

Sustainable Supplier Program

As part of our ongoing commitment to sustainability and responsible business practices, we are excited to announce the implementation of a new Sustainable Supplier Program. This program aims to enhance our supply chain's environmental and social performance by leveraging the Ecovadis scoring metric. Alternatively, Suppliers may submit scores from another third-party sustainability scoring platform (such as ISN ESG +) to be evaluated by the Procurement and Sustainability Teams.

Program Overview

The Sustainable Supplier Program will evaluate and monitor our Suppliers' sustainability performance primarily through the Ecovadis scoring system. Ecovadis is a globally recognized platform that assesses companies based on their environmental, social, and ethical practices.

The scoring metric covers four key areas:

- 1. Environment:** Measures the Supplier's efforts to reduce environmental impact, including energy consumption, waste management, and emissions.
- 2. Labor & Human Rights:** Evaluates the Supplier's policies and practices related to labor conditions, health and safety, and human rights.
- 3. Ethics:** Assesses the Supplier's commitment to ethical business practices, including anti-corruption measures and fair competition.
- 4. Sustainable Procurement:** Reviews the Supplier's approach to sourcing materials and services sustainably.

Implementation Steps

- 1. Supplier Registration:** To maximize the impact of this program we will be targeting our top suppliers by spend. These suppliers play a crucial role in our supply chain, and their commitment to sustainability will significantly contribute to our overall goals. Top suppliers are defined as over 1% of total QTS Spend in a calendar year.
- 2. Scoring and Evaluation:** Suppliers will receive a score based on their performance in the four key areas. This score will be used to identify areas for improvement and to benchmark against industry standards.
- 3. Continuous Improvement:** Suppliers are encouraged to use their Ecovadis score to develop and implement action plans for continuous improvement in sustainability practices.
- 4. Reporting and Transparency:** Suppliers will be required to submit regular reports on their sustainability performance and progress towards improvement goals.

Initiative Timeline

- Evaluate Ecovadis scores for top spend suppliers that are currently registered in the platform today. ISN ESG+ Vendors will also be evaluated.
- Top spend suppliers that are not registered in the Ecovadis platform will be targeted for registration in 2026, in Ecovadis, ISN ESG + or another third-party platform.

Benefits of Participation

- **Enhanced Reputation:** Demonstrating commitment to sustainability can improve your company's reputation and strengthen relationships with customers and stakeholders.
- **Competitive Advantage:** Suppliers with high Ecovadis (and others) scores may gain preferential treatment in our procurement processes.
- **Risk Mitigation:** Improved sustainability practices can reduce operational risks and ensure compliance with regulatory requirements.

Sustainable Supplier Program

We believe that this program will foster a more sustainable and responsible supply chain, benefiting both our business and the broader community. We look forward to working with you to achieve our sustainability goals.

If you have any questions or need assistance with the Ecovadis or ISN registration and assessment process, please do not hesitate to contact our Sustainability Team.