

## Sustainable Procurement Policy

### 1. PURPOSE AND SCOPE

For over 40 years, the AB Holding S.p.A. Group ("AB Group") has been a globally recognized leader in the engineering, production and maintenance of top-quality cogeneration plants, biogas upgrading plants and liquefaction systems, into which its expertise and technologies are constantly being incorporated with the aim of creating energy sustainability solutions.

To this end, the AB Group is aware of the importance held by a responsible and sustainable supply flow, which is achieved through continuous collaboration with suppliers of all sizes, business areas and types ("Suppliers") who, as key partners, are required to share and implement an increasingly sustainable approach from an environmental and social point of view.

AB Group has therefore adopted its Sustainable Procurement Policy ("Policy"), for formalizing and extending its commitment to sustainability beyond its direct activities, involving the entire *supply chain* in adhering to its principles, which include the management and monitoring of environmental, social and economic impacts within the supply chain, with the aim of purchasing sustainable, ethical and responsible goods, services and materials.

As part of the definition of the purchasing choices and of the subsequent supply process, to this effect, the AB Group intends to closely and regularly monitor the implementation of its sustainable procurement commitments and of the ethical standards.

Thus, the Suppliers selection process and the related contract drafting increasingly consider the need to reduce the environmental and social impacts deriving from the goods and services purchased by the AB Group.

For these reasons, the AB Group prefers Suppliers who are able to demonstrate attention and ability in relation to:

- ❖ Respect for human rights;
- ❖ Environmental protection;
- ❖ Assessment of the impacts of its economic activities in order to safeguard the health of its employees and of the communities in which they operate;
- ❖ Maintenance of certified business management systems;
- ❖ Commitment to disseminating a culture of safety that promotes responsible behavior among workers.

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The principles grounding the AB Group approach in daily pursuing its goal of sustainable procurement are listed below for being shared and implemented by the AB Group's Suppliers.

## 2. SUSTAINABLE PROCUREMENT PRACTICES

AB Group is committed at all levels of its organization to sustainable procurement practices that include:

- purchase of goods and services in line with international principles aimed at promoting and protecting Human Rights recognized by the principles of the United Nations Global Compact (defined by the Universal Declaration of Human Rights) and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work for anyone engaged in the corporate supply chain;
- inclusion of sustainability criteria as part of the Supplier assessment process;
- purchase of goods and services that respect the environment as much as possible, by establishing business relationships with Suppliers who actively manage their impact on the environment itself;
- the reuse and recycling of materials at the end of their life cycle, where this is possible and, where not possible, disposal in the most environmentally correct and appropriate way;
- preference and priority in the selection of Suppliers who have included ethical and sustainable practices within their organization and have also been pursuing them within their supply chain;
- reduction of the impact of transport, by preferring the purchase of materials, products and services from local Suppliers;
- promotion of a high level of awareness of sustainability by Suppliers and encouragement to adopt sustainable practices, also through the dedicated *platform aDoormore*.

## 3. LABOUR AND HUMAN RIGHTS

In line with international standards and in order to protect human rights as well as to promote social sustainability, the AB Group implements and requires its Suppliers to adopt strict policies aimed at:

- avoiding any form of child labour and categorically reject the use of forced or compulsory labour, either directly or indirectly;
- condemning without exception any kind of discrimination based on age, sex, sexual orientation, health, race, nationality, political opinions and religious beliefs.

## 4. CODE OF ETHICS

The AB Group has adopted a Code of Ethics, available at the following link <https://www.gruppoab.com/it/model-231-and-code-of-ethics/>, as well as a Whistleblowing Policy available at the following link <https://www.gruppoab.com/it/whistleblowing/>.

The AB Group intends to collaborate and have business relationships only with Suppliers whose conduct is inspired by principles similar to those set out in its Code of Ethics. AB Group Suppliers are therefore required to engage in conduct that does not constitute a violation of the Code of Ethics and undertake to refrain from taking any action that may result in a violation of the Code of Ethics, as well as any public or private anti-corruption law.

Suppliers must also adopt a conduct based on the fundamental principles of honesty, moral integrity, fairness, transparency, objectivity and respect for the individual personality in pursuing corporate objectives and in relationships with people and entities, both internal and external to the AB Group.

## 5. HEALTH AND SAFETY

The AB Group promotes and disseminates a culture of safety, by increasing awareness in risk management through the planning and implementation of specific programs for the reduction of accidents and the promotion of health and well-being in the workplace.

The AB Group therefore requires its Suppliers to support responsible behaviour and to commit to protecting the health and safety of all employees and collaborators.

Each Supplier, through the support of its entire organization, must ensure strict compliance with the provisions and obligations deriving from health and safety legislation, adhering to all the measures established by law, procedures and to adopt the health and safety standards of the AB Group.

In order to implement a sustainability strategy, the AB Group has indeed adopted an integrated quality, environment and safety management system according to ISO 9001, 14001 and 45001 standards. Each Supplier is also selected on the basis of the attention it pays to this matter in order to ensure the compliance with all regulations and the improvement of the health and safety of workers.

## 6. ENVIRONMENT AND ENERGY

The AB Group considers the topics related to the environment to be of high importance and, in the management of its business activities, adopts strategies aimed at reducing the impact of CO<sub>2</sub> production, as well as takes into account environmental protection and energy efficiency.

In line with the goal "durable and sustainable development" that increasingly characterizes European and global environmental policy, AB believes it is essential that its supply chain also manages resources wisely and forward-lookingly, in order to preserve the environment.

For the AB Group, sustainability is a strategic and fundamental element of its business management, to be implemented in relation to environment and energy savings according to the ISO 14001 and ISO 50001 standards. To this end, AB Group asks its Suppliers to:

- comply with environmental legal requirements in a timely manner;
- maintain high standards of environmental protection and energy savings;
- assess, control and, where possible, prevent or minimise the impact of processes and products on the environment not only when the risk of harmful or dangerous events is demonstrated (principle of preventive action), but also when it is uncertain whether and to what extent the business activity exposes the environment to risks (precautionary principle);
- define communication, listening and dialogue plans with employees and third parties with whom the Supplier operates, as well as institutions and organizations engaged in protecting the environment, by providing information on environmental results;
- suggest the adoption of alternative products and processes aimed at improving the environmental impact in their life cycle, such as, for example, materials of secondary origin with a view to the circular economy;
- adequately manage, in compliance with current regulations, both the treatment and disposal of waste, by promoting the recovery of recyclable waste;
- develop and maintain an environmental management system that complies with ISO 14001 and ISO 50001 standards, preferably by obtaining third-party certification.

## 7. SUSTAINABILITY REPORT

The AB Group, as large-sized company, is obliged to publish the sustainability report as a large company starting as of 2025 fiscal year. The sustainability report aims to inform stakeholders of the economic, social, environmental and governance (ESG) results generated by the company in carrying out its activities. This document is the result of a collection of data and information and related analysis that cannot fail to take into account its own production chain.

Suppliers are required to cooperate and make themselves available to provide any information that may be necessary for the above purposes, including by filling in questionnaires and, in general, by collaborating in order to improve their level of sustainability.

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The AB Group is committed to implementing and disseminating this Policy through the company channels in a gradual and transparent manner within the organization, towards all stakeholders and Suppliers.

In implementation of the Policy, a structured *vendor rating* system has been developed in order to analyse, evaluate and monitor Suppliers with respect to, among other things, the principles of sustainable procurement.

This Policy is reviewed periodically to ensure its consistency with AB Group's ESG goals.

AB Holding S.p.A.

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