

# RAW MATERIALS COMMITMENT

## Overview

GEA, as a global leader in supplying systems and components for the food, beverage, and pharmaceutical industries, recognizes the profound impact its operations can have on both people and the planet, and is dedicated to minimizing the negative sustainability impact of raw materials contained by its products. By this Commitment Aspect, GEA aims to express its firm commitment to ensuring compliance with human rights and environmental standards across the entire value chain, with a particular emphasis on the sourcing of raw materials.

GEA acknowledges the weight of its responsibility in setting an example of commitment to the sustainable sourcing of raw materials. This commitment, therefore, encapsulates the collective values and actions that GEA has adopted in response to the growing global demand for a more sustainable and environmentally conscious industrial sector. In a first step the Raw Materials Commitment combines the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and the activities and measures described herein. This Commitment is intended to lay the groundwork for a comprehensive Sustainable Raw Materials Policy which will follow as a subsequent step. GEA's responsibility for the extraction of raw materials should be regulated in this future policy, as should the procurement practices of these raw materials and its cooperation with suppliers and peers in order to ensure a fair value chain, in line with its vision for Sustainable Procurement & Supply Chain:

"With our suppliers, we foster environmental excellence and highest social standards throughout our entire supply chain".

## Analysis across the Supply Chain

To take action on our vision, GEA recognizes that it needs to understand how its activities across the full value chain impact and depend on nature. In 2024, GEA has started to analyze its impacts and dependencies using the LEAP method recommended by the TNFD and the Corporate Sustainability Reporting Directive (CSRD). This method is an assessment process for nature-related risk and opportunity management structured into four phases:

- **Locate** interfaces with nature
- **Evaluate** dependencies and impacts
- **Assess** risks and opportunities
- **Prepare** to respond to nature-related risks and opportunities and report about it

GEA perceives the Evaluate-phase as a strong foundation and key to understand and manage nature-related issues. Consistent with the TNFD framework, GEA has conducted a profound data analysis with consideration of own locations, downstream and upstream value chains. Having global supply chains and sourcing activities, GEA pays particular attention to the supply chain in this analysis. Therefore, GEA has used a scientific approach and determined the life cycle inventory data per commodity group per country for its purchased goods and services (spend-based data from the year 2023) by looking at several key parameters to quantify the impact on nature, e.g. greenhouse gas emissions.

This evaluation provides a good indication of the nature impact of different product groups from different sourcing regions in GEA's supply chain. The results enable GEA to understand geographic hot spots and priority product groups in terms of nature-related impacts. The results show that the purchased steel-related product groups have large impacts concerning above-mentioned parameters.

GEA recognizes that steel, a very important commodity to our production process, is considered as a high-impact-commodity. The extraction and processing of metals causes not only greenhouse gas emissions but also environmental pollution as well as material use of water in the supply chain. GEA will focus its efforts on

high-impact commodities to mitigate negative impacts and to establish actions plans towards more sustainable supply chains.

## Stakeholder engagement

GEA acknowledges that the responsible sourcing of raw materials is a fundamental part of its claim “engineering for a better world”. That’s why we have taken proactive steps to address this issue, particularly in critical sectors such as the production of steel or extraction of so called “Conflict Minerals”. The extraction, trade and further processing of raw materials traditionally involves many stakeholders across several stages of the value chain. Collaborative cooperation between the participants in this value chain is therefore essential in this area in particular. For this reason, GEA specifically approaches its suppliers, peers, and associations in order to join forces to increase sustainability in the raw materials industry and minimize negative influences.

And GEA is already active in this field today. In associations such as “SteelZero”, GEA works with partners from various stages of the value chain as well as third parties to develop processes, certifications and verifications that help to set industry-wide standards with regard to the impact of the raw materials industry on human rights and the environment. As a consequence, the developed standards help to transparently evaluate the sustainability of raw materials and the products made from them, thus enabling conscious decisions to purchase sustainably produced products. On this basis, GEA already purchases products that have been certified by third parties such as “ResponsibleSteel”, the “Science Based Targets initiative” or “ISO 14076”. GEA has set itself clear goals to gradually increase the share of raw materials whose sustainability is third-party verified.

In addition to collaborating with peers and partners, GEA is particularly committed to its suppliers when it comes to ensuring sustainability in respect to raw materials. Compliance with and implementation of the REACH regulation (registration, evaluation, authorization, and restriction of chemicals) is a matter of course for GEA and is clearly regulated in our General Terms and Conditions. In addition, GEA requires its suppliers to provide proofs of origin for all products supplied. GEA also has the purchasing practices of its suppliers regularly checked by third party auditors and requests improvements where necessary. Access and insight into its deeper supply chain, right down to the raw materials, starts with close collaboration with the direct suppliers. But it must not stop there. In the future, GEA is committed to investing even more in transparency and data availability beyond Tier 1 suppliers in order to achieve greater transparency in the deeper supply chain for more sustainable supplier decisions.

## Supply Chain Transparency

GEA is committed to continuously improving the transparency and traceability of our raw material supply chains. The above-mentioned analysis of the supply chain is based on GEA’s purchasing data. In order to make more informed evaluations and decisions, GEA is committed to collect data and information about its supply chain beyond Tier 1. It is recognized that accurate raw material data is essential for identifying areas of risk and implementing effective preventive measures to mitigate environmental harm and human rights violations. By enhancing especially its data infrastructure and expanding its understanding of the raw materials behind the products, GEA aims to strengthen its ability to make informed decisions that are in line with its sustainability objectives. Over the last few years, GEA has continuously implemented new solutions to increase the traceability of raw materials. The overarching project in this field is the implementation of globalSAP, which is currently ongoing.

Until this point, GEA will continue to develop and improve existing solutions, supported by the latest developments in the field of artificial intelligence. This technology will support to better understand the raw

materials contained in purchased products and to get more insights into GEA's deeper supply chain. In this way, flows of goods can be made transparent and influence the mining and trading of raw materials towards a more sustainable future.

## Governance

This Raw Materials Commitment has been endorsed by GEA's Executive Board and is a testament to the company's commitment to a sustainable future. The commitment's measures will be implemented under the guidance of the Executive Board, which has the responsibility for running the international company's operations around the globe. With the integration of this commitment into GEA's operations and interlinking it with GEA's overarching Human Rights Policy and Environmental Responsibility Policy, GEA is moving towards fair conditions in the extraction and use of raw materials and minimizing the associated negative impact on people, environment, and the planet. This commitment will be transparently communicated to our stakeholders, promoting a culture of shared accountability, responsibility, and collaboration, where all individual's roles and responsibilities contribute to the successful execution of sustainable initiatives.

## Next Steps

As GEA moves forward, it will continue to review and update this commitment as needed as part of the future Sustainable Raw Materials Policy, seeking continuous improvement in its transparency and the sustainability related to sourced raw materials. The implementation process will be a journey of learning and growth, with GEA striving to develop appropriate measures to reach today's targets, set targets for additional raw materials, and foster collaboration with its stakeholders. Through these efforts, GEA aims to make a meaningful contribution to fair handling with raw materials.