

Sustainable Procurement Policy

1. Scope

This policy applies to the Iskraemeco holding Switzerland AG, its subsidiaries (the 'Iskraemeco Group'), and all its suppliers. By suppliers, we refer specifically to those supplying raw materials, components, finished goods, services, and utilities.

Iskraemeco operates a global supply chain that integrates numerous suppliers, and this policy ensures alignment with our overarching policies, including the Supplier Code of Conduct, Sustainability Policy, and risk assessment frameworks. Specifics and additional details are further defined in related documents.

2. Commitment

Iskraemeco is committed to responsible sourcing of materials and products, in line with Environmental, Social, and Governance (ESG) principles and corporate responsibility. Our goal is to ensure that our supply chain aligns with global climate, environmental, human rights, and social legislation and standards. This commitment reflects our dedication to mitigating negative impacts, implementing strict environmental and climate criteria for selecting suppliers, promoting sustainable development across all supply chain activities and prioritizing the procurement of green materials and products whenever feasible.

3. Goals

Beyond traditional supply chain goals such as price and availability, our specific objectives include minimizing the climate and environmental impacts of our operations and fostering responsible social practices throughout our supply chain. These objectives are derived from our Supplier Code of Conduct and Human Rights Policy. We aim to encourage fair labor practices, environmental stewardship, and compliance with global standards across all our suppliers.

4. Supplier Requirements

We expect our suppliers to align **with relevant legislation**, Iskraemeco Group policies and guidelines, key international management systems standards and frameworks, including but not limited to:

- **ISO standards** (If suppliers do not have the relevant certifications, they are expected to follow the principles and requirements outlined in these standards).
- **ROHS Directive** (Restriction of Hazardous Substances).
- **REACH Regulation** (Registration, Evaluation, Authorization, and Restriction of Chemicals).
- **CMR Substances Regulation** (The Conflict Minerals Regulation)
- **ILO** (International Labour Organization) conventions.
- **UN Global Compact** (UNGC) principles on human rights, labor, environment, and anti-corruption.

- **Efforts to reduce carbon footprint** (Suppliers are expected to actively work to reduce their CO2 emissions in alignment with global initiatives like the Paris Agreement, focusing on energy efficiency and sustainable practices).
- **Efforts to reduce environmental footprint and waste** (Suppliers are expected to reduce their waste, by adhering to relevant legislation such as the Ecodesign for Sustainable Products Regulation, The Waste Framework Directive (WFD) and applicable EU and global directives. This includes efforts to minimize packaging waste and incorporate circular economy principles into their operations).

5. Due Diligence and Compliance

We ensure compliance with this policy through a comprehensive due diligence process, conducted prior to contract signature. This includes global supply agreements, adherence to our Supplier Code of Conduct, supplier questionnaires, and integration with our Product Lifecycle Management (PLM) portal. These measures are supported by ongoing risk assessments and aligned with our internal policies to guarantee that all suppliers meet our sustainability criteria.

6. Policy Review

This policy is reviewed regularly or whenever significant changes occur to ensure its continued relevance and alignment with Iskraemeco's sustainability goals and global standards. Adjustments will be communicated promptly to all relevant stakeholders.

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