

P-014CA | Procurement Policy

Context

Floene Energias, S.A., (Floene, Company or Group), while a company that operates in the energy sector with gas distribution activity, with regulated activity and aware of the public service provided, assumes its responsibility to carry out the process of purchasing and contracting services ensuring and works the application of methodologies in accordance with the best market practices, , safeguarding the optimization and quality of supplies and services, but also transparency, impartiality, supported by ethical and ESG principles, cyber risk and compliance with legal, regulatory and corporate obligations.

The application of this Policy is based on respect for the requirements contained in Floene's policies and other structuring regulations, namely:

- Code of Ethics;
- Code of Conduct for Distribution Network Operators;
- Anti-corruption Policy;
- Prevention of Money Laundering and Terrorist Financing Policy;
- Privacy and Personal Data Protection Policy;
- Human Rights Policy;
- Quality Policy;
- Safety, Health, Environment and Major Accident Prevention Policy;
- Other policies and procedures applicable to Floene.

Company's position

Floene undertakes:

- To define and implement the Floene Group's supplier qualification, selection and contracting strategy and procedures, which contribute to the efficient and profitable execution of the business plan and ensure the continuous satisfaction of operational needs, without jeopardising the quality of supplies and services or ESG requirements and promoting compliance with all legal, regulatory and internal requirements, responding dynamically to existing and new challenges;
- Ensure independence, transparency, rigour, respect for the provisions of Floene's Code of Ethics and Conduct and the regulatory documentation that makes it up, as well as commitment to Anti-Corruption and Prevention of Money Laundering and Terrorist Financing policies;
- Ensuring the confidentiality of shared information, its non-transmission to third parties and respect between the parties involved, ESG requirements, as well as compliance with legal, regulatory and internal requirements, which respond dynamically to existing and new challenges;
- Carrying out public and private consultation processes, with a focus on transparency and impartiality, the aforementioned policies and optimising the cost of the purchase as well as minimising procurement risks, promoting the diversification of suppliers in market tenders;



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- Negotiating commercial and contractual conditions with suppliers to ensure that the company receives the best possible terms and conditions and to maximise opportunities for economies of scale;
- Ensure the inclusion of safety, health and environment (SHE) commitments in the development of its activities, in line with the Floene Group's sustainability strategy, including the Social Responsibility policy and the Human Rights Policy in force in the Group, promoting respect for human dignity and rights and rejection of any form of forced labour or child labour, discrimination, abuse or other types of physical or psychological violence;
- Maintaining an adequate pool of suppliers to cover the Floene Group's needs, ensuring business continuity plans and developing and maintaining relationships with suppliers and partners to ensure a reliable supply chain and minimise the risk of disruptions;
- To have an up-to-date Cross-Sectoral Procurement Standard that establishes the rules and procedures to ensure the application of the policies and commitments mentioned here, as well as the operationalisation of the requirements and principles that regulate the activity.

Board of Directors of Floene

26/07/2023