



INCLUSIVE BUSINESS

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01. Values Framework

At DESA Group we firmly believe in the importance of inclusion and diversity as fundamental principles that guide our actions and decisions. We recognize that the procurement of goods and services plays a significant role in our social responsibility and the impact we generate on the community. Therefore, we established this Inclusive Procurement Policy to ensure that our operations reflect our values and commitments toward a fairer and more equitable world. DESA Group understands—economic and social—inclusion as the integration into the market of those productive units that, in situations of poverty or social vulnerability, try, through labor, to improve their income. In this framework, the difficulty that the program seeks to reverse is the limited marketing opportunities that this type of productive groups has. Achieving this implies acting with market logic that also incorporates sustainability criteria. The productive units subject to being considered potential suppliers of the inclusive procurement program will be those cooperatives, protected workshops, entrepreneurs, recovered companies, among others that are part of the social and solidarity economy.

Reciprocal Value

Benefits for the company:

- Access to a sustainable market.
- Diversification of suppliers while generating social welfare.
- Opportunity to guarantee jobs in a socioeconomic context of poverty and uncertainty.
- Improves image and social perception: we live in a time where reputation is associated with good practices of contribution to communities.

Benefits for the community:

- Satisfied needs and improved quality of life.
- Access to opportunities that involve training and income.
- The benefits are not only economic, they also cover aspects such as self esteem, entrepreneurship, ability to learn, management, teamwork, etc.

02.

Definitions

Inclusion focus (productive people and groups that will be prioritized in hiring)

Inclusion focuses are not exclusive, as other productive units that integrate excluded sectors and with fewer market opportunities may be considered recipients of the program.

- People in situations of economic vulnerability.
- Women and LGBTQ+ community.
- Workers with disabilities.
- People aged 50+.
- Youngsters (18 to 25).

Special attention will be paid to addressing these inclusion focuses in the territories where the DESA Group operates.

Definition of Inclusive Procurement

For DESA, inclusive procurement occurs when, through a commercial event, a supplier in a situation of exclusion or vulnerability is integrated into the supply chain, providing easier access and opportunities. Inclusive suppliers will be those cooperatives, recovered companies, associations, protected workshops, etc. that are part of the so-called social and solidarity economy. To characterize this profile, there is a matrix that defines the main features of an inclusive supplier (Annex 1).

Program Purpose

To include in our supply chain suppliers that are in a situation of exclusion and/or vulnerability.

Program Mission

To accompany the communities where we operate by generating easier access and opportunities in our supply chain.

03. Differential Procurement Conditions

Annual planning:

In procurement defined as “inclusive procurement” priority will be given—as far as possible—to annual planning that makes demand predictable: estimated delivery time, procurement frequency, required volumes, logistics, format, and delivery locations, etc.

Anticipation in procurement:

In order to empathize with the production conditions of the Productive Unit, anticipation in procurement will be privileged.

Format of the budget request:

The use of simple and precise language is suggested in order to facilitate the understanding of the demand by the Productive Units that, in general, have little experience interacting with the market.

Items with special conditions:

In general, items with artisanal characteristics cannot be compared with mass-produced industrial products.

Quotation, certification, and differential payment:

When offering identical goods and services, and in comparisons with competitive suppliers, the company may pay up to 10% more. The decision will be made based on the analysis of the open budget submitted by the Productive Unit that will justify the differential cost, which must be associated with its process of organization and production of the good or service.

Advance payment:

An advance payment (50%) will be authorized for the purposes of facilitating the working capital necessary to achieve production in a timely manner. This percentage emerges from the analysis of the open budget delivered by the Productive Unit. This mechanism will be adjusted to the billing and administrative conditions (purchase order, etc.) defined by the company

Payment condition:

Payment to all suppliers considered inclusive will be made in cash (7 days).

Minimum requirements to be a Productive Unit:

- Taxpayer identification number certificate;
- Tax certificates
- Unique banking key certificate;
- Company documentation relevant to inclusion (if necessary);
- Supplier registration form for each distributor.