

Supplier code of conduct

FERCAM GROUP

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INTRODUCTION

FERCAM Group (hereinafter “FERCAM”) is committed to conducting its business in an ethical, responsible manner, in full compliance with applicable national and international regulations.

Respect for the law, integrity, honesty, and transparency are core values that guide the company's activities and its relationships with all its stakeholders.

In this context, FERCAM recognizes the importance of promoting a business environment based on loyalty, fair competition, and corporate social responsibility.

Sustainability, encompassing its environmental, social, and economic dimensions, constitutes an integral and essential part of FERCAM's business strategy, contributing to the creation of long-term value for the company, its partners, and society as a whole.

To strengthen mutual cooperation and support the transition towards change, FERCAM requires its business partners to adhere to the principles and policies stated in this Code of Conduct and to ensure compliance at all levels of their respective supply chains.

This document sets out the minimum requirements applicable to all business relationships with FERCAM's Suppliers. It is founded on the principles of the UN International Conventions and the International Labour Organization, on FERCAM's standards concerning ethics and sustainability in dealings with business partners, and on the principles of the company's Code of Ethics.

The Code applies to all Suppliers of goods and services across all companies within the Group and covers both activities carried out directly and those entrusted to third parties.

When applicable local laws and/or collective agreements are more rigorous than the provisions of this document, such laws or agreements shall prevail.

In all other cases where local law is less rigorous than this Code of Conduct, the provisions of this Code shall take precedence.

REFERENCE VALUES

The FERCAM's Supplier Code of Conduct is founded on the same principles as the FERCAM's Code of Ethics.

1. **Legality.** FERCAM promotes and expects a conduct of constant attention towards compliance with the authoritative regulations of the countries in which the Company operates, towards their correct knowledge, dissemination, interpretation and application, and towards an honest collaboration with the public authorities.

In particular, it refrains from carrying out any illegal business activity and imposes the same prohibition, under penalty of termination of any relationship, on all its business partners.

2. **Honesty.** Beyond the legal obligations, FERCAM promotes and generally expects a conduct characterised by honesty and good faith in relations with workers, in relations between workers, in business relations during the pre-contractual and the contractual phases and in extra-contractual relations. Honesty and transparency towards customers are always promoted and expected.

3. **Protection of health and safety.** FERCAM considers the protection of the health and safety of workers to be of primary importance and totally indispensable, it therefore promotes and demands scrupulous compliance with the relevant legal regulations and issues conduct guidelines inspired by attention and prudence. It carries out regular payments of the social security and insurance charges in favour of its workers and demands the same attention from its business partners.

4. **Enhancement of human capital.** FERCAM values its staff by fostering a healthy, welcoming, and pleasant work environment. It promotes and demands compliance with regulations protecting workers and the appropriate use of legally recognised contractual arrangements. The company supports the development of employees' skills and personal strengths wherever possible. FERCAM is committed to cultivating a workplace culture grounded in dedication, cooperation, courtesy, and mutual respect in interpersonal relationships. It firmly rejects all forms of discrimination based on ethnicity, religion, age, nationality, gender, or any other aspect of personal identity.

5. **Protection of the environment.** FERCAM is committed to constantly reducing the environmental impact of its business, through organisational improvement and the use of new technologies. Among its business partners, it favours those who share its commitment to protect the environment. It takes suitable measures to prevent environmental damage and reduce its effects.

6. **Responsible profit.** More generally, in pursuing its profit objectives, FERCAM acknowledges its responsibility towards the territory in which it operates and, as far as possible, requires its stakeholders to demonstrate the same level of responsibility and care. FERCAM is committed to ensuring respect for Human Rights, including those recognised at the international level, in compliance with international Conventions and in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs). It expects the same commitment from its collaborators and partners.

ETHICS

Suppliers are required to conduct their business in an ethically responsible manner and to act with integrity and transparency, both in their internal relations and in interactions with third parties.

The relationship between FERCAM and its Suppliers must be based on the following ethical and professional principles:

Privacy and intellectual property

Suppliers must protect and use confidential information received from counterparts appropriately and solely for the purposes of the collaboration, in full compliance with confidentiality obligations. They must also ensure that the privacy and intellectual property rights of business partners are safeguarded over time, including after the possible termination of the relationship.

Conflict of interests

The decision-making process must be based on objective, documented, and verifiable criteria.

Should the Supplier consider themselves to be in a situation of actual or potential conflict of interest, including potential conflict, they are required to promptly notify the relevant FERCAM departments for appropriate assessment.

Business Integrity and anti-corruption

FERCAM does not tolerate any form of corruption and/or improper commercial practices.

Suppliers shall engage in business relationships exclusively with partners of unquestionable integrity and shall ensure compliance with all applicable laws and regulations (e.g., anti-money laundering, tax legislation, prevention of illicit financing, etc.).

Suppliers are required to implement all necessary measures to prevent and avoid any conduct in violation of the principles set forth herein.

Anti - corruption commitment

Suppliers undertake to comply with all applicable anti-corruption laws and to ensure that their activities are conducted in full accordance with the principles of integrity, fairness, and transparency.

They must not engage in any form of corruption, extortion, or undue influence, directly or indirectly.

Any form of gift, entertainment, or other benefit connected with the business relationship must comply with applicable laws and may be offered or accepted only to the extent permitted by law.

Suppliers must ensure that their employees, subcontractors, or representatives do not offer, promise, or grant improper advantages to FERCAM employees with the purpose of obtaining supply contracts or preferential treatment.

Furthermore, Suppliers shall refrain from promising, offering, or granting any undue or illicit advantage to third parties (e.g., public officials) on behalf of the FERCAM Group. Likewise, they must not accept, directly or indirectly, any proposals or pressures from third parties intended to corrupt, influence, or compromise the proper conduct of business activities.

Any violation of these provisions shall constitute a serious breach of contract and may result to the immediate termination of the business relationship.

Antitrust and fair competition

Suppliers are required to conduct their activities in accordance with the principles of fair competition and in full compliance with all applicable antitrust laws.

All activities must be based on respect for the principles of free competition, entrepreneurial autonomy, and fair cooperation.

Identification of Suspected Irregularities

Suppliers commit to providing their employees with appropriate channels to report suspected irregularities or potentially illegal or illicit activities, or any conduct in conflict with the aforementioned values, while ensuring the protection and anonymity of the whistleblower.

All reports must be treated as confidential and handled accordingly. Suppliers commit to assessing all reports received and to implement corrective measures where necessary.

LABOUR RIGHTS AND HUMAN RIGHTS

Suppliers must operate in accordance with the principles of the Fundamental Convention of International Labour Organization (ILO), the UN Universal Declaration of Human Rights, and in compliance with all applicable national and international laws and regulations, including the rules and standards relevant to their specific industries.

In particular, Suppliers must recognize the rights of their employees and treat them with dignity and respect, committing to:

- Not engage in or tolerate the use of child labour, forced labour, bonded labour, or undeclared work.
- Not engage in or tolerate any form of discrimination based on nationality, gender, race or ethnic origin, religion, political opinions, age, sexual orientation, disability, or health status in hiring practices, remuneration, access to training, career development, dismissal, or retirement.

Suppliers commit to ensuring that no harsh or inhumane treatment occurs in the workplace, and that employees are not subjected to harassment, sexual abuse, torture, corporal punishment, mental or physical coercion, verbal abuse, or threats of such treatment.

Furthermore, Suppliers are required to properly terminate employment contracts in accordance with applicable laws and/or collective agreements.

Wages and salaries

Suppliers must pay wages and salaries that are at least equal to the applicable legal minimums or to industry standards/collective agreements, where higher.

Wages and benefits must be paid in a timely, regular, and transparent manner.

The level of compensation must reflect the employees' skills and qualifications and be based on regular working hours. Overtime work must be compensated at an enhanced rate.

Suppliers may not withhold payments, impose penalties, or make any deductions from wages unless required by law or established under by collective agreements.

Working hours

The working hours of Suppliers' employees must not exceed the maximum limits established by the applicable national laws.

Suppliers must grant employees the right to regular work breaks, paid annual leave, and at least one day off every seven days, except where otherwise specified by collective agreements.

In cases where local laws and/or applicable collective agreements provide more favorable conditions to employees than those stated above, such laws or collective agreements shall prevail.

Freedom of association

Suppliers must respect the fundamental right of employees to freely and voluntarily establish and join, or choose not to join, trade unions and workers' representatives of their choice, without interference, and to engage in collective bargaining.

Furthermore, Suppliers must not discriminate against employees who act as workers' representatives.

QUALITY, HEALTH, SAFETY AND ENVIROMENT

Suppliers commit to providing a safe and healthy working environment and to operating in an environmentally responsible manner.

They also commit to integrating quality into their business processes.

Quality requirements

Suppliers commit to complying with quality requirements that are either generally recognised or contractually agreed upon, in order to provide goods and services that adequately meet FERCAM's requirements.

Suppliers also commit to complying with all applicable laws, regulations, contractual agreements, and generally recognized standards.

Where a contractual agreement between FERCAM and the Supplier imposes more rigorous standards than those required by applicable law, the Supplier must comply with the more rigorous standards.

Suppliers commit to obtaining, maintaining, and updating all necessary permits, licenses, and registrations. They also agree to comply with the operational requirements and reporting obligations defined between the parties.

Environmental, Health, and Safety Requirements

Suppliers commit to complying with all applicable environmental, health, and occupational safety regulations, as well as relevant international environmental and safety standards. They also undertake to obtain, maintain, and update all necessary permits, licenses, and registrations.

Suppliers undertake to comply with the contractual operational requirements, as well as with any procedures and codes of conduct communicated to them, and with reporting obligations. They are required to report any identified hazardous situation or condition and to promptly communicate any incidents, accidents, or near misses.

If a Supplier operates within areas managed by FERCAM, it must comply with the company's internal procedures in place at those sites.

Suppliers are required to implement health and safety programs to manage and maintain all processes in compliance with applicable safety standards.

They are also responsible for addressing service-related issues and their potential impacts throughout all phases of the service delivery process, applying best safety practices across the entire supply chain.

Occupational Health and Safety

Suppliers commit to maintaining a safe and healthy working environment and to protecting employees from risks related to their specific activities, as well as from hazards related to the infrastructure, equipment, and machinery used.

Suppliers shall ensure the implementation of appropriate controls, occupational safety procedures, preventive maintenance, and the necessary technical prevention and protection measures to eliminate or reduce health and safety risks in the workplace.

Where such risks cannot be adequately controlled by these means, Suppliers shall provide employees with appropriate personal protective equipment and make available the necessary safety information to safeguard employees from potential hazards

Emergency Management, Risks Information and Training

Suppliers shall provide safety information regarding identified workplace risks, and their employees must be properly trained to ensure adequate protection.

Suppliers commit to identifying and assessing possible and potential emergency situations at the workplace and to minimizing their impact through the adoption of emergency plans and response procedures, in compliance with FERCAM's directives, where applicable.

Waste and emissions

Waste management shall be conducted in compliance with applicable laws. The Supplier commits to minimizing waste generation by prioritizing low environmental impact processes and methods and to carrying out disposal activities in full compliance with applicable laws.

Emissions, noise and discharges management

Air and noise emissions, as well as discharges generated by the Supplier, must be managed in accordance with applicable laws.

The Supplier commits to minimizing its environmental impacts by prioritizing processes that reduce such effects.

Suppliers are required to implement adequate systems to prevent / contain any accidental spills and the release of substances into the environment.

Efficient resource management

Suppliers are required to monitor the consumption of natural resources (e.g., water, energy, raw materials, and packaging) and implement actions to reduce their usage.

The use of hazardous substances must comply with applicable laws and regulations. Suppliers commit to minimizing the use of substances harmful to the environment and health by prioritizing processes and products with low environmental impact.

Suppliers commit to maintaining the efficiency of their processes and, where possible, to modifying them in order to reduce the consumption of raw materials and energy, as well as to lower greenhouse gas emissions directly or indirectly associated with their activities.

Prohibition of alcohol and drugs consumption

The Supplier commits to taking all necessary actions to ensure that its personnel comply with applicable laws and to implementing awareness policies aimed at preventing the use of drugs and alcohol by its employees. With regard to driving personnel, the Supplier must ensure compliance with the policy prohibiting the use of alcohol and drugs.

COMPLIANCE

Suppliers commit to implementing an adequate compliance management system to facilitate adherence to applicable laws, regulations, and standards, as well as to establish the necessary mechanisms to identify, assess, and manage risks across all areas covered by this Code of Conduct and all relevant legal requirements. Suppliers undertake to communicate and enforce the principles set forth in this Code of Conduct within their own organization and throughout their supply chain.

FERCAM reserves the right to verify Suppliers' compliance with this Code of Conduct, as well as with the contractual agreements signed by the parties.

Such verification may be conducted by FERCAM employees or by third parties appointed by FERCAM for this purpose. FERCAM will perform the inspections with reasonable prior notice and will respect the working hours of its Commercial Partners.

To this end, Business Partners are required to grant access to all relevant areas and requested documentation.

In the event that violations are identified or reported, FERCAM reserves the right to request to require the Supplier to implement immediate corrective measures to prevent the recurrence of similar violations.

Should adequate corrective actions not be taken, FERCAM shall have the right to terminate the relevant contract for just cause with immediate effect.

SOURCES

External sources:

// **International Labour Standards (ILO)**

<http://www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm.ilo.org>

/// **United Nations Global Compact** <http://www.unglobalcompact.org>

// **Universal Declaration on Human Rights** <http://www.un.org/Overview/rights.html>

FERCAM sources

FERCAM Code of Ethics

FERCAM Corporate Policy

Sustainability at FERCAM

FERCAM SPA
Via Marie Curie 2
BOLZANO – ITALY
www.fercam.com