

Sustainable procurement policy



ELECTROGLOBAL SA
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1. Introduction

Electroglobal recognizes the critical importance of sustainability in all aspects of its operations, including its procurement process. The political presence underlines our commitment to promote socially and ecologically responsible practices, to integrate environmental, social and ethical criteria in the procurement process, reflecting our commitment to a more sustainable future.

At Electroglobal, we believe that responsibility towards the environment, society and good governance practices are fundamental pillars of our long-term success.

1.1. The goal of the sustainable procurement policy

The purpose of the sustainable procurement policy is to seek to align the company's procurement practices with sustainability objectives. We aim to promote markets and accessibility to sustainable goods and services that reduce the negative impact on the environment and society.

1.2. Sustainable procurement policy objectives

Electroglobal, through its procurement practices, assumes responsibility for reducing the negative impact on the environment, society and the economy. Our company is committed to a continuous improvement approach to procurement processes by assessing the impact on the entire life cycle of products and services, ensuring that procurement decisions are aligned with the sustainability vision.

The fundamental objectives of this policy are:

- **Environmental protection:** we will select suppliers who practice responsible management of natural resources and aim to minimize the negative impact on the environment;
- **Respect for human rights:** We will ensure that our suppliers comply with international human rights standards by providing safe, fair and non-discriminatory working conditions;
- **Promoting innovation:** we will support and encourage suppliers to adopt innovative technologies and processes that improve environmental and social performance;
- **Ethics and transparency:** We aim for all procurement to be done with integrity, honesty and in accordance with ethical standards, promoting transparency and traceability at all stages of the procurement process.

2. Sustainable procurement

The Sustainable Procurement Policy applies to all departments and employees involved in Electroglobal's procurement process, as well as to all our suppliers, subcontractors and business partners.

3. Basic principles in sustainable procurement

Our company has in mind a series of basic principles that guide the entire procurement process, ensuring that every decision will support our sustainability commitments and vision:

3.1. Environmental protection

3.1.1. Reducing the carbon footprint

We will work with suppliers who take concrete steps to reduce CO2 and other greenhouse gas emissions through advanced technologies and efficient energy management practices.

3.1.2. Resource efficiency

We are committed to selecting suppliers that optimize the use of natural resources and promote reuse, recycling and waste reduction.

3.1.3. Green products

In the selection of suppliers, priority will be given to those who offer products with internationally recognized ecological certifications, thus ensuring a minimal impact on the environment.

3.2. Human rights and ethical labor practices

3.2.1. Compliance with international standards

We will work with suppliers that comply with international conventions of the International Labor Organization (ILO), including the prohibition of forced and child labor, as well as ensuring safe and healthy working conditions.

3.2.2. Diversity and inclusion

We will encourage and promote collaboration with suppliers who support diversity and inclusion in the workforce, ensuring equal opportunities for all employees, regardless of gender, race, ethnicity or religion.

3.2.3. Ethical business practices

We will work with suppliers who operate with integrity, comply with anti-corruption laws and have clear anti-discrimination and anti-harassment policies.

3.3. Transparency and traceability

3.3.1. Transparency in the supply chain

We will require our suppliers to provide clear and transparent information on their supply chains, ensuring full traceability of products and materials used.

3.3.2. Sustainability clauses in contracts

We propose that all procurement contracts include specific clauses regarding environmental, social and governance requirements, aligned with our sustainability standards.

3.3.3. Audits and evaluations

We will conduct periodic audits and assessments of suppliers to ensure they comply with our sustainability policies. In cases of non-compliance we will agree and implement corrective actions.

4. Implementation of the sustainable procurement policy

4.1. Basic strategies

Electroglobal will implement the following basic strategies:

4.1.1. Efficient use of resources

Promoting the efficient use of energy and resources by purchasing products and services that reduce the consumption of water, energy and raw materials.

4.1.2. Promoting the circular economy

Purchasing sustainable, recyclable and reusable products that support a circular economy and reduce waste generation.

4.1.3. Respect for human rights and labor practices

Working with suppliers that comply with international standards of the International Labor Organization (ILO) and other relevant regulations.

4.1.4. Supporting diversity and inclusion

Ensuring a procurement process that supports supplier diversity, including small, women- and minority-owned businesses.

4.2. Minimum requirements

All company purchases must meet the following minimum requirements:

4.2.1. Regarding environmental protection:

The purchased products must comply with the relevant environmental regulations (eg ISO 14001).

4.2.2. Regarding labor practices and human rights:

Suppliers must comply with international social standards on fundamental labor rights, including the prohibition of forced labor and child labor, by ensuring safe and fair working conditions for their employees.

4.2.3. Regarding corporate social responsibility (CSR):

All suppliers must be assessed on their corporate social responsibility performance, including at least environmental responsibility and ethical responsibility.

4.3. Actions and measures

Electroglobal will take the following actions to implement the presence of procurement policy and continuous improvement of sustainability performance:

4.3.1. Employee training:

Initial and then periodic training, at least once a year, of employees involved in procurement to ensure proper understanding and application of Electroglobal's sustainable procurement policy.

4.3.2. Evaluation of suppliers:

All suppliers will undergo an initial assessment and subsequently periodic assessments to ensure compliance with environmental and social requirements, and alignment with the requirements of the company's sustainable procurement policy. Electroglobal will develop the **Code of Conduct for suppliers**, through which it will monitor compliance with the requirements in the following areas:

- **Environmental protection**
- **Social standards**
- **Ethics and integrity**

4.3.3. The integration of specific clauses into contracts with suppliers:

All procurement contracts will include clauses regarding social and environmental responsibility.

4.3.4. Supplier audit and compliance:

Periodically Electroglobal will conduct audits to verify the suppliers' compliance with the provisions of this policy.

4.3.5. Corrective measures and sanctions:

In case of identification of non-conformities, Electroglobal will request the suppliers to take corrective measures within a term agreed by both parties, offering support for their remedy. In the event that suppliers do not respect their commitments, Electroglobal reserves the right to terminate contracts and seek more sustainable alternatives.

4.3.6. Reporting and performance indicators

Electroglobal SA will use short-, medium- and long-term performance indicators (KPIs) to monitor and report progress in achieving sustainability objectives:

- **Environmental indicators:** reduction of water and energy consumption, reduction of CO2 emissions, responsible waste management.
- **Social indicators:** compliance with labor standards and human rights, diversity and inclusion in the supply chain.
- **Performance evaluation in the implementation of the sustainability policy:** the percentage of suppliers evaluated based on the criteria provided in the suppliers' code of conduct and the improvements implemented.
- **Annual reports:** publication of annual reports that include progress made in implementing the sustainable procurement policy, evaluation of supplier performance and improvements made.

5. Specific objectives

- **Until 30.09.2024** we will train all employees involved in procurement on good sustainable procurement practices and how to apply them in daily processes.
- **Annually** we will publish a detailed report on sustainable supply chain performance, including the results of supplier assessments and audits.
- **By 2025**, the company's top 20 suppliers will be verified against ISO 14001 certification or another equivalent environmental management system.
- **By 2029**, 100% of suppliers will be assessed and approved based on the criteria of respect for human rights and fair working conditions.
- **By 2030**, we aim to collaborate 100% with suppliers that implement at least one technology for the use of renewable energy sources.

6. Final provisions

This policy will be reviewed whenever necessary to ensure that it is relevant, aligned with best practice in the field and in compliance with applicable legal regulations. Any significant change will be communicated to all interested parties.

All Electroglobal employees are responsible for complying with the policy in all procurement activities.



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