

SCHIEDERWERK

SUPPLIER POLICY – SUSTAINABLE PROCUREMENT

Objective of the Policy

Schiederwerk GmbH is committed to ecologically and socially responsible corporate management. We expect the same behaviour from all our suppliers. We also require our employees to observe and integrate the principles of ecological, social and ethical conduct into the company culture. Furthermore, we continually strive to optimize our business operations and products [or services] in terms of sustainability and urge our suppliers to contribute to this holistic approach.

Scope

This policy is designed to ensure that our procurement practices are both ethically and ecologically responsible. It applies to the entire organization of Schiederwerk GmbH, particularly to all employees in our purchasing department, and aims to ensure that our procurement and supply chain management meet the highest standards.

1. Material Procurement Risks

We are aware of the risks associated with the procurement of materials. To minimize these risks, we implement the following measures:

- a) **Supplier selection:** Before adding a supplier to our portfolio, a supplier selection procedure is carried out to ensure that the new supplier meets our quality and ethical standards. Supplier evaluation: Regular assessments of existing suppliers, covering the following areas:
 - Quality: Products and services are assessed against set criteria such as product quality, compliance with specifications, and quality control processes.
 - Timeliness: Adherence to delivery dates is monitored and rated with KPIs to ensure optimal supply chain performance and avoid delivery bottlenecks.
 - Additional criteria: Certifications, working conditions, performance, and general cooperation are also evaluated. These aspects are determined in ongoing business relationships or on special occasions, contributing to a holistic supplier assessment and continuous improvement of cooperation.
- b) **Supplier relationship management:** We maintain close cooperation with our suppliers to ensure effective communication and continuous information exchange.
- c) **Diversification of suppliers:** We aim for a diversified supplier portfolio to prevent potential supply shortages.
- d) **Continuous monitoring:** Supplier performance is continuously monitored to ensure compliance with our requirements, which includes an environmental questionnaire and annual evaluations.

2. Social Responsibility in the Supply Chain

We recognise the importance of social responsibility in our supply chain and commit to the following principles:

- a) **Human rights:** We respect and uphold the human rights of our employees and those working within our supply chain. Discrimination, harassment, forced labour, and child labour are not tolerated.
- b) **The right of employees to form, join, and participate in organisations of their choice, engage in collective bargaining, and strike must be respected.**
- c) **Working conditions:** We value safe and healthy working conditions within our operations and require our suppliers to uphold the same standards.
- d) **Remuneration and working hours:** We pay our employees fair wages and adhere to reasonable working hours. Social benefits are paid in accordance with applicable legal requirements.

- e) Environmental impact: We strive to minimise our environmental impact and encourage our suppliers to make similar efforts.
- f) Regarding conflict minerals, our suppliers are expected to exercise due diligence to promote responsible supply chains for minerals from conflict and high-risk areas.
- g) Establishing complaint mechanisms: The supplier must forward information from Schiederwerk regarding accessibility, responsibility, and the conduct of complaint procedures to their employees. At the operational level, an effective complaint mechanism must be established.

3. Environmental Responsibility

Schiederwerk is aware of its environmental impact and strives for sustainable resource management in its production and supply chain. Key focus areas include:

- a) Treatment and discharge of industrial wastewater
- b) Handling of air emissions
- c) Management of waste and hazardous substances
- d) Consumption of raw materials and natural resources
- e) Energy consumption

In these areas, suppliers are expected to filter and treat wastewater and air emissions according to legal requirements, separate and dispose of waste in compliance with regulations, reduce or use energy more efficiently, and restrict raw material consumption where possible.

4. Ethical Business Conduct / Compliance

In business operations, suppliers are required to adhere to the norms of fair competition and fair advertising. Agreements to influence prices or conditions are prohibited. Customer data must be treated confidentially, and GDPR requirements must be observed. Intellectual property rights must be respected. Know-how and technology transfers should be structured to protect intellectual property rights and customer information. Suppliers must pursue a zero-tolerance policy regarding all forms of bribery, corruption, extortion, and embezzlement to ensure compliance with anti-corruption laws.

5. Compliance with the Policy

This procurement policy serves as a guiding framework for our material procurement and supply chain activities. We strive to meet our ethical and entrepreneurial obligations while ensuring efficient procurement. We expect every employee in our purchasing department to adhere to this policy. Compliance with the regulations and standards set out in this document is verified by Schiederwerk through a self-assessment questionnaire and risk-based audits at the supplier's production sites.

5.1. Goals

To ensure practical implementation of this policy, Schiederwerk pursues a clear vision, mission, and strategy, from which specific corporate objectives are derived, forming the basis for setting targets in individual areas.

- By 2030, at least 80% of strategically important suppliers should provide valid ISO 14001 certification.
- By 2027, at least 80% of suppliers should have completed a CSR/sustainability assessment.
- By 2030, 100% of suppliers of electronic components sign a conflict minerals declaration.

6. Responsibility

Responsibility for the development, implementation, and ongoing updating of the Sustainable Procurement Policy lies with the purchasing management in collaboration with the purchasing team.

The purchasing team is responsible for:

- Creating and annually reviewing the policy.
- Integrating sustainability requirements into the procurement process.
- Monitoring target achievement and documenting results.
- Ensuring that all new suppliers sign the required CSR documents to be approved as suppliers for Schiederwerk GmbH.

7. Review

This policy is reviewed annually and updated as required to ensure it meets current requirements and standards.

01/12/2025, R. Sängler (CEO)