

Guideline for sustainable procurement at Gebrüder Weiss as part of the "GWcares" strategy

Preamble:

GWcares is built on three pillars: Economy, People and Environment.

As Gebrüder Weiss, we are clearly committed to sustainable goals: We are already testing alternative drives with gas, electricity and hydrogen in our vehicle fleet and want to operate our own logistics facilities climate-neutrally with solar power by 2030. In addition, our Code of Conduct sends a clear signal about the values and rules of conduct we apply to ourselves and the criteria that are decisive for us when selecting and working with suppliers.

Gebrüder Weiss aims to provide its customers with the best supply chain solutions and to inspire them with service excellence. We focus on operational and digital competence, combine both working worlds and have coined the term "Best of Both Worlds" for this - modern digital tools combined with logistics facilities, freight capacities and well-trained employees. An important part of our supply chain solutions are the suppliers and subcontractors we use, who support us on the joint path of sustainable production and service.

On the basis of this strategy, we want to continue to develop, adjust our goals if necessary, make the necessary investments, and communicate transparently about this. One recipe for success is that we involve all decision-making levels at Gebrüder Weiss in addition to top management in order to achieve our sustainability goals.

This guideline defines Gebrüder Weiss' medium- to long-term strategy for sustainable procurement and is subject to an annual review by the Executive Board, Corporate Procurement (CP) and Corporate Administrative Support (CAS).

General framework of supplier management

There is an obligation that all suppliers are registered in the SRM tool of Gebrüder Weiss. For each material group an overall responsible person (Leadbuyer - LEB) is defined, the assignment of the respective suppliers is done according to the system that the local responsible person (Localbuyer - LOB) is responsible for the registration process, who achieves the largest turnover with the supplier.

Two control processes are associated with registration. On the one hand, defined criteria result in a compliance check of the supplier, which is used by the compliance officers in a control process to determine whether cooperation with the supplier is permissible at all. On the other hand, a materiality analysis of the sustainability requirements of Gebrüder Weiss determines whether a medium- to long-term cooperation with the supplier is to be sought within the framework of GWcares.

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Due to the business activities of Gebrüder Weiss, one can basically distinguish between two different groups of suppliers, for each of which different criteria are included in the materiality analysis.

In the case of general suppliers (energy, consumables, vehicles, buildings, clothing, IT hardware and software, etc.), the focus is primarily on environmental and social criteria, e.g. Co2 reduction and implementation of ILO requirements, while in the case of transport service providers, the focus is also expanded to include occupational safety. Compliance with all social legislation represents a knock-out criterion (especially in the area of working conditions, fair pay incl. social security contributions, driving times) and the requirements defined by Gebrüder Weiss within the framework of the Code of Conduct and the anti-corruption policy must be complied with by both supplier groups.

Procurement organization

Procurement at Gebrüder Weiss is regulated by the Corporate Procurement department. This reports directly to the management. The head of Corporate Procurement establishes the framework conditions of the Gebrüder Weiss purchasing policy and is the lead buyer for defined material groups. Furthermore, other central department heads are defined for additional material groups (e.g. Facility Management for Construction, Head of HRD for Personnel Developers or CAS for the Integrated Management and Compliance System).

For the two major transport service provider areas (Air&Sea, Land Transport), the respective product management departments are defined as lead buyers, responsible for procurement from shipping companies, airlines and freight forwarders.

The Corporate Administrative Support department, which also reports directly to the Executive Board, is responsible for compliance auditing.

In all Gebrüder Weiss locations, local buyers are defined who are responsible for the suppliers assigned to them in their area of responsibility.

Materiality analysis

Within the scope of the materiality analysis, it is determined whether a supplier meets the sustainability requirements of Gebrüder Weiss or whether it is prepared to engage in sustainable development. The result of this materiality analysis determines the further cooperation with this supplier. The criteria of the materiality analysis are subject to an annual evaluation by CP and CAS and are roughly divided into 3 areas:

- Environmental criteria (e.g. Co2 reduction measures, waste management, circular economy, SBT, ISO 14001 certification)
- Social criteria (e.g. human and labor rights, health protection, diversity, training, minimum wage law, UN Global Compact)
- Acceptance of the GW Code of Conduct and the anti-corruption policy, including compliance-related content

Objectives

Environment

Gebrüder Weiss has set itself the target of climate-neutral production in Scope 1 and 2 by 2030. Through the Co2 balancing, we know that this can be achieved primarily through a reduction in diesel consumption and the switch to renewable energies in the building sector.

In order to also achieve this objective in Scope 3, it was determined that Gebrüder Weiss would like to encourage its suppliers to also invest in Co2-reducing measures. Since the sub-service providers in the transport sector (shipping companies, airlines, freight forwarders) have the greatest leverage effect here, the main focus of education, support and joint projects will be in this area.

The target is that, depending on the technology and infrastructure in place, 30% of Scope 3 Co2 emissions have been reduced by 2030 compared to 2022. In addition, there is a target that 50% of suppliers in the highest level of compliance assessment commit to SBT by 2025.

Social

The observance of human and labor rights, performance-related remuneration, freedom of assembly and non-discrimination of people on the basis of race, origin, religion, sexual orientation, etc. are central core values of Gebrüder Weiss.

We want to encourage all our suppliers to comply with the same standards in their companies and to actively live up to them. For this purpose, GW demands that the rules of the UN Global Compact and the ILO are observed.

The goal is that those suppliers who are in the highest level of Gebrüder Weiss' compliance assessment will have provided 100% confirmation that they comply with both UN Global Compact and ILO requirements by 2025.

Communication

This guideline is published externally on the GW homepage and communicated internally to all relevant organizational units. In the course of the registration process in SRM, suppliers will be required to make binding commitments to comply with the quantitative targets defined above from 2023 onwards, and these commitments will be included in the materiality analysis in subsequent years.

Lauterach, August 2022

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