



Sustainable supply chain

Electronics supply chains are complex creations. They tend to span across multiple geographical regions and involve a vast network of suppliers for a multitude of different goods—from raw materials to parts to finished products. This complexity makes transparency difficult and exposes companies operating in the industry to numerous risks, forcing them to closely monitor their supply chains and implement various strategies to minimize potential negative impacts on their business, and reputation, people, and the planet.

Electronics manufacturing requires energy-intensive processes and often relies on materials that are hazardous to extract and refine. Improper waste management can result in environmental degradation, such as pollution of water sources and deforestation, affecting both local ecosystems and communities. Moreover, the disposal of electronic waste poses a long-term challenge, with toxic substances like lead and mercury potentially leaching into the environment if not properly handled.

Additionally, the electronics industry frequently faces scrutiny for poor working conditions in manufacturing plants, particularly in regions where labor laws are lax. Workers may be exposed to unsafe environments, forced to work long hours for low wages, or denied the right to unionize.

The risk of corruption and bribery is also prevalent in global electronics supply chains, particularly in regions where governance is weak and regulatory oversight is limited. Companies may face pressure to engage in unethical business practices, such as offering bribes to expedite shipments, secure contracts, or avoid regulatory scrutiny, leading to both legal penalties and serious reputation damage for all involved.

Our policies and procedures

Foxway has more than 3000 suppliers across different industrial sectors and geographical regions. Understanding the risks and responsibilities stemming from conducting global operations on a large scale, we have taken several steps to help navigate our supply chain due diligence.

First and foremost, we have outlined our approach and commitment to sustainable procurement practices in **Foxway’s Sustainable Procurement Policy**. Specific requirements that our suppliers are expected to adhere to are compiled and communicated through the **Supplier Code of Conduct**. Both documents are regularly reviewed and updated, to ensure that they comply with external standards and regulations as well as with internal strategies.

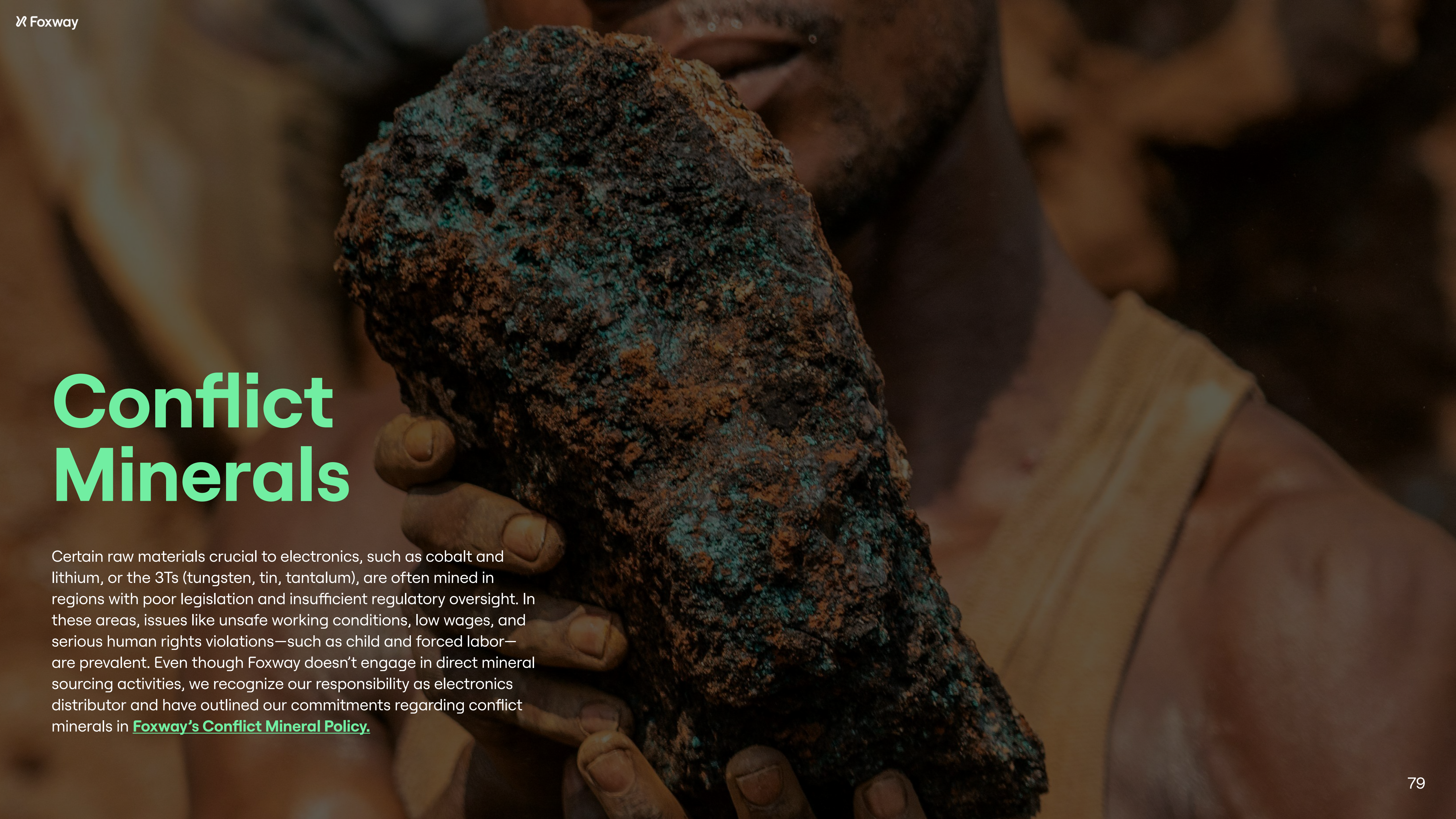
We strive to do basic ESG checks on all of our suppliers by making sure that they operate in accordance with the **10 principles of the UN Global Compact**. Furthermore, we have developed a risk assessment and monitoring procedure for targeted suppliers. Based on the nature of our business and risks inherent to certain industries, we have chosen to more closely screen and monitor the following suppliers on sustainability-related issues:

- Electronics OEMs and spare parts suppliers with contracts above a certain threshold: to ensure that they have proper policies and processes in place that cover all pertinent environmental, business ethics and human rights topics, including how they assess and monitor their own supply chain and police raw materials sourcing.
- Logistics service providers with contracts above a certain threshold: while logistics might not pose significant human rights or business ethics risk, it is the 3rd biggest source of our Scope 3 emissions and therefore important to monitor.
- All hazardous and e-waste management companies we engage with: we want to make sure that the e-waste we provide them with is properly handled, and that their environmental policies and goals are in line with Foxway’s targets.
- IT data erasure and asset destruction service providers: as many of them are located outside of the European Union, often in regions with lax legislation and limited regulatory oversight, this is the part of our value chain where business ethics, human and labor rights and

environmental non-compliances with our Supplier Code of Conduct are most likely to occur.

The suppliers, which together account for the majority of Foxway’s spend, are screened on compliance with our Supplier Code of Conduct using a self-assessment questionnaire, with the goal of screening at least 80% of them yearly. Suppliers that score below 50% in the assessment are engaged in corrective action plans. Foxway also engages with chosen suppliers through on-site audits.

While Foxway’s sustainable supply chain processes are centralized, the actual work effort—to ensure that our suppliers are compliant with existing requirements and regulations—is carried out by the purchasing entities and the individual contract owners. To support them, a comprehensive sustainable supplier management manual has been established that outlines all our internal procedures. They’re also provided with yearly training on sustainable procurement and supply chain risk management.



Conflict Minerals

Certain raw materials crucial to electronics, such as cobalt and lithium, or the 3Ts (tungsten, tin, tantalum), are often mined in regions with poor legislation and insufficient regulatory oversight. In these areas, issues like unsafe working conditions, low wages, and serious human rights violations—such as child and forced labor—are prevalent. Even though Foxway doesn't engage in direct mineral sourcing activities, we recognize our responsibility as electronics distributor and have outlined our commitments regarding conflict minerals in [Foxway's Conflict Mineral Policy](#).



○ 22 (26%) were rated as green, with scores 75% and above. 47 (55%) were rated yellow, scoring between 50 and 75%.

- 16 suppliers (19%) received scores under 50% and have been deemed non-compliant. A decision has been made to cease/not engage in cooperation with 4 of those suppliers. CAP has been implemented for 9 (75%) of them. In the 3 remaining cases, the negotiations around CAPs are still ongoing.

○ 26 suppliers have operations in high-risk countries. 4 of them (19%) have been audited on-site on working conditions and security measures. No major non-conformities were detected, however, Foxway has chosen to cease cooperation with 1 of the suppliers due to other issues.

○ 112 suppliers are subject to our Conflict Minerals Policy. 47 (42%) of them have answered the survey, thus providing us with information on their conflict minerals due diligence. This number includes all our major OEMs and distributors, accounting for the majority of Foxway's spend in the area.

- None have received any training on sustainability issues.

- 14% of targeted suppliers have contracts that include clauses on ESG issues.