



RESPONSIBLE PROCUREMENT POLICY (RPP) BETWEEN ALTRAD AND ITS SUPPLIERS



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The industrial and construction sectors, in which Altrad operates, are now at the heart of major transformations, particularly to meet the challenges of safety, improving working conditions, and reducing environmental impact. These developments are particularly focused on the upstream part of the value chain, in connection with the extraction and processing of raw materials. As an international group, Altrad is committed to meeting the new standards of reporting and commitment in social and environmental matters.

In addition, Altrad is keen to anticipate the growing expectations of its customers and partners, who want to see companies integrate responsible and ethical practises into their overall strategy in the long term. It is with this in mind that Altrad has developed its own Responsible Procurement Policy (RPP), thus affirming its commitment to a more virtuous and sustainable sector.

Convinced that this progress requires the participation of all stakeholders, Altrad also encourages its suppliers to develop their own policies, thus contributing, together, to a more responsible future that respects social and environmental issues.

1. Regulatory and ethical compliance

Over the years, the construction and industrial sectors have seen an increase in standards, whether international (ISO), European (EN), national or even regional. Today, the profession is governed by thousands of standards. Among these, more than 1,500 international standards (I-Codes) have been established by standards bodies in collaboration with the International Code Council¹. This number is constantly increasing, in line with the building sector's advances in sustainable practises. Aware of these challenges, Altrad, as a leader in these sectors, wishes to focus on regulatory and ethical compliance indicators. With this in mind, the group requires its suppliers to strictly adhere to the regulations in force as well as to adopt rigorous ethical practises, taking into account the following elements.

1.1. Ethical commitments to human rights and transparent, honest, and ethical business practises

Altrad requires its suppliers to sign and comply with a Responsible Procurement Policy, integrating ethical aspects and respecting human rights. To guarantee these commitments, the group conducts a regular evaluation of suppliers, measuring their compliance with these principles. The group will undertake supplier audits, analyse the data to set identifiable targets, and use the results to inform strategic development for the business.

This monitoring makes it possible to:

- Quickly identify and prevent risks related to quality, legal sanctions, international sanctions or the company's reputation
- Enhance transparency and improve traceability of products and services in the supply chain
- Encourage suppliers to adopt sustainable and ethical practises, in line with Altrad's values, while creating a ripple effect to improve practises throughout the value chain

¹Constructing-sustainable-future.com. (2024). Game of Norms: the rules of the game in the building sector. [online] Available at: <https://www.constructing-sustainable-future.com/en/game-of-norms-the-rules-of-the-game-in-the-building-sector/>



- Verify that suppliers rigorously comply with the group's ethical commitments, available below: <https://www.altrad.com/fr/ethique-et-compliance.html/>, <https://www.altrad.com/en/ethics-and-compliance.html>, thus, minimising the reputational risks associated with non-compliant or unethical practises

Monitoring indicator: with the objective of a 100% policy signature rate, Altrad will monitor the share of its signatory suppliers who have proven their compliance (ethics, health, safety, human rights) via self-assessment questionnaires and will carry out regular audits to verify their continued compliance. The group will also make sure to document any non-compliances identified (e.g. human rights breaches, international sanctions). The non-conformities identified may lead Altrad to terminate the business relationship.

1.2. Anti-corruption

Altrad expects its suppliers to comply with all applicable anti-corruption regulations. In particular, suppliers undertake not to offer, solicit, give or receive bribes from or on behalf of any member of Altrad and undertake not to offer Altrad personnel any undeclared gifts and/or gifts that are not of low value and/or for the purpose of obtaining an undue advantage. Altrad also expects its suppliers to implement a corruption prevention policy and to alert the group in the event of actual cases of corruption. Failure to comply with these commitments could result in legal action and/or exclusion of the supplier by Altrad.

Monitoring indicator: in order to guarantee the continued commitment of its suppliers, Altrad will monitor the proportion of its suppliers that have implemented an anti-corruption code of conduct or have adhered to the Altrad's one. In order to monitor the observable improvements in corruption, Altrad will monitor the proportion of its suppliers that have implemented anti-corruption training for its employees, as well as the number of corruption-related incidents reported over the year.

1.3. Ethical alerts for incidents and non-conformities

Altrad is committed to establishing secure reporting channels (hotline, secure email, online platform) where incidents can be reported anonymously or not. The system will be accessible to all employees, suppliers and other stakeholders. Based on the reported alerts, the Altrad Group will establish a follow-up including the precise count of the reported incidents and the way in which they have been handled in accordance with the whistleblowing procedures in force. This approach aims to ensure that each incident is rigorously reviewed and appropriately resolved, in accordance with the ethical standards and policies of the Group and will make it possible to:

- Monitor the frequency of ethical incidents or non-conformities, and ensure that they are dealt with appropriately and in a timely manner
- Encourage a culture of reporting unethical practises and accountability within the Group
- Assess the effectiveness of the whistleblowing mechanisms put in place

The classification of alerts will follow the following logic:

- Low priority if:
 - In principle, this does not entail any legal consequences.
 - The financial consequences remain limited.
 - There is no damage to reputation.
- Medium priority if:
 - The company may potentially be subject to administrative or civil proceedings.



- There may be moderate financial consequences.
 - There may be moderate reputational damage (local press).
- High priority if:
 - People's health is at risk.
 - The company or its directors may be subject to criminal prosecution.
 - The financial consequences are significant (fines, compensation, loss of assets, etc.) or the potential damage to reputation is significant (national or international press).

Monitoring indicator: with a focus on continuous improvement, Altrad will list each incident in a centralised database and will track the number of incidents according to their severity (low, medium, high), their nature (corruption, conflict of interest, human rights violation, etc.), and their origin (internal, external).

2. Greenhouse gas emission, waste, supply, and energy sobriety

These past years the industry (including construction) accounted for nearly 20% of global greenhouse gas emissions². This is why, as a major player in the industry, Altrad is committed to improving its environmental impact. In doing so, the group expects its suppliers to actively engage with environmental issues.

2.1. Environmental certification(s)

Altrad expects its suppliers to find out about the existing environmental certifications in their sector and to initiate a reflection on the certification of their entity. The choice of suppliers covered by one or more environmental certifications such as ISO 14001, EMAS (Environmental Management and Audit Scheme), B-Corp, Carbon Trust Standard or more specifically for metal producers ResponsibleSteel or ASI (Aluminium Stewardship Initiative).

Choosing suppliers committed to one or more certifications will allow the Altrad Group to:

- Provide a guarantee of suppliers commitment to environmental practises
- Reduce its environmental impact by reducing the upstream impact of the value chain
- Encourage the adoption of sustainable practises

Monitoring indicator: with a focus on continuous improvement, Altrad will monitor the share of its suppliers covered by environmental certification.

2.2. Measuring greenhouse gas emissions

Altrad expects its suppliers to measure the greenhouse gas emissions of their activity on the broadest possible scope (scopes 1, 2 and 3) using recognised methodologies (GHG Protocol, Bilan Carbone®, ISO 14064, Carbon Trust Standard, PAS 2050). Measuring suppliers' GHG emissions will enable the Altrad Group to:

² Home | Climate change observations 2024. [online] Climate change observations 2024. Available at: <https://www.statistiques.developpement-durable.gouv.fr/edition-numerique/chiffres-cles-du-climat/en/>



- Have accurate data and a clear vision of the environmental impacts related to its activities that will complement Altrad's vision of the Group's direct impacts when measuring and reducing its GHG emissions
- Integrate suppliers in efforts to reduce its GHG emissions and not limit itself to the group's internal activities
- Suppliers subject to the European CBAM Directive (Carbon Border Adjustment Mechanism) undertake to:
 - Declare their CO₂ emissions related to the manufacturing and transportation of the products/services provided, in accordance with recognised standards (GHG Protocol, ISO 14064, etc.)
 - Provide documented and up-to-date evidence to ensure compliance with CBAM regulations

Monitoring indicator: Altrad will monitor the share of suppliers that have measured their GHG emissions in the last 5 years while specifying the scope of this measurement (scopes 1, 2 and 3 for example) and will ensure regular audits of compliance and of the year with current standards and monitoring over time of the results of these measurements.

2.3. Decarbonisation trajectory

Altrad expects its suppliers to commit to a decarbonisation trajectory defined by recognised methodologies: step-by-step ACT, Science Based Targets or Net Zero Standard (PAS 2060). The commitment of suppliers to a decarbonisation trajectory allows the group to:

- Encourage its suppliers to commit to decarbonisation and to measure their GHG emission reduction targets
- Build its own decarbonisation strategy by considering a reduction in its scope 3 emissions

Monitoring indicator: with a focus on continuous improvement, Altrad will monitor the share of its suppliers committed to a decarbonisation trajectory.

2.4. Measuring the carbon footprint of products

Altrad expects its suppliers to measure the environmental impact of their products using recognised methodologies such as Product Carbon Footprint (PCF), Life Cycle Assessment (LCA), Environmental and Health Declaration Sheets (EPDs) or Product Environmental Profiles (PEP). Knowing the carbon footprint of supplier references allows the group to:

- Assess its emissions (particularly scope 3) as accurately as possible, identify the most emitting products and build an ambitious decarbonisation strategy accordingly
- Integrate the environmental footprint of products as a decision-making criterion when choosing its suppliers and products

Monitoring indicator: in order to improve the accuracy of its knowledge of its emissions, and in particular its scope 3, Altrad will monitor products purchased with a known environmental footprint and will integrate the carbon footprint data into a centralized database.



2.5. Reliability and availability of environmental data

Altrad expects its suppliers to be able to provide accurate quantitative data on the technical and environmental characteristics of their products and to guarantee the reliability of this data. For example, Altrad expects the precise tonnages of the products sold to Altrad entities, their origin, the proportion of recycled material incorporated or their carbon footprint if available. The availability and reliability of supplier data allows Altrad to:

- Respond accurately and effectively to its regulatory obligations, in particular the realisation of its carbon footprint, by limiting the level of uncertainty and guaranteeing the homogeneity of data from one year to the next
- Integrate suppliers in the development of its decarbonisation strategy

Monitoring indicator: in order to improve the accuracy of its knowledge of its purchases, the Altrad Group will monitor the rate of references purchased whose quantities (ideally in tonnes) are known with the medium-term objective of reaching a rate close to 100%.

2.6. Responsible sourcing

Altrad expects its suppliers to integrate recycled materials, low carbon, and raw materials from responsible or certified sources into their products, staying up to date with current research in their sector and integrating these considerations into their innovation process. The Altrad Group will be attentive to the presence of certifications or labels, a leading sustainability certification for global supply chains, the international cradle-to-cradle and recycled content labels, the European ecolabel, or national labels such as the FSC, the PEFC, the ALU+C- label or the Objectif CO₂ label for road freight carriers. This list of labels and certifications is not exhaustive, suppliers may offer other labels and certifications that they have. The use of recycled materials and responsible raw materials in its Procurement allows Altrad to:

- Decrease its level of dependence on raw natural resources
- Anticipate and meet the regulatory requirements to which the group is or will be subject
- Align with industry practises by using recycled steel

Monitoring indicator: in line with eco-design principles and sustainable sourcing, Altrad will monitor the share of recycled materials or materials from responsible sources by asking its suppliers for sustainable sourcing certificates and proof of materials having been recycled.

2.7. Supplier dialogue and collaboration

Altrad expects its suppliers to be collaborative and address strategic issues related to continuous product improvement together. This includes evaluating current performance, forecasting future market constraints, as well as anticipating ever-changing customer requirements. Working together helps identify new opportunities for innovation while ensuring that products meet quality, safety, and sustainability standards. This joint reflection fosters a solid partnership, based on the collaborative solution development adapted to the challenges of the sector and the growing expectations of customers.

The implementation of a dialogue and collaborative development approach with its suppliers will enable Altrad to:



- Engage in a collaborative development approach to strengthen and pool expertise
- Involve its stakeholders by learning about their expectations and constraints to integrate them into their decision-making
- Challenge the social and environmental impacts of the products offered
- Anticipate and meet the regulatory and customer requirements to which it will be subject

Monitoring indicator: the Altrad Group will measure the number of meetings or collaborative workshops organised offered to suppliers, and will monitor the percentage of active participation. This will allow it to evaluate the commitment of its suppliers to work on product improvement and anticipation of customer constraints.

3. Regional economic fabric and professional integration

These past years according to the OECD, industry, including sub-sectors such as manufacturing, energy, construction and mining, employed 18% of the global workforce, playing a crucial role in the global economy³. The scrap metal sector, particularly aluminium and steel, plays a key role in this industry, but it is often associated with difficult working conditions and complex social issues. Aware of these challenges, Altrad is committed to improving its social impact.

3.1. Partnership agreements with local companies

Altrad ensures that the number of partnerships established with local suppliers is integrated into its strategies, with a particular focus on promoting local employment. By working closely with local companies, the Group wishes to support not only the regional economic fabric, but also contribute to the creation of employment opportunities in the communities where it operates. This approach strengthens local supply chains and encourages sustainable economic development by promoting the integration of local skills into its projects.

This approach allows Altrad to:

- Measure and demonstrate its commitment to supporting local economies by collaborating with local suppliers and helping to create jobs at the local level
- Building supply chain resilience by working with local partners, making the supply chain more robust and less vulnerable to global disruptions
- Reduce environmental impact by reducing material transport distances

Monitoring indicator: in a continuous improvement approach, Altrad will monitor the number of partnerships concluded with local companies (at the national level) and the rate of spending made with these companies.

3.2. Supplier employment of people re-entering the workforce or with disabilities

Altrad aims to promote inclusivity and equal opportunities in its supply chains, while supporting suppliers who are actively engaged in providing employment opportunities to these often underrepresented groups.

³ ilo.org. (2024). Tripartism and social dialogue. [online] Available at: <https://webapps.ilo.org/100/en/story/tripartism/>



This model serves as a benchmark for the other entities of the group, reinforcing Altrad's diversity and inclusion policy within its supplier network, which will make it possible to:

- Actively support the inclusion of people with disabilities or those re-entering the workforce, by promoting their integration into its suppliers' teams
- Demonstrate its commitment to social responsibility and ethics, reflecting the company's efforts to promote inclusive and equitable recruitment practises

Monitoring indicator: Altrad will identify and monitor the rate of people re-entering the workforce or with disabilities among its suppliers.

4. Responsible procurement as a selection criteria

Climate change and its consequences are putting increased pressure on the industry sector to adopt more sustainable practises. Indeed, this sector is responsible for⁴:

- 40% of global greenhouse gas emissions
- 33% of the world's resource consumption
- 24% of greenhouse gas emissions

This reality is pushing the industrial sector – including sub-sectors such as manufacturing, energy, construction and extractive industries – to transform rapidly to reduce its environmental impact. Tracking the share of Responsible Procurement in the total volume of purchases is not only a matter of ethics and commitment, but also of economic strategy. This creates added value while meeting society's growing expectations for sustainability.

This allows Altrad to:

- Evaluate the impact of the Responsible Procurement Policy and verify the extent to which the RPP is translated into concrete actions, and adjust strategies accordingly
- Communicate with stakeholders and have clear data while increasing transparency and stakeholder trust
- Stand out with a high percentage of responsible purchases, positioning the Group as a leader in social and environmental responsibility

Monitoring indicator: Altrad is committed to monitoring the proportion of spending spent on suppliers that adhere to Responsible Procurement criteria, including environmental practises, fair working conditions and ethical management. This indicator will allow the company to foster partnerships with those aligned with its values of environmental and social responsibility.

⁴ FR, I. (2023). Transparency and Measurable Results for the Construction Sector. [online] construction21.org. Available at: <https://www.construction21.org/france/articles/h/transparence-et-resultats-mesurables-pour-le-secteur-de-la-construction.html>



5. Training and awareness

Awareness and training are essential pillars of Altrad's RPP. To ensure the success of this policy, Altrad is committed to integrating these actions at all levels of its organisation. This includes training buyers and sales representatives on sustainability criteria.

The goal is to create a corporate culture where each stakeholder understands the importance of responsible practises and is committed to respecting them. By offering continuous training and adapted tools, Altrad aims to ensure that all business partners share the same ethical and environmental standards. This collaborative work contributes to strengthening the sustainable supply chain, while ensuring better consistency and efficiency in the application of the Responsible Procurement Policy.

Monitoring indicator: the Group will monitor the percentage of buyers, subcontractors and employees who have received training on responsible procurement.