STIEBEL ELTRON

Sustainable Procurement Policy for the STIEBEL ELTRON Group

As of: 08/05/2023

STIEBEL ELTRON has been committed to sustainable corporate processes in its Integrated Management Policy for many years, and formulated and published its own human rights policy statement for the first time back in 2012. Furthermore, we are also committed to sustainability and thus high responsibility for our international supply chains. We address environmental, social and economic risks in our own value creation areas, as well as our global supply networks. We understand a sustainable supply chain to mean that products and services are produced in compliance with human rights and working conditions, as well as environmental standards, and that an economic benefit is thereby created for all parties involved. The aim is to remedy or minimise negative impacts on people and the environment and to use resources responsibly.

On the way to climate neutrality in 2040, we define targets for our company as well as for our supply chains to reduce CO_2 emissions, and want to achieve an improvement of the respective current situation by defining concrete measures. In this, we expect active cooperation with our business partners.

STIEBEL ELTRON stands up for the respect of human rights in its own business area as well as with its direct suppliers, and thus assumes responsibility for the observance of workers' rights throughout the entire supply chain. In doing so, we systematically identify critical industries and countries, and take responsibility for ascertained risks and their assessment, elimination or reduction through targeted corrective and remedial action.

We already take sensible preventive action in advance with our direct suppliers and agree on binding contracts to commit our partners. The associated minimum social and environmental standards are part of our onboarding processes and are therefore mandatory for our suppliers.

We counter risks ascertained in our suppliers' processes with sensible remedial measures, which are also followed up by STIEBEL ELTRON.

In regular dialogue with our suppliers, we intensify business relationships in order to encourage and further develop sustainability aspects in the organisation of these suppliers and to help them become a matter of course.

We conduct ongoing supply chain monitoring of all suppliers using tool-based media analysis and are proactively informed of potential risks related to natural disasters, labour practices and human rights, as well as other risks associated with these suppliers and their production sites. In close coordination with our direct suppliers, we also strive to increase transparency in the supply chains and thus to extend monitoring to indirect suppliers as well.

As part of the business initiation process, all potential suppliers are screened for possible CSR risks and undergo an appraisal. This includes self-assessments as well as on-site or remote audits and reviews.

STIEBEL ELTRON applies valid environmental standards, regulations and laws, and expects the same from its suppliers. We are committed to using energy efficient production processes and operating resources, and to constantly reducing emissions of harmful greenhouse gases. Life cycle assessments are carried out as part of the procurement of new operating resources and are taken into account in the purchasing decision. We use natural resources such as air and water sparingly and take targeted measures to reduce and avoid waste. We expect the same efforts from our suppliers.

Our suppliers are constantly encouraged to consider material savings as well as the use of recycled materials and to submit proposals to us for reducing raw material consumption or making greater use of secondary materials.

For the future, we are going to calculate the carbon footprint of our own products, which will also necessitate support from our suppliers. In doing this, we are already committed to the use of renewable energies today and are expanding these measures further where it makes sense to do so. In dialogue with our suppliers, we provide suggestions and impulses to also use renewable energies and to continuously reduce energy requirements with other suitable measures.

We respect the human rights and working conditions of our employees worldwide and are dedicated to ensuring compliance with applicable law. We categorically reject any form of forced or child labour and extend the same responsibility for the observance of human rights to our suppliers. Furthermore, we reject any form of discrimination, violence or harassment. Workers should have a workplace that is free from hazards and that is light and safe. Potential risks are identified and eliminated through regular inspections.
STIEBEL ELTRON itself is committed to complying with all regulatory and legal occupational health & safety requirements applicable in every country where we ourselves do business.

STIEBEL ELTRON has deliberately opted for an integrated management system consisting of the sub-areas of quality, environment, energy and occupational health & safety. Within these management systems, we regularly produce key figures, targets and action points, as well as processes to achieve or implement them. In doing so, we define expectations for ourselves, which we also extend to our suppliers and include in the appraisal within the scope of supplier audits. We work towards ensuring that our suppliers also implement certified management systems and actively call for their integration in our quality assurance agreements.

For all relevant suppliers, acceptance of the STIEBEL ELTRON Supplier Code is a binding basis for the joint business relationship. In this context, we also accept suppliers' own sets of rules, provided that they contain comparable regulations with the same binding force and responsibility for our suppliers.

As part of our Sustainable Procurement Policy, we regularly evaluate suppliers and prefer to work with those who share the same values, have low CSR risks and take the same responsibility for supply chains as STIEBEL ELTRON itself.

Our Sustainable Procurement Policy is communicated throughout the STIEBEL ELTRON Group and to the relevant organisational units. It is subject to regular review and reassessment with the aim of achieving continuous improvement.