

IMR-INDUSTRIALESUD S.P.A.

SUPPLIER
CODE
OF
CONDUCT

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Introduction

In line with our internal “Ethics Code” and “Supplier Sustainability Policy”, IMR-INDUSTRIALESUD S.P.A.¹ (hereafter “IMR”) operates within a framework of fairness and transparency through the adoption of principles and measures aimed at promoting compliance with applicable laws and regulations. Our commitment to responsible and sustainable business practices is crucial to preserving the company's reputation. In this respect, dealing with suppliers involves risks in terms of potential corporate liability, and legal and financial damages deriving from unlawful conducts carried out by third parties. For this reason, to collaborate only with suppliers that meet certain requirements both in terms of compliance and ethics is of crucial importance for IMR. Therefore, suppliers are required to comply with all applicable laws and regulations, as well as the principles set out in this “Supplier Code of Conduct” (hereafter “Code”).

This Code applies to all persons and entities who sell any types of services and/or goods to all worldwide IMR subsidiaries and applied in each Country in accordance with local legislation. All persons and entities involved are deemed to agree the contents of this Code.

This Code sets minimum sustainability standards and requirements crucial for the selection of a new supplier, as well as the evaluation of an already selected supplier, to which all suppliers are required to commit to. IMR expects suppliers to become familiar with the following standards and to consider them in their business activities and business relations. If any of these requirements are not understood, it is the supplier's responsibility to immediately seek clarification from IMR.

Sustainability requirements

These sustainability requirements for suppliers are based on international conventions, such as the principles of the United Nation Global Compact², the Organisation for Economic Cooperation and Development (OECD) Guidelines³, the Universal Declaration of Human Rights⁴, the United Nation Guiding Principles on Business and Human Rights⁵ and the relevant conventions of the International Labour Organisation (ILO)⁶.

SOCIAL AND WORKING CONDITION

IMR expects that suppliers respect human rights in all their business operations and throughout their entire supply chain, including Countries and/or geographical areas where human rights are not yet adequately protected and governed by appropriate laws and regulations. Our suppliers undertake to respect the rights of employees and other

¹ IMR-INDUSTRIALESUD S.P.A. stands for IMR-INDUSTRIALESUD S.P.A. and all its subsidiaries, in Italy and abroad.

² <https://unglobalcompact.org/>

³ <https://www.oecd.org/corporate/mne/>

⁴ <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

⁵ https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

⁶ https://www.ilo.org/moscow/areas-of-work/gender-equality/WCMS_249143/lang--en/index.htm#:~:text=The%20ILO%20Conventions%20cover%20a,issues%20have%20a%20long%20history.

stakeholders and to treat them according to the rules of the international community. Human rights refer to child and forced labour; freedom of association; diversity and inclusion; fair working hours and wages; working and living conditions; rights of minorities and indigenous peoples; land, forest and water rights and forced eviction; use of private or public security forces.

Child labour

IMR requires suppliers to avoid any form of child labour in their business activities and in the activities in their value chain. With respect to the minimum age for admission to employment, IMR expects suppliers to comply with all applicable laws and regulations. Where missing, Convention of the International Labour Organisation (ILO) shall apply. In any case, suppliers shall avoid to employ any person under the age for completing compulsory education, under the minimum age for employment in the country, or under the age 15, whichever is higher. Where necessary, must ensure that young employees under 18 years of age do not work overtime or night shifts and are protected against working conditions that harm their health, safety, morale, or development.

Forced and compulsory labour

IMR requires suppliers to avoid any form of forced, compulsory and bonded labour as well as all forms of modern slavery and human trafficking. Supplier shall not implement any kind or form of unreasonable restrictions on the worker's freedom of movement and all employment relationships are entered into on a voluntary basis and may be terminated by employees at their own discretion and within a reasonable notice period. Suppliers will ensure that workers understand their rights and will provide to them a record of the employment conditions agreed upon in either the respective native language or another language chosen.

In the case workers are recruited by third parties, suppliers will monitor that these principles are properly applied.

Freedom of association and collective bargaining

IMR requires suppliers to acknowledge the global right of all workers to associate freely, form and join workers organization / trade unions of their own choice and to bargain collectively, as permitted by and in accordance with the applicable laws and regulations. Suppliers shall ensure that representatives of such personnel are not the subject of discrimination and any other interference. In Countries and/or geographical areas where the right to freedom of association and collective bargaining is restricted by local laws, suppliers shall provide workers an alternative legitimate option.

Non-discrimination, diversity, and inclusion

IMR requires suppliers to reject all forms of discrimination and harassment on any basis whatsoever, including, but not limited to ethnic origin, skin colour, religion or personal belief, social background, nationality, gender, sexual orientation, age, disability or any physical or mental limitations, health condition, pregnancy, marital status, parenthood, membership in a trade union or political affiliation. In general, employees are selected, employed, and supported based on their qualifications and capabilities, while ensuring equal treatment. IMR expects suppliers to provide a work environment that promotes

equity, fairness, and respect for social and cultural diversity, and to being an equal opportunity employer.

Working hours and fair wages and benefits

IMR requires suppliers to ensure that working hours (including overtime), as well as break times and periodic days off, shall be compliant with applicable laws, regulations, local practices, collective-bargaining agreements, and international conventions. If there are no national legal requirements or national minimum standards, the international standard of the ILO of a maximum of 48 hours of work per week with a rest period of at least 24 consecutive hours every seven days shall apply. According to ILO, a maximum of 12 hours of overtime, temporarily, may be completed per week. In any case, overtime work should be voluntary and paid as such.

IMR requires suppliers to comply with all applicable laws, regulations and local practices relating to minimum wages, overtime hours and benefits. Where legal requirements or collective bargaining agreements do not exist, workers must be paid in a fairly and timely manner and suppliers shall ensure an appropriate standard of living for employees.

Health and Safety

IMR requires suppliers to apply effective occupational health and safety policies involving employees at all levels of responsibility within the company as well as labour and management representatives. IMR expects that suppliers carry out their operations in a safe manner in compliance with all relevant laws and regulation, as well as industry best practices. Supplier shall identify, assess, and minimize any kind of impact of potential emergency situations and undertakes to implement appropriate emergency preparedness plans including trainings and drills respectively. Furthermore, suppliers shall provide training to their employees and anyone else impacted by their activities, including, but not limited to training in use of work equipment, manual handling, risk assessment, fire safety, emergency response and preparedness, first aid, and personal protective equipment.

IMR recommends suppliers to ensure that their contractors and suppliers are expected to demonstrate a clear commitment to health and safety and that they maintain effective policies and procedures.

A Health and Safety Management System according to international standards (e.g., ISO 45001), is strongly recommended.

ENVIRONMENT

IMR expects that suppliers comply with all applicable environmental laws and regulations in all Countries in which they operate. In addition to that, suppliers shall adopt sustainable practices that promote environment protection and resources conservation. Environment protection refers to decarbonisation and energy efficiency; water, air, and soil quality; water management; waste and raw materials management; animal welfare; biodiversity, land use and deforestation; noise emissions.

An Environmental Management System according to international standards (e.g., ISO 14001), is strongly recommended.

Energy efficiency and GHG emission reduction

IMR requires suppliers to implement, maintain and continuously improve the management of its sites and facilities and, to make every effort to optimise the use of energy in order to minimise the related greenhouse gas emissions. Besides energy efficiency, IMR recommends suppliers to implement a system for tracking, reporting and analysing GHG emissions and to maximise the purchase of “green” energy to fight against climate change.

Pollutants emission reduction

IMR requires suppliers to avoid emission of pollutants dangerous to the health and the environment and, in any case, to act in compliance with all legal requirements and regulatory thresholds.

Natural resources and waste management

IMR requires suppliers to optimise the use of resources and to have high level of commitment to the use of green materials, recycled materials, and materials of natural origin. Suppliers shall design products considering their recyclability and the impact they have on the environment, as well as avoiding waste and safe disposal of waste must be considered too. IMR expects suppliers to manage waste treatment and disposal, in compliance with applicable laws and regulations.

Water quality and management

IMR requires suppliers to optimise the use water and to responsibly manage potential water withdrawal and discharge, always in compliance with applicable local laws and regulations to protect water conservation.

Substances management

IMR requires suppliers to comply with all applicable laws on prohibition, restriction, traceability, and reporting of substances for the protection of health and environment. Suppliers are obliged to register, declare and, if applicable, obtain approval for substances pursuant to legal requirements in the respective markets.

In any case, IMR recommends suppliers to avoid the use of potentially dangerous substances with adverse environmental or health impacts and to collect data from their suppliers for all materials, chemicals and components classified as hazardous substances. Where feasible, suppliers shall identify alternative solutions.

Animal welfare, biodiversity, land use and deforestation

IMR requires suppliers to conduct their business activities pursuing environment protection. Suppliers shall avoid harming animal health, protecting biodiversity, and reducing land use and deforestation. IMR recommends suppliers also to avoid noise emissions and prevent leakage of any substances hazardous to soil quality.

BUSINESS CONDUCT

IMR expects that suppliers apply the highest standards of business ethics and conduct. All their business relationships must be conducted within a framework of fairness and transparency and in compliance with applicable laws and regulations. Fair business ethics refers to anti-corruption and anti-money laundering; fair competition and conflict

of interest; data protection, disclosure of information, intellectual property and counterfeit parts; financial responsibility; responsible sourcing and import/export controls.

Anti-corruption

IMR requires suppliers to fight against any forms of corruption and, the suppliers must ensure that their employees, subcontractors, and agents do not engage in any form of bribery, corruption, or extortion.

Fair competition

IMR requires suppliers to strive for fair business practices and, in any case, to comply with the applicable competition and antitrust regulations. They must not enter into anti-competitive arrangements or agreements with competitors, suppliers, customers or other third parties and do not abuse a possible market dominant position.

Conflict of interest

IMR requires suppliers to make decisions solely based on objective criteria and disclose any actual or potential conflict of interest.

Confidentiality and privacy

IMR requires suppliers to use and protect all information in an appropriate manner. Suppliers shall keep confidential any sensitive business information in accordance with non-disclosure agreements and/or non-disclosure clauses contained in contracts.

IMR also requires suppliers to process any personal data in accordance with the applicable data protection legislation.

Money laundering

IMR requires suppliers to ensure compliance with the applicable legal provisions against money laundering and, no suppliers may engage in any activity involving, or which may give rise to the appearance of, money laundering.

Responsible sourcing of raw materials and products

In line with our “Responsible Sourcing Policy”, IMR expects suppliers to source responsibly and ensure that materials used in our products do not directly or indirectly contribute funding to conflicts or human rights abuses. IMR requires suppliers to comply with all applicable laws and regulations regarding ethical material sourcing and we expect suppliers to avoid purchasing minerals from conflict-affected and high-risk Countries and/or geographical areas and using raw materials from smelters or refineries that do not meet the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. When necessary, IMR also expects suppliers to exclude from their supply chain non-compliant smelters and refiners. The conflict-affected or high-risk Countries and/or geographical areas are those (i) whose natural resources include minerals which are in high demand, and (ii) are suffering from armed-conflict, weak or non-existing governance and violations of international law, such as human rights abuses.

Suppliers are required to comply with their due diligence obligations regarding relevant raw materials to understand and report the content of their parts supplied to IMR. For

this reason, information regarding smelters or refineries with respect to Conflict Minerals (3TG - Tantalum, Tin, Tungsten and Gold) and Cobalt and Mica must be disclosed by suppliers to IMR upon request.

Import and export

IMR expects suppliers to comply with all applicable laws and regulations for the import and export of goods, services, and information. Furthermore, supplier shall comply with sanctions lists.

Compliance with the requirements

IMR recommends its supplier to become familiar with the content of this “Code of Conduct for Supplier”. The goal is that suppliers become active parties towards their own employees and throughout their supply chain as well to disseminate a culture of compliance, integrity, and transparency. Supplier shall develop training programs to improve the commitment towards their employees and encourage them to act according to rules and regulations. IMR recommends suppliers to have an internal policy (e.g., a Code of Conduct) in place which sets forth their commitments to environmental, social, and ethical standards.

As already stated in the above section “*Introduction*”, each supplier shall acknowledge this “Code of Conduct for Supplier”, available on the IMR company website. IMR wishes to have relationship only with suppliers who demonstrate a firm commitment to this “Supplier Code of Conduct”.

IMR reserves the right to verify compliance with the requirements of this “Supplier Code of Conduct”, and to terminate any contract or agreement where a supplier is determined to have violated any requirements. This verification may take the form of questionnaires, or on-site audit carried out following prior notification and in compliance with applicable laws.