AFR Sustainable Procurement Policy
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1. Purpose

AFR is committed to integrating sustainability considerations into its procurement decisions and supplier relationships. As a provider of circular furniture solutions, AFR prioritizes suppliers and products that support reduced environmental impact, responsible labor practices, and efficient use of resources.

AFR's approach is informed by the **OECD Guidelines for Multinational Enterprises**, the **UN Guiding Principles on Business and Human Rights**, and supports the **UN Sustainable Development Goals (SDGs)**, particularly **SDG 12 (Responsible Consumption and Production)**.

2. Scope

This policy applies to procurement activities across AFR, including sourcing of furniture, materials, logistics services, and operational suppliers. It applies to employees and contractors involved in purchasing decisions.

3. Commitments: Qualitative Objectives

AFR is committed to the following principles in its procurement activities:

Responsible Supplier Selection

- Engage suppliers that align with AFR's Supplier Code of Conduct
- Consider environmental, labor, and ethical factors alongside cost and service
- Prioritize suppliers that demonstrate responsible and transparent practices

Environmental Considerations

AFR seeks to prioritize suppliers and products that:

- Support waste reduction and reuse, including refurbishment and extended product life
- Minimize packaging and material waste, favoring recyclable or reusable options
- Improve energy efficiency and reduce environmental impact in operations
- Use responsibly sourced materials, including recycled content and, where applicable, certified materials (e.g., FSC or equivalent for wood products)

Where relevant, AFR will consider supplier practices related to:

- Water use and management, particularly in higher-impact operations
- Responsible sourcing of natural materials, avoiding environmentally sensitive or high-risk sources and considering the potential impact of sourcing decisions on biodiversity and high conservation value ecosystems
- Safe handling of chemicals and materials used in production or refurbishment

Circularity & Lifecycle Approach

- Prioritize products that are durable, repairable, and suitable for reuse or refurbishment
- Support suppliers that enable take-back, reuse, or recycling solutions where feasible
- Avoid products designed for unnecessary single use where practical alternatives exist

Social & Ethical Considerations

- Prioritize suppliers that demonstrate alignment with fair labor practices and human rights standards, consistent with the UN Guiding Principles on Business and Human Rights and ILO Core Conventions
- Consider suppliers' practices related to working conditions, employee health and safety, and fair treatment of workers
- Encourage suppliers to uphold these standards within their own operations and, where relevant, across their supply chains
- Support responsible and inclusive business practices, including equal opportunity and non-discrimination

4. Commitments: Quantitative Targets

AFR will work toward the following over time:

- Increase the number of **suppliers aligned with AFR's Supplier Code of Conduct**
- Expand visibility into **supplier sustainability practices**, where relevant
- Increase use of **recycled or responsibly sourced materials**
- Reduce **packaging waste associated with procured goods**

Targets will evolve as data and processes develop.

5. Allocation of Responsibility

- Procurement and operations teams are responsible for implementing this policy in sourcing decisions
- Senior management provides oversight and ensures alignment with AFR's broader sustainability objectives
- Relevant functions (operations, logistics, sustainability) support supplier engagement and performance tracking
- All employees involved in purchasing decisions are expected to consider sustainability factors as part of standard procurement processes

6. Policy Review

This policy will be reviewed periodically to reflect evolving business needs, supplier capabilities, and regulatory or customer expectations. Updates will be communicated internally and made available to relevant stakeholders.