

AB Group's Sustainable Procurement Policy

*AB Group's Sustainable Procurement Policy adopted by Management Board
Resolution No. 6/2022 dated December 2, 2022.*

The resolution, signed by the full Management Board, became effective on the date of adoption.

1. GOVERNANCE

1. In its operations, AB Group relies on an integrated management system that combines quality policy with care for the environment.
2. The primary goal of the Sustainable Procurement Policy is to:
 - increase the value of the organization through increased productivity, investment in new technologies, new products and services;
 - develop in line with the circular economy, taking into account the social interest and the economic interest of AB Group.
3. This Policy is in accordance with AB Group's General Code of Conduct, AB Group's Supplier Code of Conduct, AB S.A. Anti-Corruption Policy and other Group's documents.
4. The Policy applies to AB Group purchases for commercial and own use.
5. The Policy defines AB Group's goals in the broader cooperation with suppliers, business partners and within the Group.
6. In particular, AB Group aims to:
 - prioritize cooperation with suppliers whose business practices fully reflect the objectives of this Policy;
 - treat the suppliers fairly, including timely and contractually compliant fulfillment of AB Group's obligations;
 - establish action plans to implement this Policy;
 - continuously develop business practices and the content of this Policy.

2. ENVIRONMENTAL

1. AB Group's goal through responsible purchasing is to:
 - reduce the consumption of natural resources, taking into account water, energy, other raw materials and materials, limiting the transformation of the earth's surface, along the whole supply chain;
 - reduce the generation of waste resulting from suppliers' operations: chemical waste, hazardous waste, production waste and office waste;
 - reduce emissions of gases and dust harmful to humans and the environment, resulting from the suppliers' operations;

- reduce the need for office supplies such as paper, toner, ink, stationery, by preference for electronic communication;
 - reduce the use of fossil fuels by switching to renewable energy.
2. We expect from our suppliers to:
- conduct transparently and in accordance with the environmental standards of the ISO14000 series regarding sustainable development:
 - set goals for environmental protection, as well as monitor their activities and report the results in that scope;
 - take care to minimize the amount of waste generated in the distribution process;
 - eliminate the supply shortages and reduce the number of complaints about the products and services offered;
 - offer products in line with the idea of a circular economy:
 - with a long service life;
 - of low energy consumption (presentation of energy classes and labels);
 - with an environmentally friendly production process;
 - with the possibility of renewal, repair and reuse (the so-called right to repair);
 - with the possibility of efficient and cost-effective recovery of raw materials once the product is destined for recycling;
 - certified for compliance in the above-mentioned areas;
 - use packaging materials and supplies that are eco-friendly, biodegradable, effectively recyclable or reusable.
3. If identical bids are received, AB Group will prefer to purchase from local suppliers to reduce the carbon footprint associated with the goods.

3. EMPLOYMENT AND HUMAN RIGHTS

1. AB Group follows international standards for social sustainability and promotes purchases from responsible suppliers guided by:
 - The Universal Declaration of Human Rights enacted by the UN General Assembly;
 - The International Labour Code - Conventions and Recommendations of the International Labour Organization;
 - SA8000 social responsibility standard.
2. We expect from our suppliers to:
 - ensure safe working conditions for employees;
 - refrain from using child labour and forced labour;
 - provide training and development opportunities for employees;
 - create a work environment free of discrimination, bullying, and prejudice of any kind.
3. The AB Group complies with international sanctions imposed on entities whose activities violate the principles and norms of international law, including international human rights law, and pose a threat to global or regional peace and security.

4. FINAL PROVISIONS

1. All AB Group employees are required to report situations that are not in compliance with this Policy or require AB Group intervention.
2. This Policy is publicly available to interested parties inside and outside the AB Group.
3. All applications and information should be sent to the following e-mail address esg@ab.pl.