

SOAG EUROPE SA is committed to supporting, respecting and preventing the established international level towards its stakeholders through principles, values and standards of behavior to ensure a high level of trust among all stakeholders.

The Group is committed to developing cooperation relationships with Suppliers based on a communication aimed at allowing the mutual exchange of skills and information that promotes the creation of common value. The **choice of Suppliers** and the purchase of goods and services are made exclusively on the basis of objective evaluations focused on competitiveness, quality, safety, sustainability, reliability, price and ability to ensure effective technical expertise-professional. The sustainability of procurement is based on entire ESG approach to research best practices in **cost-efficiency low impact related**.

Relations with Suppliers must also be based on the utmost correctness, integrity, impartiality and independence. In order to guarantee the **integrity and independence of supply relationships**, SOAG EUROPE SA sets the purchasing process at maximum transparency and efficiency, in particular through:

- the adoption of appropriate formalities to adequately document the procedures adopted;
- the retention of information and documents, for the periods established by current regulations and recalled in internal purchasing procedures;
- not to establish relations of any nature with persons who make use of, or are suspected of using, the work of minors or staff recruited in violation of the laws and regulations laid down to protect the human rights of workers;
- the express obligation to comply with international and national principles and regulations for the sanction and compensation of damages for certain violations.

The Group determines the conformity of purchased products and services on the basis of **the customer-oriented approach**, that is, it guarantees the suitability of its procurement through the assessment of specific requirements proposed by customers and the market.

In order to guarantee the suitability of supply, the **conformity assessment of the Supplier** must be extended and adapted according to the acquired specificity:

- raw materials, semi-finished and finished, with the specification about secondary raw material from biogenic, recycled or re-used materials and substances providable through **MSDS, CMRT and EMRT** (see H&S policy);
- infrastructure (plant, machinery, equipment, tools, information technology, etc.);
- various services (processing, surface treatments, packaging, transport, tests, calibrations, maintenance, consulting).

The process of evaluation and selection of Suppliers is implemented to ensure that the **purchase of products and services** can only take place against qualified and technically suitable Suppliers, and in particular cases only for Suppliers approved by the customer.

The chosen Suppliers, after being qualified suitable, are listed in the **"Vendor List"** constantly updated on the management

system. The Quality Management System yearly verifies a supplier chosen on sample, on each of its production plants, that the performance of the activities are suitable for the specific requirements of compliance. The Suppliers are assessed according to three different levels of **conformity qualifications**:

- Qualification according to third party certification (IATF 16949, ISO 9001, ISO14001);
- Direct qualification (audit in the absence of third-party certification if offered a business above € 50.000 per year);
- Indirect qualification (self-assessment by filling in the "Supplier Assessment Questionnaire").

About Sustainability of Suppliers is **done annual materiality analysis** to individuate first the strategical suppliers and after purpose **training** to those are not aware yet, in the way to submit them a **self-assessment concerning ESG topic** to evaluate how is their awareness and due diligence and to monitor our correlate KPIs of Scope 3. This mechanism is useful not only closed to Sustainability assessment of Group' Suppliers, but also to individuate innovative and efficiency in related costs of input material purchased.

Suppliers subject to **on-site audits** are evaluated measured and performed by the Quality Director, delegates or specific Body according to the characteristics of Supplier's plants, production capacity, reliability of production processes and controls, and the effectiveness of the management system. If deficiencies or concerns are identified, the supplier may be required to take **appropriate corrective action** to achieve adequate level of procurement standard demanded.

At the time of purchase, the eligible Qualified Supplier shall sign the **"General Delivery Conditions"** specifying the agreements on delivery, responsibilities and good ethical conduct.

Suppliers operate in a constant escalation regime that defines the commitment of resources and the use of a higher level of management to manage the problem if the measures taken at the previous level fail.