

## SUSTAINABLE PROCUREMENT CHARTER

As a company operating a large variety of facilities in multiple European countries and caring for thousands of patients, residents and team members, Clariane has an important impact on its ecosystem composed of multiple stakeholders among which its suppliers and service providers (referred as “**Suppliers**” in the Charter).

This generates as much a responsibility from the Group towards its Suppliers, in the way it selects and conducts business with them, as a need to collaborate and coordinate with them to design and implement initiatives that generate positive economic, social and environmental impacts. This interdependency is even more critical as Clariane’s Scope 3 Greenhouse Gas (GHG) Emissions<sup>1</sup> accounts for 75% of its total GHG Emissions in 2021.

In this context, the Sustainable Procurement Charter aims at integrating in the relationship that Clariane has with its Suppliers the commitments that it has taken in terms of Corporate Social Responsibility (CSR) and at clearly stating the mutual engagements that the Group and its Suppliers take towards each other, particularly in accordance with applicable regulations.

Among the key commitments taken by Clariane and reflected in this Charter are the following:

- Since 2019, Clariane has joined the **UN Global Compact** to reflect and guide its responsibilities in the areas of human rights, labour, environment and anti-corruption. By doing so it has committed to incorporate the Ten Principles of the UN Global Compact into its strategies, policies and procedures, and to establish a culture of integrity. Clariane’s Human Rights Policy statement, the Ethics Charter and the Group Vigilance Plan are more specifically supporting this effort.
- In 2023, Clariane has become a purpose-led company. In doing so, it has reaffirmed its mission to “**Take care of each person’s humanity in moments of vulnerability**”. Consequently, the Group casts a particular focus on the protection and inclusion of the most fragile human beings through the respect of physical and psychological integrity, gender equity and non-discrimination of any kinds.

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<sup>1</sup> Scope 3 GHG emissions are indirect greenhouse gas emissions not related to the purchase or on-site combustion of energy, also known as “other indirect emissions”.

- In line with this mission and the Ten Principles of the Human Global Compact, **Clariane CSR strategy** is structured around 5 commitments:
  1. Show **respect and consideration** to all stakeholders
  2. Develop **fair and sustainable** business practices
  3. Prevent illness and improve quality of life of all our stakeholders through **innovation**
  4. Build **dynamic and resilient local ecosystems**
  5. Adapt to protect our **communities' life environment**
- Finally, as a responsible organisation and a European leader in its industry, fully aware of the urgency of climate action, Clariane has committed to a **low-carbon trajectory** in line with the Paris Agreement for which it will have to collaborate with all its stakeholders.

Aside from the more specific commitments described below, each Party to this Charter understands the overarching policies and objectives stated above and agrees to make all efforts and take all joint actions possible in order to reach them.

## **CLARIANE'S COMMITMENTS TO ITS SUPPLIERS**

Clariane aims at implementing transparent, fair and respectful business practices throughout its relationship with its Suppliers.

### **1. Promotion of human rights, ethical practices, social and environmental actions**

- In its **expression of needs and tender documents**, and **particularly** when dealing with a Listed Supplier, Clariane integrates requirements that promote the respect of human rights, labour and all other applicable laws, business ethics and the implementation of actions generating a value for the society (social and/or environmental)
- Through **public declarations and commitments**, memberships to **alliances or think tanks**, the Group develops and brings its support to responsible business practices

### **2. Transparent and fair selection process**

- During the selection process, Clariane communicates on **pre-defined and transparent criteria** for the final assessment
- **Regular and un-biased communication** is ensured all along the selection process (from application to contract-awarding), allowing all applicants to have the same level of information at all times

- **Conflicts of interests** are carefully monitored and prevented through the Group's conflict of interest policy
- **Final decision** is motivated, and suppliers not selected are being informed minimum in writing and, as much as possible for the short-listed, debriefed to allow **continuous improvement**

### 3. Balanced and sustainable relationship

- Throughout the life of the contract, Clariane commits to meet its contractual commitments and to comply with the applicable rules in order to maintain long-lasting, balanced relations
- **All information** received from and concerning Suppliers is **confidential** and cannot be shared externally with any persons other than the parties to the contract unless required by law or regulation
- The Group is particularly cautious on **mutual risks of dependency** and works with the Suppliers concerned on reducing this risk
- Clariane makes sure that all its employees' actions and behaviours **respect the Group's Ethics Charter** when interacting with the Suppliers. In addition to situations involving a breach of legal provisions or a risk of harm to the general public, Suppliers may report non-ethical behaviours on Clariane's whistleblowing system at <https://clariane.integrityline.org>
- **Risks, issues and areas of improvement** are transparently shared with the Suppliers in order to anticipate and determine action plans
- In cases of dispute, Clariane will seek out **amicable solutions** and, if not successful, will use **external mediation**

### 4. Support to local, small to medium-size and/or inclusive suppliers

- In respect of the competition law, Clariane is proactive in facilitating the **integration of local, small- to medium-size Suppliers** in its procurement activities
- The Group will also seek to **promote the employment and professional integration** of people with disabilities or who are far from employment either by contracting specialized Suppliers or by encouraging existing Suppliers to develop initiatives that meet this objective

### 5. Protection of human rights, health and safety

- At anytime, Clariane will respect its commitments as stated in its **Human Rights policy statement** towards all employees (Clariane's and Suppliers') and implemented through the **Group Vigilance Plan**
- All necessary measures are taken to ensure that the working conditions of Suppliers' employees within the various entities are **safe and respectful of their human and labour rights**
- **No discrimination of any kind** will be tolerated towards Suppliers' employees and Clariane's whistleblowing system is accessible to all Suppliers at <https://clariane.integrityline.app>

## 6. Promotion of sustainable engagements

- Clariane defines **qualitative & quantitative objectives** to orientate its CSR policy and hold its responsibility within its ecosystem
- Similarly, it has defined a **low-carbon trajectory** in line with the Paris Agreement and to serve as a baseline for mutual reduction efforts with its Suppliers
- The Group encourages and supports Suppliers that are active and innovating in terms of **sustainable products and services**, particularly by including selection criteria and contractual commitments that value the most responsible Suppliers
- Clariane is willing to **collaborate** with its Suppliers in order to help them reach their own **CSR objectives** for operations related to its scope of action

## CLARIANE'S REQUIREMENTS TO ITS SUPPLIERS

The following sections detail the requirements that Clariane will expect from **all its Suppliers**. All Suppliers entering in contractual relationship with an entity of the Group are required to comply with the terms of this Charter and consequently to respect the principles and actions described herein. Should any applicable legislation be more binding than this Charter, they shall prevail.

Clariane's requirements to its providers are more specifically meant to secure the Group's commitments as a purpose-led company and a signatory of UN Global Compact.

### 1. Transparency and partnership in corporate social responsibility

*Under this principle, Suppliers agree to:*

- **Adhere to all principles** stated in this Charter and **communicate / promote** them to their employees and subcontractors

- Collaboratively **participate in data-sharing** and **evaluation / audits** required from Clariane
  - Applicable to Listed Suppliers<sup>2</sup>, an **assessment of the Suppliers' CSR policies and practices** will have to be done by an external provider on a regular basis and a **corrective action plan** shared with Clariane. See detailed guidelines of Suppliers CSR Assessment in [Appendix I](#).
- Transparently **report** to Clariane **any alert, issue** that would endanger the respect of the Charter's commitments and define **action plans**
- Respect at all times the **confidentiality of information received** and intellectual property rights of all stakeholders

## 2. Respect and consideration to all stakeholders

*Under this principle, Suppliers agree to:*

- **Protect human rights and dignity** at all times and do not tolerate any form of violence or coercion to persons in moments of vulnerability whether because of their age (children, seniors) or situations (physical, economic or social dependence)
- **Fight any forms of discrimination** and **promote diversity** through policies and practical actions
- **Enforce and respect health & safety** measures for staff, subcontractors, populations and users, in all operations and particularly when intervening at or for Clariane

## 3. Fair and sustainable business practices

*Under this principle, Suppliers agree to:*

- **Respect, uphold and promote** key principles from the **1998 International Labour Organization Declaration on Fundamental Principles and Rights at Work**
- **Combat** all forms of **forced labour or child labour**
- **Observe** all applicable **national and international laws** and aim for **best practices** in terms of wages, benefits and work time
- **Respect freedom of association** and **the right to collective bargaining** in accordance with the country's laws, and freedom of expression on questions regarding working conditions
- **Oppose** any form of **corruption, anti-competitive practices and conflicts of interest**

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<sup>2</sup> Suppliers whose annual consolidated sales turnover with the Clariane Group exceeds a threshold defined for each country. Listed Suppliers will be specifically informed of this status by Clariane's Purchasing Department.

- **Actively promote qualifying training** and professional integration
- **Support gender equity and women empowerment** in all HR and management practices

#### 4. Innovation for better health and quality of life

*Under this principle, Suppliers agree to:*

- Propose and/or design new products, services and organizational models so that they integrate the **improvement of stakeholders' health and quality of life**
- Suggest and/or participate in **joint innovation projects** aiming at improving individuals' health and/or quality of life

#### 5. Dynamic and resilient local eco-systems

*Under this principle, Suppliers agree, for operations related to their field of competence, to:*

- Propose any practice / opportunity that contributes to **develop local and/or inclusive sourcing**
- Contribute to **developing public-private-association partnerships** with local stakeholders in order to strengthen local relationships and maximize local economic and social impacts
- **Support local organisations** that aim to have a social and/or environmental benefit through any form of **sponsorship**

#### 6. Protection of all communities' life's environment

*Under this principle, Suppliers agree to:*

- Respect all **international, national and local environmental regulations**
- **Reduce GHG emissions in line with the Paris Agreement** by measuring and defining reduction action plans, and sharing transparently these data with Clariane at all times of their relationship (from selection process to execution of the contract) per the guidelines defined in [Appendix II](#).
- Demonstrate an active role in building a **circular economy through eco-design** of products and services to limit at its maximum the utilization of natural resources (raw materials, energies, water, land), and promotion of **rental, re-use and recycling**
- **Preserve biodiversity** in all its forms and, whenever possible, contribute to its development or rehabilitation
- Raise awareness and actively **promote principles of sustainable development and eco-gesture.**

Should any Supplier's practice be harmful to ethics, human rights or the environment, the Group reserves the **right to notify any competent authority in the matter.**

## APPENDIX I – GUIDELINES TO CSR ASSESSMENT OF LISTED SUPPLIERS

- As part of its responsibility and duty of care, Clariane requires that **all Listed Suppliers be assessed on their CSR policies**, and more specifically those related to the UN Global Compact, by an external provider
- **Listed Suppliers** are defined as Suppliers with an annual consolidated sales turnover with the Clariane Group above a threshold defined for each Country. Qualification of a Supplier as “Listed Supplier” and the need to conduct a CSR policy assessment is evaluated by Purchasing teams and communicated to the Supplier. This assessment may be requested prior to entering into a commercial relationship.
- Suppliers should be **assessed by Ecovadis**, which also assesses the Group CSR policies, to ensure consistency, comparability of the evaluations along with the identification for Clariane and its Suppliers of the areas of risks & improvements
- If a Supplier refuses to be assessed by Ecovadis, an equivalent **alternative CSR policy assessment must be proposed for validation by Clariane**
- **Frequency of Ecovadis assessment** and action plan communication to Clariane will depend on the Ecovadis score and respect the following rules:

ECOVADIS SCORE CATEGORIES		VALIDITY DURATION
85 - 100	OUTSTANDING	VALIDITY OF 3 YEARS *
65 - 84	ADVANCED	VALIDITY OF 3 YEARS *
45 - 64	GOOD	VALIDITY OF 3 YEARS *
25 - 44	PARTIAL	VALIDITY OF 1 YEAR *
0 - 24	INSUFFICIENT	INVALID
No Score		INVALID

*Except if one subcategory is below 25*

- Suppliers have to proactively **anticipate the renewal of their CSR assessment** upon its expiry date per the table above and communicate it to Clariane. In case of an **expired CSR assessment** identified and notified by Clariane, Suppliers will have to provide an updated assessment **within 3 months**.



- For Suppliers **with an insufficient score (i.e. 0-24)**, overall or on one or several subcategories, a **corrective plan** must be sent to Clariane **within 1 to 3 months of notification of the score** and be reassessed within 1 year.
- For **Suppliers not assessed (i.e. No Score)**, CSR assessment will have to be provided **within 6 months maximum** after the contract is signed or, in the case of an existing contract, within 6 months of notification from Clariane to provide the assessment.
- In case of **alternative CSR assessments** approved by Clariane, minimum scoring and assessment renewal frequency will be defined by Clariane.

## **APPENDIX II – GUIDELINES TO CARBON FOOTPRINT CALCULATION & GHG REDUCTION PLAN FROM LISTED SUPPLIERS**

As part of its Corporate Social Responsibility (CSR) strategy, Clariane is committed to reducing its carbon footprint in line with the Paris Agreement. Achieving this objective requires Clariane to work with Suppliers that are strongly engaged in reducing their environmental impact.

In line with this engagement, Clariane has joined the Science Based Targets Initiative<sup>3</sup> (SBTi) and reports annually on its carbon emissions reduction plan through the Carbon Disclosure Project<sup>4</sup>.

Clariane strongly encourages Listed Suppliers to assess the greenhouse gas (GHG) emissions generated by their activities on all Scopes 1, 2, 3 at least every two years, define GHG reduction action plans and share this information with Clariane, as proof of efforts made to manage and reduce environmental impact.

Also, Clariane has implemented selection criteria based on environmental impact in its tender process, as well as carbon footprint reporting requirements from its Listed Suppliers regarding the carbon impact of the product/service they provide to Clariane. On that basis, Clariane aims to engage in an active dialogue regarding Listed Suppliers' carbon impact reduction strategy and monitoring of their carbon emissions reduction targets.

**To help us monitor and achieve our carbon emissions reduction actions, our Listed Suppliers commit to:**

- Share with Clariane the carbon impact, carbon intensity (per unit, if relevant) or the life-cycle analysis (if available) of the specific product(s)/service(s) provided to the Group.

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<sup>3</sup> SBTi is an initiative designed to help companies reduce the CO2 emissions responsible for global warming.

<sup>4</sup> Carbon Disclosure Project collects and publicly discloses companies' GHG emissions.

- If no specific detail on the carbon impact of the product(s)/service(s) provided
  - When available and better than using the average monetary emission factor of the sector, share with Clariane the total greenhouse gas emissions of the company on all 3 Scopes and the related carbon intensity ratio (kg CO<sub>2</sub>e / € revenues)
  - If previous data not available then, share with Clariane activity information & data needed by Clariane to make its own assessment of the carbon footprint linked to the service(s) / product(s) provided by the Listed Suppliers
- Define quantitative GHG emissions reduction plans and update on their progress and impact on the product(s) / service(s) bought by Clariane

