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## **Sustainable Procurement Policy**

### **Introduction and Purpose**

At Barnhardt, we strive to purchase environmentally preferred products wherever possible when they perform at the same level and are reasonably priced compared to less eco-preferred options. This policy exists to support the purchase of products that minimize the harmful effects of their production, use, and disposal on the environment.

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### **Responsibilities and Definitions**

When referring to environmentally preferred products, we mean products that have a reduced or lesser impact on human health and the environment when compared with competing products of the same type. It encompasses raw material acquisition, production, manufacturing, packaging, distribution, operation, maintenance, reuse or recycling, or disposal of the product, among others. Recycled or reused materials refer to materials and byproducts that have been recovered or diverted from solid waste and utilized in place of raw or virgin materials in manufacturing. It can be derived from post-consumer or post-industrial recycled material, manufacturing waste, industrial scrap, agricultural waste, and other waste materials.

Barnhardt employees responsible for purchasing and procurement shall purchase recycled or environmentally preferred products wherever practicable. They should also promote the use of these recycled or environmentally preferred products. Wherever practicable, Barnhardt employees will make every effort to secure contracts and relationships with environmentally conscientious vendors and suppliers. If external authorities have not established criteria, employees shall integrate environmental factors into the company's buying decisions.

Examples of preferred products and practices include, but are not limited to, compact fluorescent lamps and lightbulbs; durable goods, as opposed to single-use or disposable items; made of recycled materials, maximizing post-consumer content; non-toxic or minimally toxic, preferably biodegradable; energy efficient equipment and machinery; shipping with minimal packaging; water-saving products; and evaluating, as appropriate, the environmental performance of vendors and suppliers.

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### **Traceability and Transparency**

Barnhardt believes that traceability of purchased and procured products is critical for identifying risks and opportunities associated with environmental issues. Not only does this provide us with the ability to be transparent with our customers about the sources of our products, but it gives us traceability in other areas such as organic audits and environmental assessments.

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## Practices

Barnhardt will strive to only partner with vendors and suppliers that comply with all applicable environmental laws and regulations in their country and/or region of operation. We will also actively work with and encourage suppliers who are working to enhance traceability of raw materials, and suppliers who continually identify, monitor, and reduce negative environmental impacts. This can encompass more environmentally preferred growing practices, use of less hazardous materials during chemical manufacture, or more fuel-efficient product delivery choices. Barnhardt will also work closely with suppliers who strive to reduce water usage without affecting production capacity, conserve energy and reduce waste, and work to cut back greenhouse gas emissions (GHGs).

In addition to environmental considerations, social practices play a key role in procurement decisions. This includes topics such as respect for human rights, employee health and safety, and fair work practices. Addressing human rights and labor issues is critical for long-term sustainable decisions and human coexistence with the environment. Barnhardt complies with all international norms for human rights, such as fundamental principles that are reflected in policies such as the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization's multiple conventions. We expect and seek out suppliers and vendors that meet these internationally accepted standards.

The health and safety of our suppliers' employees also plays a role in procurement decisions. We do not condone any supplier that allows for discrimination and harassment or does not provide a safe and inclusive work environment for all employees. Barnhardt partners with suppliers who maintain clean work environments, pay a fair wage, provide access to potable water and sanitation facilities, and support the economic, social, and cultural rights of local people, including access to education and employment. Barnhardt will not work with suppliers or vendors who have a history or show evidence of forced labor, child labor, human trafficking, inhumane or degrading treatment of employees, discriminatory practices, or violations of any local, regional, or national rules and regulations.

Business ethics of Barnhardt suppliers and vendors is also an important aspect. We would strive to ensure all procurement and purchasing is done with suppliers who obey all relevant international and domestic laws regarding ethical business practices. This includes having procedures in place to prevent things like money laundering, fraud, bribery, corruption, conflicts of interest, and data security issues.

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