

# Sustainable Procurement Policy of Elbe Flugzeugwerke GmbH

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Version 1.0

## Policy created by the procurement and sustainability departments

### Scope

All locations of Elbe Flugzeugwerke GmbH (EFW), including Aircraft Composites Sachsen GmbH (ACOSA), and all employees of Elbe Flugzeugwerke in Germany.

EFW collaborates with over 2000 external suppliers from 38 countries worldwide. In 2024, the annual turnover with these suppliers was around 550 million euros. EFW's procurement portfolio includes spare parts for aircraft, conversion kits, materials for the manufacture of lightweight cabin and structural components, as well as goods and services like tools and repairs.

### Preamble

**In our supply chain, we want to ensure sustainability and ethical practices throughout our supplier network. We strive to procure materials responsibly, reduce our environmental impact, and collaborate with suppliers who comply with the high standards regarding human rights and ethical behavior as outlined in our Supplier Code of Conduct. By promoting transparency and collaboration, we aim to develop a resilient and sustainable supply chain that maintains our values and supports the well-being of people and nature.**

**This policy is a mandatory requirement for all employees involved in procurement activities and defines our goals and actions regarding sustainable procurement.**

### Goals and Measures

#### Human Rights

Our commitment to respecting human rights and occupational safety is embedded in our Human Rights Policy Statement, which outlines our commitment to respecting and promoting human rights in the context of our procurement. The document can be viewed [here](#) on the EFW website.

#### EFW Supplier Code of Conduct outlines EFW's expectations of its suppliers

Our Code of Conduct and Ethics represents the guiding values and key principles of our economic, sustainable, and socially responsible actions. It outlines clear requirements for ethical behavior, working conditions, environmental protection, and human rights and applies to all employees of the EFW Group.

We aim to work with suppliers who comply with legal and regulatory requirements in their business activities, as outlined in our Supplier Code of Conduct.

Therefore our Supplier Code of Conduct should become a contractual component for all suppliers.

### **Appropriate and effective risk management of our suppliers**

As part of friendly and sustainable procurement, products should be procured that have minimal effects on people and environment and align with our sustainability goals. We are currently expanding a systematic risk management of our suppliers. The established risk analyses are presented below:

1. To ensure product compliance, we use an established hazardous substance management system to evaluate compliance with legal requirements. For long-term planning and exclusion of supply shortages, we work closely with our suppliers.

To ensure compliance with statutory material requirements (e.g. REACH, ROHS, conflict minerals), we regularly rely on supplier surveys. These surveys will be continuously improved over the next few years. The goal is to optimize and intensify the scope, complexity, and systematic evaluation of these surveys.

EFW commits to increase the percentage of target suppliers systematically evaluated for material requirements by 2 percent annually.

2. In addition to environmental risks, further criteria are considered in the supplier risk analysis, from areas such as compliance & finance and screening within the framework of the Supply Chain Due Diligence Act. These include:
  - Country risk and Corruption Perception Index (CPI)
  - Industry risk
  - Financial performance indicators
  - Negative press
  - Human rights violations
  - Business partner check

Our goal is to continuously improve our risk analyses to establish comprehensive risk management. We steadily aim to involve risk factors that are significantly relevant for our company. The documentation of regulations for occupational safety, compliance, human rights, environmental protection, and their results should be compiled in a risk matrix.

At the same time, we aim to develop a multi-stage action plan that is activated when a high risk arises and aims to minimize risks. A key component of this plan will be the implementation of on-site audits on sustainability at selected suppliers.

### **Mandatory training for our procurement staff on sustainable procurement**

A basic understanding of human rights and environmental impacts in the supply chain is crucial for us. Therefore, corresponding training material was developed for procurement employees for the first time in 2024. The training imparts knowledge about the foundations and benefits of sustainability as well as international standards to the employees in EFW and ACOSA procurement. Additionally, it familiarizes employees with the EFW sustainability management. This training was incorporated into the EFW Group's training program in 2025.

We commit to training 90% of all employees with procurement functions on sustainability by the end of 2025. In the medium term, all procurement employees are expected to complete this basic training, followed by further specific training on sustainable procurement as a long-term goal.

### **Creating transparency regarding CO<sub>2</sub> emissions in the upstream and downstream supply chain**

In the future, the analysis and preparation of supply chain relevant CO<sub>2</sub> data in terms of granularity and precision should be gradually improved. This supports the calculation of the greenhouse gas emissions (Corporate Carbon Footprint, CCF) of the EFW Group and enables targeted measures where the greatest impact potential is expected. Not least, appropriate standards such as DIN EN ISO 14064 and the Greenhouse Gas Protocol (GHG) should serve as the basis of our emission reporting and thereby simultaneously enable reporting according to the Corporate Sustainability Reporting Directive (CSRD).

To calculate supply chain relevant emissions, relevant procurement data from the upstream and downstream supply chain should perspectively be recorded and documented with current emission factors.

We commit to collecting CO<sub>2</sub> emissions from the supply chain with 80% granularity in 2025 and then incrementally more detailed thereafter. A systematic collection and evaluation methodology for all procurement areas will be developed and implemented.

### **Transparency as a basis for Research & Development**

EFW is currently working to determine the environmental impact of selected products in the future using a Product Carbon Footprint (PCF). The necessary data from the supply chain will be obtained by the responsible procurement departments in close coordination with the R&D coordinator. Based on this transparency, more targeted procurement and development regarding resource-saving materials, production, and logistics processes is planned.

### **Creating transparency in the EFW sustainability report**

With the first publication of a sustainability report in 2025, EFW aims to create transparency regarding its sustainability strategy, essential sustainability initiatives, and upcoming milestones. The supply chain will be a key component of sustainability reporting. We aim to outline the performance indicators relevant to EFW's sustainable procurement activities. We will further develop and expand these in line with our internal objectives.

All these non-final measures aim to ensure that we procure sustainably and responsibly, minimize risks, and remain true to our ethical principles.



Head of Procurement and Supply Chain  
Lutz-Peter Lau