



Responsible Purchasing Policy

Introduction

Ceva is committed to responsible sourcing. We actively and consciously source and procure products and services for our operations in an ethical, sustainable, and socially conscious manner. To strengthen this commitment, Ceva has signed the “Sustainable Procurement and Supplier Charter” (hereafter the “Charter”) drafted by the French Business Mediator and the CNA (National Purchasing Council). By doing so, we secure the “license to operate,” protect our business reputation, become an attractive investment prospect and comply with national and international laws. Our responsible sourcing practices also contribute to improved business performance and reduced operational costs.

The objective of this Policy is to ensure that our procurement practices align with the values and standards set forth in the Charter, and promoting a responsible and sustainable approach to all our purchasing activities.

Scope of the policy

This policy applies to all employees involved in purchasing activities. It encompasses the principles and practices that guide our interactions with suppliers, ensuring that our procurement processes are ethical, sustainable, and socially responsible.

The policy covers various aspects of supplier relationships, including financial treatment, collaboration, dependency management, industry alliances, life-cycle cost evaluation, environmental and social responsibility, local community engagement, professional ethics, overall supplier management, and mediation functions.

Ceva also expects the suppliers with whom its works to respect the principles defined in this Policy.

Governance

Our Purchasing Department is in charge of organizing Ceva's responsible purchasing approach. The I&D Department and the Purchasing Department have set up a strategic Sourcing committee (I&D, GMSQ and Purchasing departments, and ad hoc experts depending on the subject at hand). Starting from the product development planning phase, this body is responsible for guiding procurement decisions and ensuring that they are responsible.

Local buyers are integrated into the Responsible Purchasing approach via monthly sessions held with the Purchasing Director and the Sourcing and Innovation Director.



Policy Statement

1) Ensure fair financial treatment of suppliers

Ceva purchasing engages in fair financial treatment of suppliers. We ensure a seamless payment process from end to end. We will respect statutory payment deadlines and strictly and conscientiously adhere to its legal obligations. We understand not to issue payment no later than the statutory or contractual deadline and without making unfair demands in exchange for timely payment. We will also actively notify suppliers if payment is late or withheld, whether in relation to a dispute or otherwise, and address the matter proactively in all cases. To meet this obligation, we ask our suppliers to invoice promptly.

2) Maintain respectful relationships with all suppliers to encourage collaborative relationships to grow

The goal is to work toward collaborative and mutually beneficial relationships with strategic suppliers. This may involve:

- Assuming part of the cost of final accreditation or certification
- Supporting Ceva's suppliers as they grow and monitoring other startups/SMEs that make up the suppliers' network.
- Developing synergies in terms of skills, services, or equipment, making sure to understand and respect the management of our suppliers.
- Such collaborative initiatives may be formalized in an agreement that sets out the terms for a partnership relationship, excluding any practices that would constitute de facto management.

3) Identify and manage situations of mutual dependency with suppliers

Encourage and support Ceva's suppliers on:

- Diversification
- Internationalization
- Digitalization
- Skills upgrading

If it is necessary for a Ceva purchaser to withdraw/cancel the business relationship, it should be done in stages and with advance notice, considering how long the relationship has been in place and, if applicable, the supplier's degree of dependency and its options for diversifying or adapting. Conversely, a supplier that holds a monopoly could potentially jeopardize Ceva and its customer's supply. In such a situation, it would be reasonable for the purchaser to want multiple supply sources.

4) Ally with organizations in the same industry

Ceva must maintain a relationship of trust with the supplier's management. Ceva's suppliers must be kept informed of cancellations ahead of time and sharing expected medium- and long-term



capacity opportunities for development and planning. Open and collaborative innovation with potential suppliers, for stance by establishing close and regular dialogue.

5) Promote animal respect

We are dedicated to fostering practices and solutions that prioritize animal welfare at every stage of the value chain. This commitment includes:

- **Ethical sourcing:** Ensuring that raw materials, ingredients, and products are sourced in ways that do not harm animals and encouraging suppliers to adopt humane practices.
- **Sustainable Innovations:** Supporting research and innovation aimed at developing alternatives to animal testing, such as in vitro methods and advanced computer modeling, to minimize reliance on traditional testing methods.
- **Collaborative efforts:** Partnering with organizations, researchers, and stakeholders who share our commitment to advancing animal welfare standards globally.
- **Awareness and training:** Raising awareness among employees, suppliers, and customers about the importance of animal welfare and providing training to ensure best practices are consistently applied.
By embedding animal respect into our policies and operations, we aim to set an example of ethical responsibility while contributing to a healthier planet.

6) Ensure a high level of quality and safety

Our commitment to quality and safety goes beyond meeting industry standards; it is a cornerstone of our mission to support veterinary health and well-being. This includes:

- **Compliance with stringent standards:** Adhering to the highest regulatory and quality requirements set by veterinary and pharmaceutical authorities, ensuring the efficacy and safety of all products and services.
- **Comprehensive quality assurance:** Implementing rigorous quality control measures at every stage of production and distribution to prevent contamination, defects, or deviations from standards.
- **Supplier oversight:** Carefully selecting and auditing suppliers to guarantee they meet our strict quality and safety criteria.
- **Continuous improvement:** Investing in technology, training, and systems that enhance our ability to monitor, measure, and improve the quality and safety of our offerings.
- **Transparency and traceability:** Providing clear and detailed information about product origins, manufacturing processes, and safety protocols, fostering trust among veterinarians and customers.

Through these efforts, we aim to deliver products and services that veterinarians, pet owners, and animal caretakers can rely on, ensuring the best possible outcomes for animal health.

7) Evaluate total life-cycle costs and impacts

This means not just comparing the price of goods or services but factoring in all incidental costs, such as:

- logistics costs borne directly by the purchaser (transportation, storage, etc.)
- length of the technical development process (various stages)

- time required for training and to acquire skills.
- after-sales costs calculated based on equivalents services
- cost of quality control and corporate social responsibility (CSR) audits
- Contingency factors that could affect total costs in the supply chain, such as: supply shortages / compliance of products/services/ risks relating to dispute resolution and anticorruption efforts...

8) Consider environmental and social responsibility issues and regulations

Ceva purchasing is engaging with suppliers who comply/complying with the United Nations 17 Sustainable Development Goals (SDGs) [THE 17 GOALS | Sustainable Development](#)



9) Be a responsible member of the local business community

Ceva purchasers are responsible members of the local business community. We create and develop a network that fosters inclusion and development by maintaining good business relationships with our suppliers. Depending on the procurement category, we prioritize local suppliers and short supply chain, along with local economic development and investment.

10) Encourage eco-design

We are committed to embedding eco-design principles into our purchasing practices to minimize environmental impact. This includes:

- **Promoting sustainable materials:** Prioritizing the use of recyclable, biodegradable, or renewable materials in the products we procure to reduce waste and pollution.
- **Supporting innovation:** Encouraging suppliers to adopt eco-friendly production methods and materials that align with environmental sustainability goals.



- **Lifecycle assessment:** Evaluating the environmental impact of products throughout their lifecycle, from production to disposal, and choosing options with the lowest footprint.
- **Collaboration with suppliers:** Working closely with suppliers to develop innovative, environmentally responsible products and packaging solutions.

By prioritizing eco-design, we aim to reduce our ecological footprint while encouraging sustainable practices across the supply chain.

11) Manage natural resources

We are dedicated to responsible resource management in our procurement processes by:

- **Prioritizing efficient practices:** Selecting suppliers that implement water-saving technologies, renewable energy sources, and methods to minimize the consumption of non-renewable resources.
- **Supporting local sourcing:** Where possible, sourcing products locally to reduce transportation-related resource use and emissions.
- **Encouraging conservation practices:** Partnering with suppliers who actively work to protect natural ecosystems and biodiversity.
- **Monitoring and reporting:** Regularly assessing resource use in the supply chain and setting measurable goals for continuous improvement.

By promoting these practices, we contribute to the long-term sustainability of our planet's natural resources.

12) Have a professional and ethical purchasing function

Ceva Purchasing has a professional and ethical function. We are trained in the hard and soft skills required in the sourcing profession. We behave ethically and responsibly toward suppliers. We highlight by being personally committed to combatting corruption, by being impartial and objective and avoiding situations that could lead to a conflict of interest. We also expect our suppliers to be compensated in a manner that is consistent with the commitments of this Policy.

13) Conduct overall management of supplier relations through the purchasing function

Ceva Purchasing conducts an overall management of supplier relations through the purchasing function. This along with a responsible Purchasing organization will monitor implementation of responsible supplier relationship through KPIs. We are responsible for ensuring sustainable sourcing through open, free, and fair tendering that adheres to the following rules:

- free access to calls for tender (through a qualifying process, if applicable),
- equality of treatment of bidders,
- transparency and traceability of procedures

The Ceva purchasing function will lead and/or coordinate the operational plans necessary to implement this Policy, monitor the associated indicators and take any required corrective action.

14) Ensure respect of human rights



We are deeply committed to ensuring that all suppliers in our value chain uphold and comply with international human rights conventions, with a particular emphasis on the principles established by the International Labour Organization (ILO). This includes:

1. **Eradicating forced labor:** Suppliers must ensure that all work is conducted on a voluntary basis, without coercion, threats, or penalties. Workers should be free to leave their employment at any time.
2. **Eliminating child labor:** We strictly require adherence to international minimum age requirements, ensuring that no child is exploited in any stage of production.
3. **Upholding fair wages and decent working conditions:** Suppliers are expected to provide wages that meet or exceed local minimum standards and ensure safe, healthy, and humane working conditions.
4. **Guaranteeing freedom of association:** Workers must have the right to freely form and join unions or other associations, as well as the ability to collectively bargain for their rights without fear of retaliation.
5. **Promoting non-discrimination:** Suppliers are required to foster an inclusive work environment by providing equal opportunities and treatment to all workers, regardless of race, gender, religion, or other personal characteristics.
6. **Ensuring workplace safety:** Suppliers must adhere to strict health and safety standards to protect the well-being of their employees and prevent workplace hazards.

We actively monitor compliance with these principles through regular audits, assessments, and collaborations with suppliers. By fostering a culture of respect for human rights, we aim to contribute to a fairer and more equitable global supply chain.

15) Establish a supplier relation(s) mediation function to facilitate internal and external interactions

At Ceva purchasing department we will establish a supplier relation(s) mediation function to facilitate internal and external interactions. We do appoint as supplier relations mediator an employee who knows the organization well and has the trust of management, but who also has as much independence as possible from the head of operational functions (e.g. procurement, legal affairs). The supplier relations mediator may be called on to deal with suppliers, customers, or internal departments (procurement, accounting, legal affairs, etc.) in the event of a dispute. For mediation to be effective, it is important that the organization upholds the principles of neutrality and confidentiality.

Compliance and audits

Internal Audits: Regularly conducting internal audits to ensure compliance done by the purchasing department.

Third party audits: Ceva regularly audits its suppliers. In case of breaches to the principles of this Policy, investigations will be conducted, and any identified breach could lead Ceva to terminate the relationship if immediate corrective actions are not taken.



Non-Compliance: Observations of non-compliance can be reported anonymously through an online platform (<https://www.ceva.com/alert-system/> or reportingcompliance@ceva.com). Sanctions may be imposed following investigations that confirm the accuracy of these reports.

Continuous improvement of the Policy

Based upon these goals, Ceva will report on the social and environmental impact of its operations and on its sustainable purchasing strategy and outlook, particularly about its values and the commitments it has made in signing the Charter. Ceva purchasing will also set an example for its suppliers in terms of corporate social responsibility. In its selection criteria, it should include environmental, social, and economic performance criteria adapted to the desired business. We will govern based upon the following criteria.

1. Supplier engagement: During annual reviews with Ceva, our supplier must highlight their involvement and any changes to their structure that could coincide with this Policy.
2. Regular audits and assessments: To ensure compliance, Ceva will conduct regular audits and assessments of their purchasing practices. This helps identify areas for improvement and ensures that suppliers adhere to Ceva's expectations.
3. Training and communication: Ceva will provide training for employees and suppliers on responsible purchasing practices.
4. Performance metrics: Ceva will assign a rating to suppliers based upon their adherence to this Policy. These ratings will be published on an annual basis.
5. Continuous improvement: Ceva commits to continuous improvement by regularly reviewing and (if necessary) updating this Policy based on feedback and new developments within the responsible purchasing scope.

Conclusion

The responsibilities outlined in this document are crucial for maintaining an efficient and ethical purchasing process within our organization. By adhering to these guidelines, we ensure that our procurement activities are conducted with integrity, transparency, and accountability.