



GUIDELINES FOR SUSTAINABLE PROCUREMENT

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PREAMBLE

In the EDAG Group, particular importance is attached to our sustainability policy, which involves both safeguarding a long-term business policy and integrating ecological and social aspects in our management system. As part of our corporate culture, it determines our actions along with our values such as trust, transparency, reliability and fairness in our dealings with business partners.

SCOPE

These guidelines are applicable to all procurement transactions in the EDAG Group. All employees involved in the procurement of goods, materials, components, services and other procured goods are required to adhere strictly to the requirements set out in these guidelines and to the applicable laws and regulations.



SUSTAINABLE PROCUREMENT - OUR APPROACH

As a globally operating company, we are aware of the responsibility that comes with the provision of our services, and make our contribution to sustainability. It is our responsibility to ensure that our services are provided in a value chain that is consistent with standards and principles relating to sustainability, working conditions, health and safety, the environment and business ethics.

With a clear commitment to social and environmental responsibility, flanked by a commitment to responsible business relationships and our corporate culture, we have developed these guidelines for sustainable procurement.

Based on three pillars, they set out the global guidelines for a sustainable approach to procurement within the EDAG Group.



SUSTAINABLE PROCUREMENT

Internal qualification

Supplier qualification

Risk management





ECOLOGICAL RESPONSIBILITY

We are aware of the great challenge arising from present-day problems, for instance climate change and the increasing scarcity of resources. We strive to reduce our environmental impact and comply with the applicable environmental standards. The fact that we carry out external certification programs, for instance our environmental management system in accordance with the DIN EN ISO 14001 standard, our energy management system in accordance with ISO 50001, or our corporate social responsibility, means that regular checks are carried out by independent authorities to guarantee our internal improvement process.

In addition, the EDAG Group has set itself the goal of achieving CO₂ neutrality (through reduction and compensation) by 2039. This involves ambitious targets for all stages of the value chain. Throughout, we apply the following principle: first avoid and reduce, then compensate. Where reduction and prevention prove impossible, unavoidable CO₂ emissions should be counterbalanced by high-quality compensation projects. One component of our sustainability strategy is compliance with the emission reduction targets of the Science Based Targets initiative (SBTi), to which the EDAG Group committed itself in 2024. In this context, the reduction of Scope 3 emissions calls in particular for the required transparency regarding emissions along the entire supply chain.

With this in mind, when selecting suppliers, we also factor in quality and sustainability requirements in addition to traditional criteria, in order to continuously improve sustainability standards in our supply chain.

We have implemented a supplier qualification process, by means of which we impose a number of different requirements on our suppliers, depending on the goods and services purchased and their strategic importance. On the basis of the criteria listed above, these vary from minimum requirements (which are defined in our Code of Conduct for Suppliers and imposed without exception) to qualifications in environmental aspects, based on either questionnaires or third-party certifications.

RISK MANAGEMENT

Respect for internationally recognized human rights and the protection of the environment and natural resources form the foundation of every modern society. We meet our social responsibilities by recognizing, preventing and ending human rights and environment-related risks and violations along our supply chains. To guarantee these principles, we have implemented an extensive package of measures: Among other things, these include establishing an appropriate risk management system, carrying out a regular risk analysis of all EDAG Group suppliers, and defining the necessary preventive and remedial measures. Key elements of the risk management system that has been set up are compliance with EDAG's guidelines for the implementation of due diligence obligations in accordance with the German Supply Chain Due Diligence Act (LkSG), which have been added to by the appointment of a human rights officer and the establishment of a complaints procedure by extending our existing whistleblower system in accordance with legal requirements.

Within the EDAG Group, these comprehensive regulations are regarded as binding guidelines along the entire supply chain, and relate to the EDAG Group's entire range of products and services, including its own operations, and both direct and indirect suppliers. All of these measures support the EDAG Group's declared intention to minimize or even eliminate the violation of human rights or environmental risks in our supply chain. No violations or breaches of duty identified will be tolerated.

IN-HOUSE QUALIFICATION

The implementation of sustainable procurement begins with our own employees and their understanding of sustainability within the supply chain. All of our purchasers are required to successfully complete an annual sustainability training course covering social, environmental and governance issues within the supply chain.

SUPPLIER QUALIFICATION

As one of the world's leading independent engineering partners, it is also our intention to set benchmarks in the way we behave towards and deal with business partners and the environment. It is in line with our value system to combine corporate activities with ethical principles, and thus, by acting with integrity, ensure compliance with legal regulations at all times. This is a path we plan to and indeed must take in cooperation with our suppliers. We have outlined the expectations we place on our suppliers and business partners in terms of sustainability, working conditions, health and safety, the environment and business ethics in the Supplier Code of Conduct for Suppliers and Business Partners of the EDAG Group (Supplier Code of Conduct).

As the basis for a close and trust-based business relationship, we expect each of our suppliers to comply with the requirements set out in the Code of Conduct.

We will not tolerate any malpractice, for instance corruption, unfair competition, violations of environmental regulations or poor working conditions, and will systematically address any infringements.

SOCIAL RESPONSIBILITY

As an internationally active company, the EDAG Group makes a point of ensuring that human rights and accepted standards are complied with at our numerous national and international sites. With the EDAG Code of Conduct, we commit to the sustained support of the ten UN Global Compact principles and to continual improvement with regard to their implementation. The EDAG Code of Conduct is applicable to all EDAG Group employees, and serves as a company guideline for compliant conduct in the day-to-day work routine.

We are committed to ensuring that all employees in our company and in our supply networks work in a safe working environment which is free of hazards, discrimination, violence and harassment, and reject all forms of forced and child labor, modern slavery and human trafficking. We advocate diversity and general equal treatment, and fully respect the right of our employees to privacy. We expect all of our suppliers to act in compliance with human rights standards and to ensure that these requirements are implemented in their business partnerships.



REPORTING MALPRACTICE

The Management of the EDAG Group actively promotes the worldwide communication of our Code of Conduct, and ensures its implementation. We have set up an electronic whistleblower system which can be used by our employees, business partners and stakeholders to anonymously report potential breaches of regulations. On receipt of well-founded and concrete indications of potential breaches of regulations, due to either violations of legal provisions or a failure to comply with in-house EDAG Group regulations, we take the necessary corrective measures.

By implementing the measures and processes described in these guidelines, we create transparency along the supply chain, and respond to any risks identified. Due diligence in the supply chain contributes to the EDAG Group's sustainability goals and enables us to create long-term added value for our customers and the environment.

Fulda, August 2024

A handwritten signature in black ink, appearing to read "Arash Aghabiglu".

Arash Aghabiglu
Vice President Procurement and Logistics

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