

Sustainable Procurement Position Statement

Background

Sustainable procurement is the process of incorporating environmental, social, governance and other relevant sustainability-related considerations into a company's procurement evaluations. Adhering to such a process enables the Yahsat Group ('Yahsat') to promote sustainable procurement principles, including accountability, transparency, ethical behavior, equal opportunities, addressing stakeholder interests, compliance with national and international laws, respect for human rights, fair operating practices, environmental management, community involvement, and continuous improvement. Moreover, sustainable procurement practices help to foster the development of mutually beneficial relationships that create long-term value and positively contribute towards sustainable development.

Approach

Yahsat commits to promoting sustainable procurement practices and expectations with all of its suppliers, at both the corporate and subsidiary level, as well as working together with these suppliers to resolve sustainability-related supply chain issues.

All Yahsat suppliers and business partners are expected to comply with Yahsat's Business Partner Code of Conduct, Code of Ethics, and Group Procurement Policy. The policies and standards contained within these documents ensure Yahsat manages its procurement activities according to a set of minimum and consistent standards, especially those related to human rights, employment practices, fair treatment, child and forced labour, health and safety, compliance with applicable laws and regulations, environmental management, and resource management.

Yahsat's Commitment in Action: Supply Chain Management

- All suppliers are invited to register and submit their documents through Yahsat's E-Procurement system, which evaluates suppliers according to a set of defined business rules and automated approvals based on established authority matrices.
- Tender evaluation committees are consistently formed, comprising representatives from the relevant end-user department(s), the Finance Department, the Legal Department, and other departments (as deemed necessary), which may also include Chief/Executive level representation depending on the tender's value.
- All supplier information is considered confidential and appropriately stored.



- An approved supplier list and database containing pertinent supplier information is regularly reviewed and updated.
- All Yahsat employees, consultants, suppliers, business partners and third parties are encouraged to report any suspicious activities to Yahsat's Ethics and Compliance function.
- Regular training is provided to all Yahsat employees involved in its procurement activities.
- Key Performance Indicators (KPIs) are regularly tracked and disclosed to monitor and report on the effectiveness of Yahsat's procurement activities and actions of its suppliers.

Outlook: Key ways Yahsat is striving to improve its performance

- Increase transparency and accountability by measuring and disclosing additional and evolving minimum requirements and KPIs for sustainable procurement.
- Incorporate additional and/or advance existing environmental and social considerations into all procurement evaluations (e.g. energy, water & waste management, climate impact, biodiversity).
- Engage with suppliers on how to incorporate environmental, social, and governance-related considerations into their own procurement evaluations, as well as to better understand stakeholder interests.
- Give preference to award contracts to companies demonstrating Yahsat's sustainability values and are committed to having suitable sustainability policies (HSE, Human Rights, Energy Management etc.), certifications ISO 9001, ISO 14001, OHSAS 18001 etc.), standards (GHG protocol, Net-zero etc.) and sustainability/ESG reporting.
- Better align all procurement activities in order to effectively contribute towards the achievement of the United Arab Emirates (UAE) National Space Strategy 2030 strategic goals, including:
 - a) Enhancement of local sourcing capabilities by focusing on providing collaboration opportunities, where appropriate, to locally owned, small to medium sized, and/or women-owned or managed businesses.
 - b) Providing financing and investment opportunities in promising and aspirational projects within the UAE's space industry.



Yahsat's Commitment in Action: Human Rights & Controversial Sourcing

- All business activities are conducted to high standards set out in Yahsat's Business Partner Code of Conduct and Code of Ethics, respectively. Each of these documents explicitly state Yahsat's expectations regarding abiding by national and international human rights principles, which would include the UAE's human rights laws, the International Labour Standards (ILO) Declaration on Fundamental Principles and Rights at Work, and the United Nations Universal Declaration of Human Rights.
- Whistle-blowing mechanisms are available to report violations of Yahsat's Business Partner Code of Ethics and Code of Ethics, respectively.
- All Yahsat suppliers and business partners are screened through a comprehensive due diligence process, which assesses key factors such as inclusion on sanctions lists, location of operations, the types of products and/or services to be provided, and other relevant factors.
- Yahsat does not procure a material amount of goods or services in sectors that are considered high risk for human trafficking or slavery (such as agriculture or horticulture, construction, the garment and textile industries etc.).

Outlook: Key ways Yahsat is striving to improve its performance

- Encourage sustainable and ethical sourcing by engaging with all suppliers to address and disclose sustainability-related issues throughout the supply chain, as well as to develop and share best practices for addressing these issues.
- Periodically assess and monitor the environmental, social and governance performance of suppliers and business partners, especially with regards to respecting human rights, appropriate labour conditions, child labour, ethical behavior, environmental management, meeting stakeholders' expectations, and adhering to Yahsat's Business Partner Code of Conduct and Code of Ethics, respectively.

Scope

This position statement is applicable to all Yahsat group suppliers and business partners, as well as all employees, consultants, and/or third parties participating in procurement activities on behalf of Yahsat, at both the corporate and subsidiary level.

