

PURPOSE & SCOPE

Matelec recognizes the importance of sustainable procurement practices, which aim to minimize the negative environmental and social impacts of our operations. We are committed to upholding these practices in all procurement activities to contribute to a sustainable future.

This policy outlines our approach to sustainable procurement and the selection criteria we will use to ensure that our suppliers share our commitment to sustainability. We are committed to implementing this policy and working with suppliers to promote environmentally and socially responsible practices. This policy applies to all branches, employees, directors and board members.

ENVIRONMENTAL SELECTION CRITERIA

Matelec seeks to reduce its environmental impact by selecting suppliers who demonstrate environmentally responsible practices.

We consider the following criteria in our supplier selection process:

- 1. Sustainable Materials:** Suppliers must prioritize the use of sustainable and environmentally friendly materials that are sourced responsibly, without harming the environment or exploiting workers.
- 2. Energy Efficiency:** Suppliers must prioritize the use of low carbon energy-efficient equipment and processes to minimize energy usage, reduce emissions, and optimize resource utilization.
- 3. Greenhouse Gas Emission Reduction:** Suppliers must be committed to reducing their greenhouse gas emissions and have measures in place to track and report their emissions. This includes implementing energy-efficient processes and equipment, using renewable energy sources, and reducing waste and emissions from transportation and logistics activities. We expect suppliers to also have set a decarbonation plan to reduce their emissions over time.
- 4. Waste Reduction:** Suppliers must have a plan in place to reduce waste and manage it responsibly by recycling, reusing and repurposing waste to minimize environmental pollution.
- 5. Environmental Compliance:** Suppliers must comply with all relevant environmental laws, regulations, and standards.

SOCIAL SELECTION CRITERIA

Matelec believes in promoting socially responsible practices and supporting the rights of workers and communities.

We consider the following criteria in our supplier selection process:

- 1. Human Rights:** Suppliers must respect and promote human rights, including the rights of workers and the local communities in which they operate.
- 2. Labor Standards:** Suppliers must adhere to ethical labor practices, including fair wages, safe working conditions, and no forced or child labor.
- 3. Diversity and Inclusion:** Suppliers must value diversity and inclusion and provide equal opportunities to all employees regardless of gender, race, age, religion, or other identity.
- 4. Product Quality and Safety:** Suppliers must provide products that meet or exceed industry quality and safety standards. They must have procedures in place to ensure that their products are tested and verified for quality and safety. Suppliers must also have a process for addressing any quality or safety issues that arise promptly and transparently. Additionally, suppliers must comply with any relevant product safety regulations and industry standards.
- 5. Ethical Business Conduct:** Suppliers must have policies and procedures in place to prevent bribery, corruption, and other unethical business practices.

IMPLEMENTATION

Matelec is committed to implementing its sustainable procurement policy across all procurement activities. All major suppliers will be required to sign the company Supplier Code of Conducts by 2026.

The selection standards listed above will be included in supplier and third-party contractor due diligence, evaluation, and assessment grids to identify and assess significant actual and potential negative environmental and social impacts in the supply chain.

These assessments may be informed by audits, reviews, supplier engagement, or complaint and grievance mechanisms. New suppliers or contractors will be screened, prioritised, and selected based on their performance on these environmental and social criteria.

Matelec will also list expected environmental and social performance in all contractual arrangements with suppliers and contractors to promote the prevention, mitigation, and remediation of significant actual and potential negative environmental or social impacts, including targets and objectives.

Matelec will work with existing suppliers and contractors to address any significant actual and potential negative environmental and social impacts identified in the supply chain, and identify actions intended to prevent, mitigate, or remediate the impacts. Matelec will monitor and evaluate supplier and contractor performance regularly to ensure that sustainability standards are met. The company will terminate its relationship with suppliers and contractors in the event of repeated default to the expected environmental and social standards and failure to implement mitigation and preventive measures.

MONITORING, COMPLIANCE & REVIEW

In addition to the control measures implemented to ensure the proper management of sustainable procurement within the company, it is the duty of every employee to play a role in the continuous improvement of our risk management system by facilitating the identification and resolution of sustainability-related incidents throughout our supply chain.

Employees or third parties may raise sustainability - related alerts to report to a superior within the company any event that may constitute a serious violation of this policy, international conventions on human rights, Lebanese law, or, more broadly, any applicable regulations. Internal alerts may also be raised through the company's Grievance Policy and Procedure.

This policy will be formally reviewed annually—or more frequently if required by changes in law, regulation, or the company's risk profile. The review will be conducted by the Corporate Operations Division in coordination with relevant business units and senior management. Updates or enhancements will be communicated promptly to all employees. Each review cycle will also evaluate the effectiveness of existing controls, training programs, and reporting mechanisms to ensure continuous improvement.

Sami Sougheyar

Chief Executive Officer