

SUSTAINABLE PROCUREMENT POLICY

Document Title	Sustainable Procurement Policy
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Status	FINAL — FOR REVIEW AND SIGNATURE
Effective Date	Upon CEO signature
Author	Dieter Herbst (CEO)
Reviewer	Malan Munnik (Head of Finance)
Approver	Dieter Herbst (CEO)
Next Review	Annual (next: March 2027)
Classification	ESG
Framework References	ISO 20400 (aligned), UNGC Principles 1-10, ILO Core Conventions
Distribution	Internal — Herbst Group

Change History

Version	Date	Author	Description
1.0	13 February 2026	Policy Engine	Initial formal conversion from markdown source

1. Policy Statement

Herbst Group is committed to integrating sustainability considerations into our procurement and supplier selection processes. We recognise that our supply chain, while primarily composed of technology vendors and professional service providers, carries environmental, social, and ethical responsibilities.

We expect our suppliers and partners to share our commitment to ethical business practices, human rights, environmental stewardship, and fair labour standards.

2. Commitments

Herbst Group commits to:

- 1. Integrate sustainability into procurement decisions** : Environmental, social, and governance (ESG) factors shall be considered alongside commercial factors when selecting and retaining suppliers.
- 2. Assess supplier sustainability** : Evaluate the sustainability practices of key suppliers, proportionate to the value and risk of the relationship.
- 3. Prefer responsible suppliers** : Where commercially feasible and quality-equivalent, prefer suppliers with demonstrated sustainability commitments, certifications, or ratings.
- 4. Monitor and engage** : Engage with suppliers on sustainability improvement. Do not simply exclude : support improvement where possible.
- 5. Maintain transparency** : Communicate our sustainability expectations to suppliers and be transparent about our own practices.

3. Supplier Selection Criteria

When selecting new suppliers or reviewing existing relationships, the following sustainability criteria shall be considered:

Environmental

Criterion	Weight	Assessment Method
Environmental policy in place	Medium	Request documentation
Energy efficiency or renewable energy use	Low	Self-declaration
Waste management practices	Low	Self-declaration
Environmental certifications (ISO 14001, etc.)	Bonus	Certificate verification

Social

Criterion	Weight	Assessment Method
Fair labour practices	High	Policy review
Health and safety standards	Medium	Policy review
Non-discrimination commitment	High	Policy review
No child or forced labour	High	Self-declaration
Community engagement	Low	Self-declaration

Governance

Criterion	Weight	Assessment Method
Anti-corruption and anti-bribery policy	High	Policy review
Data protection compliance (POPIA/GDPR)	High	DPA verification
Business continuity planning	Medium	Policy review
Information security standards (ISO 27001, SOC 2)	High	Certificate/report
Ethical AI practices (for AI vendors)	High	DPA + opt-out verification

4. Supplier Due Diligence

Tiered Approach

Tier	Supplier Type	Annual Spend	Due Diligence Level
1 : Strategic	Core platform vendors (Anthropic, Vercel, Cloudflare, Turso, 1Password)	>R50,000/yr	Full assessment: DPA, security review, sustainability check
2 : Significant	Regular service providers (Resend, ElevenLabs, Replicate, DocRaptor)	R10,000- R50,000/yr	Standard assessment: DPA, policy review
3 : Transactional	One-off or low-value suppliers	<R10,000/yr	Basic assessment: Self-declaration

Existing Due Diligence (Active)

Herbst Group already maintains vendor due diligence records for Tier 1 and Tier 2 suppliers, including:

- Data Processing Agreements (DPAs) collected and filed
- Security assessments (SOC 2/3, pen test reports) reviewed
- AI training opt-out verification (monthly for AI vendors)
- Evidence stored in ``/compliance/evidence/vendors/``

5. Supplier Code of Conduct Expectations

All Tier 1 and Tier 2 suppliers are expected to:

Expectation	Basis
Comply with all applicable laws and regulations	Legal compliance
Prohibit child labour and forced labour	ILO C138, C182, C29
Ensure non-discrimination in employment	ILO C111
Provide safe and healthy working conditions	ILO C155
Respect freedom of association and collective bargaining	ILO C87, C98
Operate with anti-corruption and anti-bribery controls	UNGC Principle 10
Protect personal data and privacy	POPIA / GDPR
Minimise environmental impact	UNGC Principles 7-9

6. Local and Small Business Preference

Where quality and capability are equivalent, Herbst Group shall prefer:

- South African suppliers (supporting local economy)
- B-BBEE compliant suppliers (where applicable)
- Small and medium enterprises

7. Monitoring and Review

Activity	Frequency
Tier 1 supplier sustainability review	Annually
Tier 2 supplier sustainability review	Every 2 years
New supplier sustainability screening	At onboarding
Supplier incident investigation	As triggered

8. Responsibilities

Role	Responsibility
CEO (Dieter Herbst)	Overall accountability. Approves Tier 1 suppliers.
CTO (Wimpie du Toit)	Technical vendor assessment. Security and DPA reviews.
Finance (Malan Munnik)	Procurement compliance. Spend tracking.
COO (Zelna Symms)	SOW and contract sustainability clauses.
All Staff	Report supplier concerns. Follow procurement procedures.

9. Applicability

This policy applies to:

- All procurement decisions made by Herbst Group
- All vendor and supplier relationships
- All subcontractor engagements
- All technology platform selections

10. Review

This policy shall be reviewed annually, or when significant changes occur in supplier relationships, regulatory requirements, or sustainability best practices.

11. Approval

This document has been reviewed and approved by the signatories below.

Role	Name	Title	Signature	Date
Prepared by	Policy Engine	Automated	N/A	13 February 2026
Reviewed by	Malan Munnik	Head of Finance, Herbst Group		13-Feb-2026 17:51:24 EET
Approved by	Wimpie du Toit	CTO, Herbst Group		13-Feb-2026 17:51:14 EET
Approved by	Dieter Herbst	CEO, Herbst Group		13-Feb-2026 17:50:35 EET