

## Purchasing and procurement strategy *faigle*

Responsible: Head of Purchasing

### 1. **Aims and purpose:** Clear definition of the objectives and purposes of the procurement strategy

The purchasing and procurement strategy sets out the framework for organising the procurement of goods and services at *faigle* efficiently and effectively.

The aim is to procure the right products & services from the right suppliers at the right time, in the right quality and at the best conditions.

### 2. **Supplier management:** Description of the approach to supplier selection, evaluation and management, including supplier selection criteria, evaluation methods and supplier development activities.

The selection, approval, management and evaluation of suppliers is carried out via Supplier management system in order to efficiently map and support all processes and activities within the scope of Supplier management.

### 3. **Supplier relationships:** Establish policies and procedures to maintain and strengthen relationships with suppliers to promote long-term collaboration, innovation and mutual benefit.

*faigle* relies heavily on partnership-based relationships with suppliers and invests accordingly to build, expand and maintain these. These activities are supported by the Supplier management system mentioned under Clause 2.

### 4. **Risk management:** Identification of potential risks in the supply chain and implementation of risk minimisation strategies

The following activities take place on an ongoing basis as part of risk management:

- Identification of potential risks in the supply chain
- Definition of suitable measures for risk avoidance and reduction
  1. Market observation
  2. Diversification of the supplier base (second source, geographical distribution, ...)
  3. Contract management and design

### 5. **Cost efficiency:** Definition of measures for cost control and cost reduction

The following measures ensure cost efficiency at *faigle*:

- Carrying out tenders where possible and appropriate (e.g. logistics services)
- Ongoing price negotiations based on market observation and price comparisons
- Utilisation of economies of scale (taking stock specifications into account)

## 6. **Quality management:** Definition of standards and procedures to ensure the quality of delivered products and services

Quality is a high priority at **faigle**. The basis for quality assurance is the definition and description of quality criteria for all products. Suitable measures are defined and implemented on this basis:

- Definition of the quality requirements for the products
- Agreement on the obligations of suppliers
- Quality controls (incoming goods) - if necessary / agreed
- Outgoing goods inspections at the supplier and documented goods inspection certificate)
- Certification requirements for new suppliers
- Continuous improvement processes at suppliers (audits)

## 7. **Sustainability and social responsibility:** Integration of sustainability and CSR criteria into procurement decisions, including environmental standards, ethical business practices and social compliance based on the CoC for employees and **faigle** Code of Conduct for partners.

**faigle** is committed to sustainable acting and social responsibility by its own Code of Conduct for partners and demands the same from its suppliers.

All purchasing activities must take these aspects into account, from supplier selection to concrete purchasing decisions.

## 8. **Technology and digitalisation:** Use of technology and digitalisation.

Digital technologies should be increasingly used to increase transparency, optimise processes and create the basis for better decisions. The basis for this is high master data quality.

## 9. **Compliance and legal aspects:** Compliance with relevant laws, regulations and **faigle** guidelines in the area of procurement and supply chain.

**faigle** is fully committed to compliance with all laws and regulations and demands the same from its partners and suppliers. This also applies to internal compliance guidelines.

## 10. **Performance measurement and improvement:**

**faigle 's** purchasing department pursues the aim of "being the best" by defining and regularly measuring suitable KPIs. This is intended to ensure and further develop the performance of the procurement process.