- 8.4 Violation of this Policy by any Representative may constitute a breach of the terms and conditions of employment or other relationship of such Representative with the Group, and thus such Representative may be subject to disciplinary action, which, depending on the nature of the violation, may range from a warning or reprimand to termination of employment or other relationship and, in appropriate cases, civil legal action or referral for regulatory or criminal prosecution.
- 8.5 This Policy was approved by the Board of Directors of CPI Property Group S.A. on August 30<sup>th</sup>, 2024.