

Supplier Sustainability Requirements

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BUILDING A BETTER WORLD



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1 Preamble

Barry-Wehmiller and Machine Solutions appreciate sustainability transparency across our entire value chain. We expect our suppliers to uphold the same high environmental, social, governance standards we set for ourselves. Our Supplier Sustainability Requirements outline minimum expectations for ethical practices, safe working conditions, environmental protection, and robust management systems. Suppliers are encouraged to implement these principles company-wide for Barry-Wehmiller operations.

Sustainability drives our success by minimizing risks, creating opportunities and solving challenges. Our suppliers play a critical role in enhancing sustainability performance through transparency and continuous improvement. We rely on collaborative partnerships with suppliers to increase visibility and drive positive change throughout our multi-tier supply network.

1.1 Purpose

This document establishes Barry-Wehmiller's sustainability requirements for our supply chain. It defines the policies and practices our suppliers must adopt to do business with us, reflecting our unwavering dedication to people and the planet.

1.2 Scope and Objectives

These requirements apply to all suppliers and their sub-suppliers providing goods or services to Barry-Wehmiller companies worldwide. The objectives are to:

- Ensure supply chain compliance with our sustainability principles
- Increase transparency into our multi-tier supply network
- Drive continuous improvement in sustainable business practices
- Minimize risks and create shared value for all stakeholders

1.3 Company's Commitment to Sustainability:

Barry-Wehmiller believes sustainability is essential to long-term business success. We strive to minimize our environmental impact, uphold human rights, and invest in our people and communities. Together, Barry-Wehmiller and our Suppliers, can build a more sustainable future.

At Barry-Wehmiller, our people-centric culture is core to who we are. We believe caring for people and enriching lives is not just the right thing to do, but fundamental to long-term business success. We aim to ingrain these sustainability and people-first principles deep into our supply chain partnerships.

2 Environmental Responsibility

Barry-Wehmiller suppliers are expected to operate in an environmentally responsible manner and take measures to reduce adverse impacts on the environment. Suppliers must comply with all applicable environmental laws, regulations, and standards in the countries where they operate.

In addition, suppliers are encouraged to go beyond legal compliance and implement systematic approaches to minimize their environmental footprint throughout their operations and product lifecycles, this includes:

- Preventing pollution and reducing greenhouse gas emissions
- Waste reduction, reuse and recycling practices
- Responsible use of natural resources
- Improving energy efficiency
- Optimizing routes and improving fleet efficiency

2.1 Commitment to Decarbonization

BW Enterprise aims to take responsibility for carbon reduction. Drawing from successful strategies of BW Packaging our vision is to instill “People Who Care. Solutions That Perform”. We aim to develop, evaluate and refine our sustainability strategy over the next few years, focusing on Scope 1 and Scope 2 emissions.

Further, our goal is to achieve a significant reduction in greenhouse gas (GHG) emissions over the coming years. We encourage our suppliers to adopt carbon-conscious practices to support this effort. Together, we can make substantial progress toward a more sustainable future.

To achieve these goals, we encourage the following actions:

- Set ambitious emissions reduction targets and regularly review progress towards achieving them
- Conduct lifecycle assessments of products and processes to identify opportunities for emissions reductions, with plans to implement these improvements over the coming years.
- Report carbon emissions (through EcoVadis, CDP, other methods) and respond to the BW Supplier Sustainability Questionnaire
- Suppliers who currently report to platforms such as EcoVadis or CDP, should enhance their efforts by developing comprehensive sustainability plans with clearly defined goals
- Conduct frequent equipment maintenance and upgrades to lower emissions and improve operational efficiency
- Prioritize local procurement to minimize transportation-related emissions where feasible
 - Reduction strategies include timely procurement and encouraging sustainable methods for international procurement, such as favoring sea shipping over air transport to reduce greenhouse gas emissions
- Implement smart energy consumption practices to reduce overall emissions from primary sources such as electricity and gas usage

2.2 Resource Efficiency – Air, Water, Materials, Packaging

We encourage the following actions:

- Air emissions generated from operations are monitored, and treated in compliance with all relevant laws, permits, and regulations before being discharged
- Comply with the air, water, and soil laws and ordinances of each country and region where operation occurs
- Minimize water consumption and responsibly treat wastewater discharges
- Implement sustainable management practices for inbound materials not used in the manufacturing process, such as wood pallets and crates
- Right-size boxes for shipments to minimize material usage and reduce packaging waste.
- Utilize eco-friendly cleaning materials and ensure proper disposal or recycling of consumables and rags to reduce environmental impact.

2.3 Energy Use and Renewable Energy

We encourage the following actions:

- Implement energy efficiency initiatives throughout their manufacturing processes
 - Regularly conduct energy audits
 - Develop and maintain an energy management plan with specific goals and timelines
- Provide support and guidance to suppliers in adopting energy-efficient products and technologies
- Adopt energy-efficient lighting systems based on best practices provided by BW
 - Support auto shut-off light systems for lights to minimize energy usage when not in use
 - Transition to LED lighting or alternative high-efficiency lighting solutions across all facilities
- Aim to partner with green energy providers to transition to renewable energy sources such as wind, solar, and hydro power.
- Set targets for increasing the percentage of energy sourced from renewable providers
- Install on-site renewable energy systems such as solar panels or wind turbines

2.4 Waste Management

We encourage the following actions:

- Solid waste from operations should be characterized, controlled, and treated as legally required before discharge or disposal
- Hazardous waste must comply with all applicable laws, and regulations for treatment, storage, and disposal
- Implement practices to minimize waste generation and promote the recycling and reuse of materials wherever possible such as avoiding disposable items

- Collect and dispose of recyclable materials separately, passing them on to suitable disposal companies that can process them appropriately
- Ensure that all separated waste is directed towards recycling and reuse channels, avoiding landfill disposal entirely where possible.
- Adopt waste reduction initiatives and continuous improvement processes to decrease the overall volume of waste
- Ensure that employees are trained and aware of proper waste management practices and regulatory requirements

2.5 Transportation

We understand that certain parts and materials may be classified as posing an unreasonable risk to health, safety, and property during transportation (i.e, Dangerous Goods). We expect our suppliers to acknowledge and adhere to local, regional, and global transportation regulations to ensure the safe transport of all parts and materials.

3 Social Responsibility

At Barry-Wehmiller, “We measure success by the way we touch the lives of people”, as our CEO, Bob Chapman, prefaces. We expect our suppliers to share our commitment to social responsibility as a crucial aspect of sustainability. This means adhering to environmental policies, engaging in responsible sourcing, and upholding strong human rights commitments.

Integrity and ethics are fundamental; we seek suppliers who conduct business transparently and honestly. Together, we strive to make meaningful contributions to our communities and the environment.

3.1 Adherence to Environmental Policies

Compliance with Local and International Laws

- Suppliers must comply with all applicable local, national, and international environmental laws, regulations, and standards relevant to their operations and products.
- Suppliers should implement and maintain an environmental management system (EMS) consistent with internationally recognized standards (e.g., ISO 14001) to ensure systematic compliance with environmental laws and regulations.
- Suppliers should conduct regular environmental audits and assessments to verify compliance with legal requirements and identify areas for improvement.

Environmental Permits and Reporting

- Suppliers must maintain comprehensive documentation of all environmental permits, licenses, and approvals relevant to their operations. Records should be readily accessible for review by regulatory authorities and Barry-Wehmiller.

- Suppliers should provide annual reports or updates on their environmental performance, including data on emissions, waste generation, and energy consumption.
 - This information must align with international reporting standards where applicable.

3.2 Responsible Sourcing and Procurement

Section 3.2 aligns with the BW Supplier Code of Business Conduct, we encourage our suppliers to adhere to the following responsible sourcing and procurement practices:

- Suppliers must ensure that all sourced materials are obtained through ethical practices, adhering to laws and regulations that prevent child labor, forced labor, and human trafficking.
- Suppliers should prioritize the use of environmentally sustainable materials, including recycled or certified renewable materials, to minimize environmental impact
- Suppliers should strive to source materials and services locally to support local economies and reduce the environmental footprint associated with transportation
- Suppliers should maintain transparency in their procurement processes and provide traceability for key materials and components.
 - Implement systems to track and report the origin, production processes, and environmental and social impacts of sourced materials.

3.3 Ethics in Corporate Citizenship

Section 3.3 falls in alignment with the BW Supplier Code of Business Conduct, we encourage our suppliers to adhere to the following responsible sourcing and procurement practices:

- Act as responsible corporate citizens, ensuring business activities do not harm public health or safety, such as:
 - Avoiding deforestation and minimizing negative impacts on biodiversity and ecosystems.
 - Implementing effective wastewater management to avoid pollution.
 - Minimizing waste generation and enhancing reuse of materials to support ethical resource conservation.
- Suppliers adhere to ethical manufacturing practices in their regions, maintaining high standards of health, safety, and welfare for employees
- Respect human rights in all business operations and supply chains
- Engage with local communities to address and mitigate any adverse impacts of operations such as:
 - Creating local employment opportunities and supporting local businesses.
 - Raising awareness and educating local communities on environmental conservation and sustainability.

4 Supplier Engagement

At Barry-Wehmiller, we believe “What gets measured gets improved”. Suppliers should strive for continuous improvement in environmental performance by setting targets, monitoring progress, and investing in innovative solutions. We are committed to collaborating with our supply chain partners to drive sustainable environmental practices

4.1 Self-Assessments

We strongly encourage our suppliers to ensure transparency in emissions data from both their own operations and upstream activities, utilizing platforms such as EcoVadis, or Carbon Disclosure Project (CDP), or participate in our BW Supplier Sustainability Questionnaire to monitor progress toward GHG reduction targets.

BW Supplier Sustainability Questionnaire:

The purpose of this questionnaire is to gain insights into your current sustainability practices and to identify areas where we can work together to improve environmental performance. Your responses will help us understand our collective impact and foster a collaborative effort towards achieving our sustainability goals.

[BW Supplier Sustainability Questionnaire](#)



4.2 Sustainability Scoring

Importance of Sustainability Reporting

As part of our commitment to sustainability and environmental stewardship, we encourage our suppliers to rigorously assess and report on their sustainability practices and performance. This process is critical for ensuring that our supply chain aligns with global sustainability standards and contributes positively to our collective environmental goals.

Greenhouse Gas (GHG) Standards Protocols

Suppliers are expected to adhere to established Greenhouse Gas (GHG) standard protocols. These protocols provide a consistent framework for measuring and managing greenhouse gas emissions. By

following these standards, suppliers can accurately track their carbon footprint, identify areas for improvement, and implement effective reduction strategies.

For detailed information on these protocols, suppliers can refer to the official GHG Protocol website at ghgprotocol.org.

Reporting Progress and Sustainability Scores

To facilitate continuous improvement and transparent reporting of sustainability performance to Barry-Wehmiller, we encourage suppliers to actively track their sustainability progress and scores. This can be achieved through various methods, including but not limited to:

1. Third-Party Platforms

- EcoVadis: A recognized platform that provides comprehensive sustainability ratings. Suppliers can utilize EcoVadis to benchmark their performance against industry standards and identify opportunities for enhancement.
- Carbon Disclosure Project (CDP): Suppliers are encouraged to report their environmental impact data to CDP, which offers insights into their carbon management practices and climate-related risks.

2. Company-Based Scorecards and Reporting Processes

- Internal scorecards and reporting mechanisms should be developed and utilized to monitor and evaluate sustainability performance.

3. International Sustainability Scoring Systems

- For suppliers based internationally, adopting region-specific or internationally recognized sustainability scoring systems can provide a robust framework for tracking and reporting sustainability performance such as:

4.3 Training and Awareness

At Barry-Wehmiller, we prioritize training and awareness for our suppliers to ensure alignment with our values and commitment to sustainable practices. This approach enhances operational excellence and promotes responsible business conduct, fostering a positive societal impact.

- Attend industry-specific sustainability seminars and workshops organized by our company or external bodies.
- Engage in webinars and virtual conferences focused on sustainable practices.
- Provide feedback and share insights gained from these seminars with our sustainability team.
- Enroll in sustainability certification programs relevant to your industry.
- Stay updated with the latest sustainability trends and regulations through professional courses and training.
- Encourage staff to participate in ongoing learning opportunities and sustainability initiatives.

5 Addendum for International EU Suppliers

As part of our commitment to regulatory compliance and sustainability, this addendum is intended for our international suppliers who do business in the European Union (EU). If your organization supplies products to the EU market, please review the following sections carefully.

The information below outlines critical requirements regarding the Digital Product Passport (DPP) and the Carbon Border Adjustment Mechanism (CBAM) that are relevant to your operations. This includes specific requirements related to your organization's import and export activities. Your adherence to these requirements is essential for continued partnership and compliance.

5.1 Digital Product Passport

Introduction to the Digital Product Passport

In our efforts to maintain high standards of social and environmental responsibility, we would like to introduce the Digital Product Passport (DPP), a significant initiative recently launched by the European Union. The DPP is a critical component of the EU's broader strategy to enhance the sustainability and transparency of products being manufactured, transported, and sold within and out of the European market.

What is the DPP?

The Digital Product Passport is a digital record that contains essential information about a product's lifecycle. This includes details about its composition, environmental impact, recyclability, and compliance with environmental regulations. The DPP aims to make product information readily accessible and transparent for all stakeholders, including manufacturers, suppliers, consumers, and regulators.

Resources for Understanding the DPP

To assist you in understanding and implementing the Digital Product Passport, please refer to the following resources or resort to your own research on this policy:

- [PSQR: All About DPP](#)
- [Ecodesign for Sustainable Products Regulation - European Commission \(europa.eu\)](#)
- [YouTube Playlist: EU Digital Product Passport](#)

5.2 Carbon Border Adjustment Mechanism

Introduction to Carbon Border Adjustment Mechanism

In line with our focus on environmental sustainability and regulatory compliance, we introduce the Carbon Border Adjustment Mechanism (CBAM), an important policy recently implemented by the European Union. CBAM is a critical component of the EU's broader strategy to address carbon emissions associated with imported goods, promote fair competition, and support global carbon reduction efforts.

What is CBAM?

The Carbon Border Adjustment Mechanism (CBAM) is a regulatory measure that aims to equalize the carbon costs between EU and Non-EU producers by imposing a carbon price on imports. Under CBAM, importers will need to account for the carbon emissions embedded in their products and comply with specific reporting and verification requirements.

Resources for Understanding CBAM

To assist you in understanding and implementing the Carbon Border Adjustment Mechanism, please refer to the following resources or resort to your own research on this policy:

- [Carbon Border Adjustment Mechanism - European Commission \(europa.eu\)](https://ec.europa.eu/economy_finance/cbam_en)
- [CBAM Regulation adopted - Bird & Bird \(twobirds.com\)](https://www.twobirds.com/en-us/cbam)

5.3 BW's Requirements and Expectations

As a valued supplier, it is essential for your organization to integrate and understand how the Digital Product Passport and Carbon Border Adjustment Mechanism may impact your product line within the EU market. It is crucial for our suppliers to be aware of this policy as it plays a significant role in ensuring compliance, promoting sustainability, and enhancing the traceability of products throughout their lifecycle. This integration involves:

- **Data Sharing:** Providing accurate and detailed information about the composition, origin, and environmental impact of your products.
- **Compliance Verification:** Ensuring that all products meet the necessary environmental regulations as outlined by the DPP and CBAM.
- **Continuous Improvement:** Committing to ongoing improvements in sustainability practices and actively using the DPP and CBAM to track and report on these enhancements.

By adopting the Digital Product Passport and the Carbon Border Adjustment Mechanism, you are not only complying with EU regulations but also contributing to a more sustainable and transparent global supply chain in line with BW standards.