

## Responsible Sourcing Policy

### 1. Our mission

The Ammega Group is committed to providing innovative and safe conveyor, power transmission and fluid power solutions to a vast range of industry sectors and end customers. To support this goal, we strive to work with our suppliers to:

- operate a lean supply chain that supports our corporate responsibility philosophy
- develop sourcing solutions in line with customer, regulatory and wider stakeholder needs
- create long-term value and reduce risk for our business, our customers and our stakeholders

We will achieve these objectives by setting responsible sourcing standards, by collaborating, innovating and embedding responsible sourcing into our business processes.

The Ammega Group endorses the United Nations Global Compact (“**UNGC**”) universal principles on human rights, labour, the environment and anti-corruption.

### 2. Introduction

This Responsible Sourcing Policy (“**Policy**”) communicates how the Ammega Group works with our suppliers and asks them to meet the minimum health and safety, human rights, ethical and environmental standards set out below. We encourage our suppliers to work with us to contribute to our responsible sourcing programme. We hope that this Policy will promote sustainable business practices by our suppliers.

The Ammega Group defines its supply chain as the goods and services purchased for, and used in its operations. This includes primary input materials such as fabrics, polymers, cords, chemicals, rubber materials, energy as well as industrial and professional services and logistics. Responsible sourcing is a key principle in the Ammega Group’s procurement approach, and is given systematic consideration alongside factors such as price and quality.

### 3. Scope

This Policy applies to all of the Ammega Group’s suppliers, contractors and their affiliates and applies to all products and services that we purchase. We strongly encourage our suppliers to promote the requirements of this Policy within their own supply chain, and will give recognition to suppliers who do this.

### 4. Our commitment to suppliers

To implement the Policy, the Ammega Group will:

- **Collaborate:** Work with suppliers to improve social (including health and safety and human rights), environmental and ethical standards. This may include joint assessments, such as site visits, to evaluate performance against the Policy.
- **Support:** Assist suppliers to identify activities that fall below the requirements of the Policy and work towards achieving improved conditions in a timely manner.

- **Prioritise:** Focus attention on those parts of the supply chain where the risk of not meeting the requirements of the Policy is highest and where the maximum improvement can be made.
- **Respect:** Conduct our business with suppliers in a fair, transparent and professional manner. This includes treating suppliers' employees at our premises with the same workplace practices as our own staff.
- **Promote:** Act as an advocate for responsible supply chain practices within our industry.
- **Communicate and train:** Ensure that all our employees are aware of the Policy, and that those responsible for purchasing are appropriately trained.
- **Improve:** Regularly review our programme and practices to ensure they contribute to our responsible sourcing vision.

## 5. What we expect from our suppliers

Suppliers are strongly encouraged to collaborate with the Ammega Group to identify further opportunities to improve responsible business practices in the areas of health and safety, human rights, ethics and environmental stewardship along the supply chain.

### 5.1. Health and safety

The Ammega Group is committed to working towards a goal of zero accidents and injuries, as well as general wellbeing in the workplace and beyond. This is endorsed by the Health and Safety Policy and that promotes our philosophy.

The Ammega Group requests its suppliers to eliminate all work related injuries in their workforce or community, and to meet the standards of the Ammega Group's Health and Safety Policy.

### 5.2. Human Rights

The Ammega Group respects all human rights, of employees and local communities, and is committed to promoting these principles to its suppliers.

The Ammega Group requests its suppliers to develop and implement policies and procedures to ensure respect of all human rights in their businesses, and those of their suppliers, consistent with the modern slavery statement on our website and the UNGC's Sustainable Development Goals.

The supplier must always comply with the most demanding requirements, whether relevant applicable laws, or this Policy. Where local laws prohibit the supplier from upholding certain aspects of the Policy, the supplier should comply with local laws while seeking to respect human rights.

### 5.3. Ethics

The Ammega Group is committed to apply fair, ethical and transparent business practices.

The Ammega Group does not buy materials and services that do not comply with national or international law and conventions. We are committed to using raw materials of legal, certified and traceable origin.

The Ammega Group requests its suppliers to maintain and enforce a company policy requiring adherence to ethical business practices, adopting the principles of our Code of Conduct and Anti-Corruption Policy.

#### **5.4. Environmental stewardship**

The Ammega Group is committed to making its products more sustainable. To achieve this goal, we use our expertise to develop cleaner processes and aims to minimise the impact on the environment. We seek to work with suppliers that are committed to the same objectives and follow best practices in environmental management, including energy and resource efficiency, waste reduction and recycling.

The Ammega Group requests its suppliers to maintain effective policies, processes and procedures to manage their environmental impact and to operate their business in a sustainable manner, consistent with the UNGC's Sustainable Development Goals.

#### **6. Documentation and monitoring of our committed targets:**

The Ammega Group Supplier Performance Management assessment covers the following sections on which suppliers are being assessed:

1. Competitiveness
2. Quality
3. Improvement capability
4. Risk
5. CSR & HSE
6. Internal assessment

By 2023 we aim to on-board 70% of our group supplier spend from our production sites around the globe into our Supplier Relationship Management Programme.

Those suppliers on-boarded into our Programme have been selected on the basis of impact and continuous collaboration with our production sites. Main target categories are Fabrics, Cords, Chemicals, Polymers, Rubber.

Global Procurement will develop a Responsible Sourcing Guide in 2020 and will start training buyers of our production sites in 2021 and actively inform all our employees about the Responsible Sourcing Policy and Guide in 2021.

On request, we require our suppliers to:

- Complete a self-assessment questionnaire based on this Policy.
- Provide us or our representatives with copies of all relevant information; to co-operate and to use reasonable endeavours to ensure that their sub-contractors do the same.
- Demonstrate what efforts they are making to meet the requirements of the Policy.

This Policy forms an integral part of the Ammega Group's supplier relationship management and evaluation procedure. We will take a risk-based approach in assessing suppliers' compliance with the requirements of this Policy. Monitoring may take the form of self-assessment, site visits, and follow-up on remediation plans.



We will work with its suppliers in addressing gaps identified.

The Ammega Group reserves the right to disengage from suppliers that do not meet the requirements of this Policy or who cannot provide or commit to an improvement plan.

## **7. Review**

This Responsible Sourcing Policy is approved by our Group Executive Committee. It and the implementation programme will be reviewed at least annually to ensure that they are appropriate, adequate and effective.

**Creation date:** February 2019

**Version:** 3.0

**Review date:** September 2020