



# Sourcing Policy

## Introduction and overall objective

The purpose of this policy is to define the way BetaPack A/S works with sustainable sourcing and what is expected by our suppliers.

The Sourcing Function in BetaPack A/S handles all sourcing activities and covers both the direct and indirect spend.

The overall objective is that our sourcing must be effective, responsible, sustainable and create value for our customers. We have a commitment to secure delivery of the right product, to the agreed time, in the agreed quality and quantity to a competitive and fair price.

In the relationship with suppliers BetaPack A/S focuses on continuous evaluation of cooperation with focus on quality, delivery performance, competitive pricing, innovation, sustainability, and ongoing development.

## Compliance to the Supplier Code of Conduct

The sustainable sourcing work is founded in our Supplier Code of Conduct, which follows the guidelines set out in the UN Global Compact, the ILO core conventions on principles for international companies and social policy, and the OECD guidelines for international companies. The code of conduct covers human and labour rights, health and safety, environment, ethics, and anti-corruption and bribery.

The Supplier Code of Conduct is part of the agreement that BetaPack A/S sign with suppliers, and it is a requirement for being a supplier to BetaPack A/S.

## Risk assessment and audits

BetaPack A/S is committed to eliminating high risks in our supply chain. Our aim is to conduct assessments on all preferred and strategic suppliers as well as new suppliers. For other suppliers we will conduct a pre-risk assessment based on geographical location and industry. We will use a risk-based approach, prioritizing audits by reviewing risks per supplier as well as strategic importance.

## Reducing carbon emissions

BetaPack A/S is obligated to work with reducing carbon emissions together with our suppliers and logistics providers.

We have selected the following three focus areas;

- 1) Ensure valid environmental product declarations on all products
- 2) Increase the usage of renewable energy amongst suppliers
- 3) Actively collaborating with suppliers to reduce Scope 3 emissions



## Parameters for success

BetaPack A/S strives to be a reliable partner to our customers. To achieve that reliability, we have requirements and expectations to our suppliers and attaches great importance to the following parameters for success:

- Quality level (producing according to specification, low rate of complaints, technical support and documentation)
- Delivery process (short lead times, delivery performance, flexibility and response time)
- Price level (focus on total cost of ownership, competitive pricing, commercial conditions)
- Innovation (investments in machinery, continuous improvements and joint-development projects)
- Sustainability (QMS, EMS, health and safety, compliance with UN Global Compact)
- Sourcing process (availability, flexibility, effectiveness, contract compliance, complaint handling and call-off/blanket orders)

The parameters for success will be measured by selected key performance indicators (KPI's) and qualitative assessment. BetaPack A/S uses the KPI's actively in the supplier relationship management process together with meetings, annual assessments and audits.

## Requirements and expectations

BetaPack A/S has the following requirements and expectations to all suppliers:

- Accepts to enter an agreement based on BetaPack A/S Supplier Agreement and related enclosures
- Has a certified Quality Management System (QMS) according to ISO 9001
- Has a certified Environmental Management System (EMS) according to ISO 14001
- Has a certified Occupational Health & Safety Management System (OH&S) according to ISO 45001
- Complies with BetaPack A/S Supplier Code of Conduct

## About BetaPack A/S

It is our philosophy to enter long-term partnerships with our suppliers and customers. To know more about our company please look at our website: <http://betapack.dk>.