



Sustainable Procurement Policy



1. Scope

This policy applies to the Iskraemeco holding Switzerland AG, its subsidiaries – the Iskraemeco Group (“Iskraemeco”), and all suppliers, subcontractors, manufacturers and business partners (“suppliers”) providing goods, materials, components, or services to Iskraemeco. By suppliers, we refer specifically to those supplying raw materials, components, finished goods, services, and utilities. The policy ensures alignment with our overarching policies, including the Supplier Code of Conduct, risk assessment frameworks and other relevant policies. Specifics and additional details are further defined in related documents.

2. Commitment

Iskraemeco is committed to ensure that our supply chain aligns with the global climate, environmental, human rights, and social legislation and standards. This commitment, in line with Environmental, Social, and Governance (ESG) principles and corporate responsibility, 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 supply chain.

4. Compliance and Due Diligence

Before contract signature we conduct comprehensive due diligence process. This includes audits, supplier questionnaires, or integration with our Product Lifecycle Management (PLM) supplier portal. These measures are supported by ongoing risk assessments and aligned with our internal policies to guarantee that all suppliers meet our sustainability criteria.



5. Suppliers audits

After signing the contract, we perform regular supplier audits to control their compliance with relevant legislation (e.g. ROHS, REACH, Conflict minerals, etc.), standards (e.g. ISO), the Supplier Code of Conduct and other internal Iskraemeco documents. The audits are performed on-site, remote, or through submitted documentation (e.g. sustainability report, report in compliance with CSRD directive, UNGC progress report).

We check the progress on **UNGC principles**, specifically:

- **Violation of human rights, labor and anti-corruption**
- **Efforts to reduce carbon footprint**
Suppliers are expected to actively work to reduce their CO2 emissions, focusing on energy efficiency and sustainable practices.
- **Efforts to reduce waste and environmental footprint**
Suppliers are expected to reduce their waste, by adhering to The Waste Framework Directive (WFD) and other applicable EU legislation such as the Ecodesign for Sustainable Products Regulation (ESPR). This includes efforts to minimize packaging waste and incorporate circular economy principles into their operations.
- **Efforts to reduce workplace accidents and injuries**
Suppliers are expected to promptly implement corrective and preventive actions to prevent recurrence of workplace accidents or injuries.

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.

In Kranj, on 3.12.2024

Gašper Binter
Global Area Director Supply Chain

