

## Responsible supply chains

At HUBER+SUHNER, over 50 % of sales turnover is spent on procurement. Based on the resulting material environmental and social impact, we aim to ensure that production materials are sourced only from qualified suppliers, guaranteeing high environmental and social standards. We promote the “regional for regional” approach to strengthen local supplier relationships and ensure short supply chain routes whenever feasible. Active management and regular due diligence of social and environmental risks in our supply chain enable us to meet growing regulatory and market expectations, including those from the Swiss Ordinance on Due Diligence and Transparency in Relation to Minerals and Metal from Conflict-Affected Areas and Child Labour (DDTrO).

### Our due diligence process

In 2023, HUBER+SUHNER introduced a multi-step supplier sustainability due diligence process for both new and existing suppliers in production material categories. Going beyond the requirements defined by the DDTrO, suppliers with at least a medium sustainability risk need to demonstrate that they uphold relevant sustainability standards in the following areas: human rights and labour practices (including child labour), OH&S, responsible sourcing of minerals, environmental protection, climate change mitigation, as well as fair operating practices. The [Supplier Code of Conduct](#) launched at the end of 2022 lays out the principles and standards we expect our suppliers to follow. Our Global Sourcing team leads the supplier engagement process and has updated our procurement policies accordingly.

New and at-risk suppliers are required to complete eight different self-assessment questionnaires provided by an established sustainability platform. They are also asked to confirm compliance with the Supplier Code of Conduct. Where the self-assessments show any non-compliance for eight core sustainability risks, suppliers are required to improve their sustainability performance. We exceeded our 2024 objective to assess 80 % of our direct production material spend through our sustainability platform.

**Table 18: Suppliers that have undergone a sustainability assessment**

2024 Target	2022	2023	2024	Status
Assessment of 80% of our production material spend through our sustainability platform	N/A	79 %	83 %	On track

In its operations, HUBER+SUHNER processes conflict minerals such as tin and gold. We aim to ensure that our products are free from conflict minerals, avoiding sourcing from questionable mines. Through additional checks, we gather detailed information about the origin of materials and our suppliers' smelters or refiners. We carry out annual data collection efforts, aligned with updates to the [Conflict Minerals Reporting Template \(CMRT\) of the Responsible Minerals Initiative](#), which are publicly available on the HUBER+SUHNER [website](#).

Any form of misconduct, including in our supply chain, may be reported through our independent and secure whistleblowing platform, which is available free of charge and accessible in several languages on our [website](#). For more details on our grievance mechanism, please refer to chapter [Governance](#).

Based on our assessments and due diligence as outlined above, there are currently no reasonable grounds to suspect child and/or forced labour, nor that metals and minerals originate from conflict-affected or high-risk areas.

### Engagement on climate-related issues

Our goal is to reduce our scope 3 emissions by 25 % by 2030, focusing on emissions from purchased goods, materials, and packaging (see chapter [Environment](#)). Collaborating with suppliers is crucial to lower our emissions and to provide low-carbon solutions to our customers. Table 19 highlights these efforts.

We engage with our suppliers through our sustainability platform and in-person interactions to gather insights and understand their decarbonisation efforts. Additionally, our supplier rating also scores suppliers based on their decarbonisation initiatives.

### Regional for regional

We aim to follow the “regional for regional” approach to strengthen local supplier relationships, shorten supply chains, and reduce CO2 emissions. In 2024, HUBER+SUHNER procured over 20,000 items from approximately 1,500 active production material suppliers across 43 countries. Between 89 % and 97 % of these suppliers were in the same region as the receiving HUBER+SUHNER sites.

**Table 19: Climate engagement**

Year	Number of suppliers that track their CO2 emissions*	Number of suppliers with climate targets
2022	N/A	N/A
2023	N/A	N/A
2024	157	119

Note: No data available before 2024

\* Suppliers may not necessary track all their emissions

**Table 20: Regional supply\* by region 2024**

Region	Share of production material spend with regional suppliers
AMERICAS	97 %
APAC	96 %
EMEA	89 %

\* Suppliers who are in the same region as the receiving site of HUBER+SUHNER