



Sustainable Procurement Policy

INTRODUCTION AND GENERAL OBJECTIVE

GTM is committed to sustainability at the highest level and as overall objective it keeps within its strategy and its operations, the integration of the social, environmental and good governance aspects, which are to be applied as ultimate aim to maximise the value provided to their main stakeholders.

In this context and to materialise this commitment in the field of purchasing, GTM has drawn up this Sustainable Procurement Policy by which it commits to apply the sustainable criteria when managing their procurements with an overall aim at improving their performance in sustainability from a social, environmental and good governance point of view. To this effect, two lines of fundamental actions are posed:

- Adapt the internal procedures and processes related to the purchasing function to improve the sustainability performance.
- Work with the suppliers and other stakeholders to jointly promote a better management and performance in terms of sustainability in the purchasing field.

PRINCIPLES FOR ACTION

To comply with this stated commitment and reach the goals set in terms of Sustainable Procurement, the GTM Group will promote the application of the following principles for action:

- Boosting as far as possible, **sustainable purchasing**, understood as the purchase that produces the greatest number of environmental, social and economic positive impacts and that aims at minimising the adverse aspects generated to those three levels. To this avail, as reference, the following purchasing types will be contemplated:
 - **Green purchase:** a purchase that bases its decision to acquire products with less environmental impact during its life cycle compared to other products with its same use and range; and in the reduction in the amount of acquired products.
 - **Ethic purchase:** a purchase that bases its decision on the suppliers and contracting companies' compliance to the basic standards or criteria related to human and labour rights, to occupational health and safety of their workers involved both in the manufacturing of the product and rendering the service, set forth in the Declaration of the International Labour Organisation (ILO) and the international laws on Human Rights.
 - **Social purchase:** a purchase that bases its decision on the positive impact generated on some social issues.
 - **Transparent purchase:** purchasing products or services with labels or bearing environmental, social, fair trade or accountability certificates.
- Assessment of sustainability criteria in the **certification process of suppliers** by including such criteria in the certified suppliers form, the generation of specific questionnaires and/or the request for specific documentation.

- Consideration of sustainability criteria as an additional factor in the process of **selection of suppliers** along with the technical criteria and the economic criteria.
- The performance assessment in sustainability of the suppliers as part of their **regular evaluation process** by generating specific questionnaires, the request of specific documentation and/or conducting social audits if deemed necessary.
- Establishment of **joint action plans** with the suppliers of the Group companies to jointly promote the improvement of the sustainability performance in all of them.
- **Dissemination** to the suppliers of the Group, of recommendations, good practices and other information related to sustainability through the regular channels used by GTM or other new ones assigned to this avail.
- Identifying the **requirements to be demanded from the suppliers to be complied** with regarding sustainability by reviewing and updating the General Contracting Conditions of the various companies and/or the potential drawing up of a Suppliers Conduct Code to which the suppliers would have to commit to.
- Generating **spaces for communication** with the Group's suppliers to exchange knowledge, needs, good practices and any other information of interest contributing to the improvement in the sustainability performance of both parties.
- Responsible and transparent management of the **process for the selection of suppliers and order awarding**, taking as reference the Group's internal procedures and the principles of the GTM Criminal Compliance Programme.
- Responsible management of **the relationship with the suppliers and of the contracts** that the Group companies have with them.
- Definition of the appropriate **indicators** to conduct a monitoring of the degree of sustainability of the Group companies purchases and to be able to share it with the stakeholders.

SCOPE OF APPLICATION

This policy is to be applied in all the companies that form part of the GTM Group and it is mandatory for all employees that make them up, to comply. In this respect, the responsible heads of the company, department or team should ensure it is complied with and it is applied correctly by all the people under their responsibility.

Likewise, GTM will promote amongst their suppliers, partners and other collaborators and stakeholders, the adopting of principles for action detailed in this policy and, as far as possible, will establish professional relationships with those that prove alignment with the Group's objectives in this area.

This policy will be communicated to all the Group employees in due course, through the regular means used by GTM and the principles for action described will be regularly disseminated internally to ensure their proper understanding and its faithful compliance by all the Group companies.

In addition, GTM will publicly disseminate this policy, in this way making it available to all their external stakeholders.

APPROVAL AND VALIDITY

The GTM Sustainable Procurement Policy is approved by the CEO of the Group and it will be in force for all the Group companies on the date it was approved.

Furthermore, this policy will be kept under regular review and continuous improvement, specially, when changes occur that impact the business environment, the internal setting, or the normal operation of the companies that form part of the Group; being updated duly as appropriate.

This validity will remain in force as long as the CEO does not approve the update, review or revocation of the policy.



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GTM CEO

In Erandio, on the 31st of May 2022. rev. 0