**SCD Responsible Procurement Policy**

At SCD, we believe in ensuring, enacting and enforcing corporate social responsibility. We strive to excellence and act in integrity while promoting compliance, ethics, environmental protection, sustainability, safety and respect. We diligently comply with all applicable laws, regulations and standards, trust, and expect our suppliers and partners to act by the same values at all times. Our procurement department is focused on engaging and cooperating with suppliers who are aligned and share SCD's perception and strive for a responsible and ethical conduct.

SCD recognizes the importance of managing a fair, ethical and professional supply chain. This policy outlines the company's ways of dealing with its suppliers with full transparency and awareness to conflicts of interest and environmental protection.

**Ethical business conduct**

# SCD's Supplier Code of Conduct, sets SCD's expectations from its suppliers, and aligns with the standards SCD sets for its own employees and business associates.

# The Supplier Code of Conduct relates amongst others to Compliance with Laws, Human Rights, Anti-Corruption, Information Protection and Privacy, Environment, Health, and Safety, Global Trade Compliance, Quality & Ethics.

SCD's Supplier Code of Conduct may be found at <https://www.scd.co.il/suppliers-code-of-conduct/>

**Partnership approach**

Representatives of the Procurement Division meet with representatives of key suppliers in order to create an ongoing dialogue regarding the satisfaction of SCD and the supplier from the joint work.

**Fair procurement**

# We chose our suppliers following a fair evaluation process and based on common standards, quality, value of services and legal and ethical stand. We operate with integrity and fairness during all of our communications with suppliers. Our leading guidelines include transparent and pre-agreed terms and conditions as well as equal opportunity in terms of procurement requirements from suppliers.

**Payment**

The Company ensure timed payments to suppliers and sub-contractors in recognition of the great importance of forwarding timely payments**.**

**Observance of labor laws**

# Suppliers are required to implicitly adhere to all labor laws and regulations. Our suppliers are required to provide their employees a safe, supporting and positive work environment at all times and at any location.

As part of the law to increase enforcement of labor laws applicable to SCD, the company hired an accounting firm on its behalf that conducts periodic wage audits for sub-contractor employees in relevant fields.

**Diverse procurement**

As part of the ESG of SCD, we encourage procurement from Local companies. We also promote social and environmental aspects and carry out procurement from diverse suppliers such as social businesses, small and medium-sized suppliers and businesses with a high affinity for environmental performance.

As part of the Company's positive impact activity through procurement, the following actions are performed:

* Environmental “green” procurement: In procurement processes of machinery, maintenance and electrical products such as lighting, recommended environmental criteria are evaluated, in order to reduce the negative environmental impact.
* Social and diverse suppliers: SCD acquires social suppliers, companies that employ employees with special needs as well as from small local businesses.

**Compliance**

We are constantly striving to comply with all applicable laws and regulations in all markets in which we operate. Procurement employees participate in training that includes compliance aspects such as anti-corruption and export control. We have a zero- tolerance policy for corruption, and prohibit anyone conducting business on our behalf, including suppliers.