

SUSTAINABLE PURCHASING

to create positive social and environmental impact



OUR POLICY

Our activities generate environmental and societal impacts. Likewise, the goods and services we purchase from our suppliers generate impacts. These extend from raw material extraction to primary manufacturing and transportation to ARaymond facilities.

Our suppliers are sometimes located in countries with different standards than our own. This is a concern. And yet, our purchases—if they are ethical and responsible—also create economic value and contribute to the development of local communities.

When it comes to sustainable purchasing, it is vital to build trust with our suppliers and raise their awareness of environmental, ethical, and social issues.

2022 GLOBAL CARBON FOOTPRINT ASSESSMENT



Based on a shared vision, we are working with our suppliers to drive sustainable innovation across the value chain by:

1. Empowering buyers and building new CSR skills
2. Promoting and supporting sustainable solutions
3. Monitoring CSR risks and supplier performance
4. Contributing to carbon neutrality and reaching our GHG emissions reduction target

Progress will support our broader CSR objectives around local development and environmental sustainability.



EMPOWERING BUYERS AND BUILDING NEW CSR SKILLS

OUR AMBITIONS

By end-2024

100% of new buyers will complete the 2024 sustainable purchasing training.

95% of our buyers have been trained in sustainable purchasing. The entire ARaymond buyer network will have completed eco-design training.

OUR ACTIONS

- Spreading the sustainable purchasing vision
- Training buyers through our in-house programs

SPREADING THE SUSTAINABLE PURCHASING VISION

Our shared sustainable purchasing vision is embodied by:

- A sustainable purchasing champion network created in early 2021 to support companywide implementation of our roadmap.
- A responsible buyer's handbook that provides our buyers with a comprehensive range of sustainable purchasing resources.

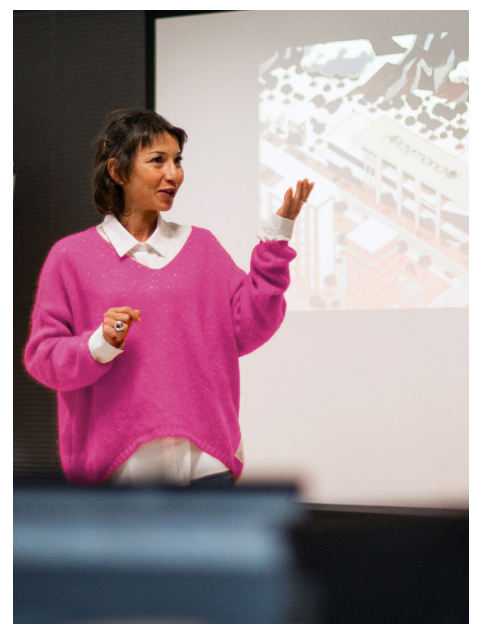
TRAINING BUYERS THROUGH OUR IN-HOUSE PROGRAMS

We have developed our first **in-house e-learning program on sustainable purchasing**. It provides buyers with essential sustainable purchasing and procurement knowledge and skills.

The training covers key topics like:

- Understanding global value chain complexities.
- Legal compliance and adherence to international standards.
- Risk mapping.
- Performing due diligence.
- Supplier assessment methods.
- Sustainable procurement tools.
- Strategies for building collaboration with suppliers along the value chain.

The formats range from three-hour awareness-raising sessions to a three-month certificate programs designed specifically for our network of champions. We also hold monthly calls and meetings with our champions so that they can share best practices.





EMPOWERING BUYERS AND BUILDING NEW CSR SKILLS

By end of 2025, all buyers will receive training on eco-design and auditing techniques.

Our objective is to develop a common ARaymond supplier CSR assessment method.

The purchasing network also participates in Climate, Biodiversity, and Digital Fresks and actively contributes to awareness-raising initiatives within the company.

OUR AMBITIONS

By 2025
Our Business Partner Charter
will be approved by 100%
of our strategic suppliers.

81%
IN 2024

100%
BY 2025

By 2030
Offer exclusively eco-designed products to our customers by supporting the eco-design process and teams, and by offering sustainable solutions for the materials and services we procure.

100%
ECO-DESIGNS
BY 2030

OUR ACTIONS

- Encouraging our partners to adopt sustainable practices
- Collaborating with R&D and contributing to new sustainable offers

ENCOURAGING OUR PARTNERS TO ADOPT SUSTAINABLE PRACTICES

We expect from all our suppliers around the world the same behavior and therefore we issued our Business Partner Charter.

- Addressing all compliance, ethics, anti-corruption, human rights, health, safety, and environmental issues.
- Encouraging partners to adopt sustainable practices across all these areas.
- The charter is presented to and approved by all our strategic suppliers.



EMPOWERING BUYERS AND BUILDING NEW CSR SKILLS

COLLABORATING WITH R&D AND CONTRIBUTING TO NEW SUSTAINABLE OFFERS

The ARaymond purchasing network works closely with R&D and materials experts, leveraging Life Cycle Assessments and our materials database to:

- Identify both sustainable and sensitive materials.
- Track their proportions within the total weight of materials we procure.

In addition to supporting our sustainable purchasing goals, our improved identification and tracking of these materials also contributes to compliance with:

- The EU regulation on the registration, evaluation, authorization, and restriction of chemicals (REACH) in industry.
- The EU Conflict Minerals Regulation on the responsible sourcing of certain minerals.

We have also created events such as CSR TechDays, where our purchasing and materials experts come together with key material suppliers to discuss our goals, supplier responses, product information, and our collective shift towards sustainable solutions:

- Ten sessions were organized in 2023, starting with our main plastics suppliers.
- The sessions will be extended to our metals suppliers starting in 2024.

Beyond the materials we use to manufacture our products, we are also working with suppliers to source more sustainable non-production goods and services:

- Reusable or recycled packaging.
- Renewable energy contracts for ARaymond plants and encouraging our suppliers to shift from fossil fuels to low-carbon energy sources.
- Relocating some purchases or collaborating with our shipping companies to reduce the carbon footprint of our logistics flows.

In making our own products more sustainable, we are working toward our objectives while helping our suppliers and ecosystems also become more sustainable.

Our efforts are already paying off: Bio-based, recycled, and mass-balance materials are now sourced, qualified, and validated by our multidisciplinary teams of experts before being integrated into our new offers.





MONITORING CSR RISKS AND SUPPLIER PERFORMANCE

OUR AMBITIONS



OUR ACTIONS

- Monitoring global CSR risks
- Evaluating supplier performance

MONITORING GLOBAL CSR RISKS

We have created a CSR risk and opportunity mapping tool, which we apply to our purchasing categories, with nine maps per country. We are supporting implementation of the tool across our global purchasing network.

Our actions over the past two years have focused on:

- Developing KPIs.
- Implementing responsible sourcing on a broad scale.

Our goal is to transition from monitoring indicators to total performance management.

EVALUATING SUPPLIER PERFORMANCE

Even as we strive to localize our purchases as closely as possible, some of our suppliers are sometimes located in other countries where environmental or social standards are different from ours.

Our aim is to follow a global approach to assess our suppliers' commitment to CSR through our ARaymond CSR scorecard or through any equivalence. Once evaluated, we organize annual performance reviews to update and monitor this scorecard.



CONTRIBUTING TO CARBON NEUTRALITY AND REACHING OUR GREENHOUSE GAS EMISSIONS REDUCTION TARGET

OUR AMBITIONS

By 2030

Contribute to ARaymond's absolute GHG emissions reduction target of 33%* on scopes 1,2,3.

**Compared to 2021 levels.*

OUR ACTIONS

- Reducing our emissions

REDUCING OUR EMISSIONS

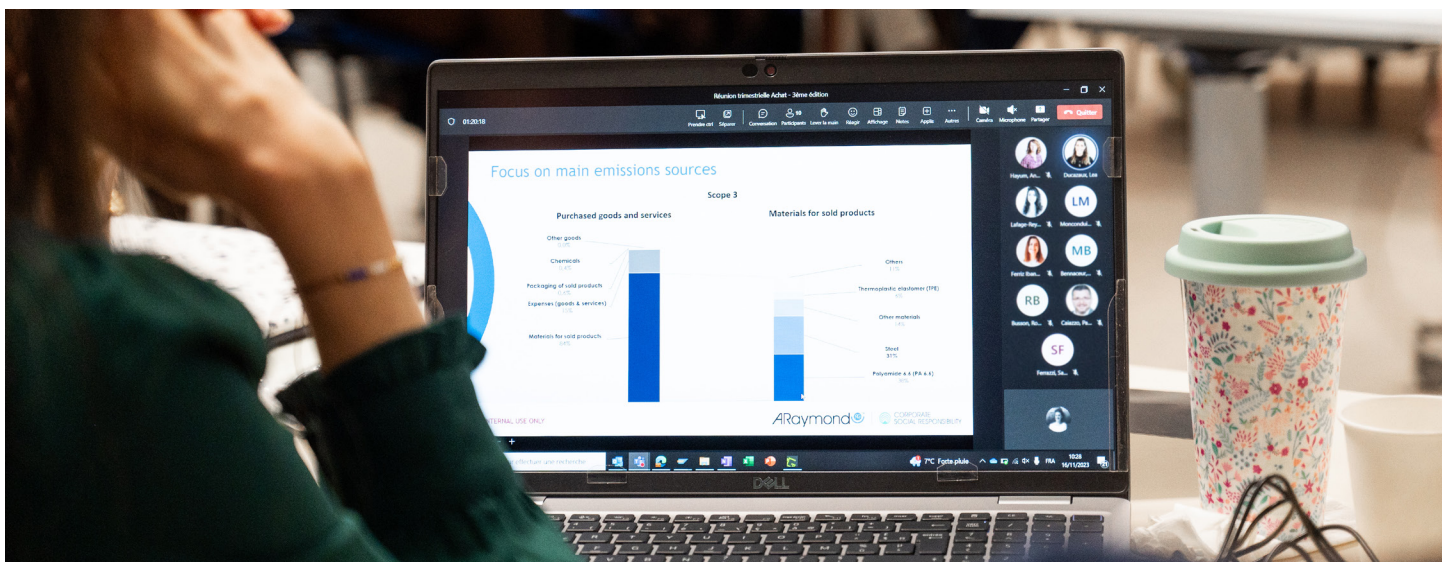
The goods and services we purchase were responsible for 35% of our global footprint in 2022. Therefore, making our purchasing practices more sustainable and involving suppliers are fundamental to our global decarbonization roadmap.

In 2023 we started working on our low-carbon-footprint purchasing roadmap, which includes local, regional, and global actions:

- Sustainable alternatives to raw materials to support the use of low-carbon materials in our new solutions.
- Local sourcing and optimized logistics flows for long-distance suppliers to reduce transportation-related emissions.
- Purchasing lower-emission company vehicles.

We will also implement software to track emissions reductions, including those related to purchasing. Starting in end of 2024, the software, used across all our roadmaps, will allow us to collect data and monitor progress.

In the medium term, it should allow us to identify hotspots along our value chain, identify strategic suppliers in terms of carbon emissions, and foster collective climate action toward shared targets.





MAKING A POSITIVE IMPACT ON COMMUNITIES

The goods and services we procure create economic value and generate indirect employment opportunities.

Our worldwide purchasing and procurement activities involve many local suppliers, potentially contributing to the development of local communities.

Whenever possible we support protected populations and the employment of people with disabilities through our purchasing and procurement activities.

In France:

- We make indirect purchases of services like waste collection, meal preparation, printing, and computer equipment recovery through supported workplaces.
- Disabled employees from a supported workplace organization work directly on our premises, where they do sorting and assembly tasks.

Partnerships like these not only support economic activity, but they also raise our employees' awareness of disability and promote the integration of individuals with disabilities into the workplace.



TESTIMONIAL

“ Our journey to Sustainable Procurement has begun a few years ago, and we have now formalized our commitments on many topics. Now, with our suppliers, we need to implement and monitor our actions to meet those commitments, especially on suppliers assessment and products and services selection. With the aim to be always more responsible, and to achieve our Customers' requirements that are more and more demanding.

Leila Gharnout
ARaymond Sustainable Purchasing Manager



