



TPI Composites Holdings, LLC

Supply Chain Sustainability and Due Diligence Policy

Section 1: Purpose

The purpose of this Supply Chain Sustainability and Due Diligence Policy (“Policy”) is to establish the framework through which TPI Composites Holdings, LLC and its divisions, subsidiaries, and/or affiliates (“TPI”) ensures the responsible, sustainable, and compliant management of its global supply chain. This Policy is designed to guide the identification, assessment, and mitigation of risks, while also ensuring compliance with internal policies and internationally recognized standards. TPI is committed to ensuring that its supply chain is ethically sound, environmentally sustainable, and compliant with all applicable laws and regulations.

This Policy integrates sustainability principles and due diligence practices into every aspect of our supplier engagement, which includes transparency, ethical business conduct, and social responsibility best practices. Through comprehensive due diligence, we aim to protect the interests of our stakeholders, mitigate risks, and drive positive environmental and social outcomes across our supply chain.

Section 2: Scope

This Policy applies to all suppliers, vendors, contractors, and third-party business partners who provide goods or services to TPI. It incorporates all stages of the supplier lifecycle, including selection, ongoing monitoring, and termination of relationships, as well as any third-party relationships involved in the supply of critical materials or services.

Section 3: Supplier Due Diligence Framework

3.1. Supplier Selection and Onboarding

As part of the supplier onboarding process, TPI is committed to conducting thorough due diligence to ensure that all new suppliers meet our sustainability, ethical, and legal standards. Key elements include:

- **Risk Assessment:** Each potential supplier undergoes a risk assessment that evaluates environmental, social, and governance (“ESG”) and compliance risks. Suppliers are categorized based on risk factor criteria, including vendor type, spend volume, country of operation, ownership structure, and material dependency.
- **Risk Screening:** TPI conducts additional screening for high-risk activities, such as connections with politically exposed persons (“PEP”), government sanctions, and adverse media coverage related to human rights, legal and ethical, and environmental concerns.
- **Due Diligence Questionnaire:** Suppliers are required to complete a detailed sustainability and compliance questionnaire, which incorporates relevant areas



such as labor rights, environmental policies, health and safety practices, and anti-bribery commitments.

- **Certification Review:** Suppliers may be required to provide certifications demonstrating compliance with recognized sustainability and ethical standards, including, but not limited to, ISO certifications, Forest Stewardship Council (“FSC”) standards, and Fair-Trade certifications where applicable.

3.2. **Enhanced Due Diligence for Critical and High-Risk Suppliers**

TPI defines critical suppliers as those whose products or services have a significant impact on our competitive advantage, market position, or long-term business viability. Suppliers identified as high-risk due to factors such as operating in high-risk regions, dealing in critical raw materials, or having complex ownership structures will undergo enhanced due diligence. This enhanced process may include, but is not limited to, the following:

- In-depth third-party audits and site visits to assess compliance with TPI’s standards and identify any potential risks.
- Verification of supplier practices related to human rights, environmental management, and compliance with local laws and international conventions.
- Continuous monitoring of high-risk suppliers to identify emerging risks and ensure long-term compliance with TPI’s sustainability standards.

Section 4: Ongoing Supplier Monitoring and Performance Evaluation

4.1. **Continuous Monitoring**

- **Periodic Audits:** Suppliers will be subject to regular audits, both announced and unannounced, to verify compliance with TPI’s policies. For high-risk suppliers, audits may be more frequent.
- **Performance Tracking:** Supplier performance will be monitored against key sustainability metrics, including environmental impact, labor practices, quality standards, and adherence to anti-corruption policies.
- **Risk Alerts:** TPI will monitor external sources (such as government and regulatory websites, adverse media coverage, and industry reports) to identify potential risks related to suppliers. Suppliers with high-risk alerts will undergo additional scrutiny and may be subject to corrective actions or suspension.

4.2. **Supplier Risk Classification**

Suppliers will be classified based on their risk profile, which is determined by factors including vendor type, spend volume, country of operation, ownership structure, and material dependency. Critical Raw Material suppliers may also consider additional risk criteria including historical performance and contractual standing. All suppliers will also be continuously monitored for high-risk activities including government sanctions, political



connections, and media coverage related to human rights, legal, ethical, and environmental concerns. This classification will help determine:

- The frequency and depth of audits and compliance checks.
- The level of oversight and support provided to suppliers.
- The specific actions are required to manage and mitigate identified risks.

Section 5: Corrective Actions and Remediation

5.1. Corrective Action Plans

In cases of non-compliance or sustainability risks, suppliers will be required to implement a corrective action plan (“CAP”). The CAP will include:

- A root cause analysis of the issue.
- A detailed action plan with timelines for addressing the non-compliance.
- Clear responsibilities for implementing corrective actions, including dedicated resources.
- Verification of the actions taken through follow-up audits or assessment.

5.2. Supplier Development and Support

TPI will offer support and resources to suppliers to help them meet sustainability and compliance requirements. This may include:

- Training and capacity-building programs to enhance suppliers’ knowledge of sustainability practices, labor rights, and environmental management.
- Assistance with improving systems for tracking and reporting on sustainability metrics.
- Encouragement of best practices in areas such as resource efficiency, waste reduction, and ethical sourcing.

5.3. Business Continuity and Resilience

Suppliers should implement and maintain business continuity and resilience plans to ensure operations can continue in the face of disruptions, such as natural disasters, pandemics, or other unforeseen events. These plans should include strategies for maintaining supply chain stability, communication with stakeholders, and the protection of both personnel and other assets.

Section 6: Termination of Supplier Relationships

6.1. Termination Criteria

TPI will terminate relationships with suppliers who consistently fail to meet our sustainability, ethical, or legal standards. Termination may occur in cases where:



- Suppliers fail to address non-compliance or sustainability risks within the agreed timeframe.
- Suppliers are involved in serious violations of labor rights, environmental laws, or anti-corruption policies.
- The supplier poses an unacceptable risk to TPI's operations, reputation, or legal compliance.

The termination process will include:

- Formal written notification to the supplier outlining the reasons for termination.
- A defined exit strategy to ensure that outstanding obligations, such as orders, payments, or contracts, are appropriately managed.

6.2. Suspension of Supplier Activities

In some cases, TPI may temporarily suspend a supplier's activities or orders until the identified non-compliance or sustainability issue is addressed. Suspension may also be used as a measure to protect TPI from further risk exposure while corrective actions are being implemented.

Section 7: Transparency and Reporting

7.1. Public Disclosure and Reporting

TPI is committed to transparency in its supply chain due diligence efforts. As part of this commitment:

- TPI will publicly report on its progress toward achieving sustainability goals and maintaining a responsible, compliant supply chain.

7.2. Internal Reporting and Continuous Improvement

TPI will ensure continuous improvement of the due diligence process by:

- Regularly reviewing and updating internal policies and procedures to reflect evolving industry standards, legal requirements, and TPI's sustainability objectives.
- Encouraging feedback from suppliers, stakeholders, and third-party auditors to identify areas for improvement.
- Implementing corrective actions and policy adjustments as necessary to address emerging risks and strengthen supply chain sustainability.

Section 8: Legal Compliance and International Standards

8.1. Compliance with Legal and Regulatory Requirements

All suppliers are expected to comply with local laws and regulations in the countries where they operate, as well as international standards that are relevant to their industry. TPI will:



- Regularly review supplier contracts to ensure alignment with changing laws, regulations, and industry standards.
- Ensure that suppliers comply with ethical business practices, including anti-bribery, anti-corruption, and fair labor standards.

8.2. **Adherence to International Standards**

TPI's due diligence process is aligned with internationally recognized standards, including:

- The United Nations Guiding Principles on Business and Human Rights.
- OECD Guidelines for Multinational Enterprises.
- International Labour Organization (ILO) conventions on labor rights and working conditions.
- ISO 14001 for environmental management.

Section 9: Enforcement and Accountability

9.1. **Enforcement of the Policy**

TPI is committed to ensuring full enforcement of this Policy across all levels of the supply chain. Non-compliance with this Policy will result in:

- Corrective actions, including the requirement to address sustainability or legal compliance issues within a specified timeline.
- Suspension or termination of supplier relationships, if necessary, to protect the integrity of TPI's operations and reputation.

9.2. **Accountability**

Responsibility for the implementation and enforcement of this Policy lies with the senior leadership team, including procurement, legal, sustainability, and compliance departments. These teams will work together to ensure that due diligence, monitoring, and compliance actions are properly carried out, and that this Policy is regularly reviewed and updated as needed.