

Corporate Social Responsibility

SPEA Supplier Code of Conduct



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Chairman's Letter

We are aware of the importance of corporate social responsibility, through which we all strive to reach the highest levels of corporate ethics and integrity. Our aim towards continuous growth, innovation and sustainability can be achieved within the sphere of working activity that conforms to ethics.

This code provides the standards for company conduct underlying the commitment towards integrity of the whole SPEA Group. Please take inspiration from the principles contained within this code and observe them while fulfilling obligations assumed by contract.

Ethical shortcuts are not permissible in a relationship between us, which otherwise shall be grounded upon mutual trust and loyalty in behaviour. I wish to thank you in advance, as we are sure you will commit and use your best effort to comply with our Code of Conduct and to operate with integrity, honesty and correctness.

Chairman

Luciano Bonaria

A handwritten signature in black ink, reading "Luciano Bonaria", with a horizontal line underneath.

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Revisions

Version	Date	Comments
2	03.02.2021	<ul style="list-style-type: none">- Update according to new RBA Code of Conduct.- Deletion of OHSAS 18001 and SA 8000 standards references- Added reference to ISO 45001.- Chapter 2 "Working conditions", modified par. 2.3, 2.4, 2.5, 2.6.- Chapter 3 "Health and Safety", inserted par. 3.4, 3.5, 3.7, 3.8.- Chapter 4 "Environmental Responsibility" modified par. 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9.- Chapter 5 "Ethical Principles" modified par. 5.1, 5.4, 5.7, 5.8.- Chapter 6 "Management systems".
1	13.09.2017	First version

Introduction

Why a Code of Conduct?

The intention of this code of conduct (hereafter referred to as the “**Code of Conduct**”) is to specify the standards of behaviour and ethical responsibility, as well as the set of principles deemed essential by SPEA S.p.A. and its affiliates (hereafter referred to as “**SPEA**”) in its own supply-chain.

Through this Code, SPEA therefore addresses its global suppliers (hereafter referred to as “**Supplier/s**”) to ensure that they operate in full compliance with this Code of Conduct and with any laws in force. Suppliers will act responsibly in all aspects of a commercial, qualitative, environmental, ethical and safety nature, while conducting their own business and while cooperating with SPEA, respecting the standard for working conditions and applicable regulations.

The requirements laid down by this Code of Conduct constitute the minimum level required by SPEA from all of its Suppliers. Where this Code of Conduct and the Supplier’s local legislation are not in conflict, the Supplier is required to observe both. Where legislation and regulations in force under specific jurisdiction are less strict than those contained in this Code of Conduct, the latter shall prevail.

Addressees of the Code

This Code of Conduct is applicable to all Suppliers, including any of its Affiliates, thereby inclusive of all persons, companies, suppliers and/or third parties operating directly or indirectly with the Supplier.

The Code of Conduct is also applicable to all persons or companies acting in the name of or on behalf of the Supplier, anywhere worldwide.

Supplier Responsibility

SPEA expects that its Suppliers will agree with and share all the principles set out in this Code of Conduct. The degree of compliance and acceptance of this Code of Conduct is considered by SPEA while evaluating possible suppliers.

It is Supplier’s responsibility to ensure that its own staff, at all levels, is aware of and complies with the principles set forth in this Code of Conduct.

Principles

1. Compliance with applicable regulations in force

SPEA expects its own Suppliers to be aware of and observe all applicable legislation. Awareness and observance of legal requirements in force are fundamental elements for a Supplier to be considered compliant with the regulations of this Code of Conduct.

Suppliers are required to:

- comply with applicable legislation concerning human rights, labour rights, working conditions, health and safety, environment, taxation aspects and anti-corruption measures;
- acquire all authorisations, permits and registrations which are mandatory pursuant to applicable legislation;
- be able to provide proof, if required, of compliance with the requirements of applicable legislation.

2. Working conditions

The Supplier undertakes to observe the applicable regulations covering the relationship between employers and employees. Such undertaking concerns all workers and is intended to ensure full compliance with legislation concerning working conditions.

Below is a list and brief description of some principles considered by SPEA as fundamental and essential.

2.1 Free choice of employment

The Supplier undertakes not to make use of or take benefit from the use of forced or obligatory labour. Each employment must be voluntary and the workers are free to interrupt the labour relationship at any time, in compliance with applicable legislative measures.

The Supplier undertakes not to oblige workers to submit identity documents, passports or work permits as a condition for obtaining or maintaining a labour relationship.

2.2 Prohibition on employment of minors

The Supplier undertakes not to use or take advantage from the employment of minors.

The procedures for appointing staff must state prohibition to employ staff below the compulsory school age, below the minimum age for starting work as provided by the law or in any case not less than 15 years of age. The Supplier undertakes to encourage and support opportunities of work experience for students, in the context of educational projects, organised with schools in compliance with all applicable laws.

2.3 Working hours

The Supplier undertakes to observe the workers' right to exercise normal or agreed working hours, as established by applicable law or bargaining agreements. A workweek should not be more than 50 hours per week, except in emergency or unusual situations. All overtime must be voluntary. Weekly rest periods and paid annual holidays shall be guaranteed as established by applicable law.

2.4 Wages and benefits

Salary and other forms of compensation are paid by the Supplier in compliance with the applicable law.

Payment of the salary is made directly to the worker concerned and is subject only to restrictions or deductions allowed by applicable law.

Overtime is paid in compliance with applicable law or bargaining agreements. Any requests for overtime to be worked should take due account of the interests, safety and welfare of the workers.

2.5 Right to humane treatment

The Supplier undertakes to apply all necessary measures intended to prohibit behaviour and treatment falling in the category of mobbing, molestation, abuse, physical or mental coercion, threats, bullying, violence, gender-based violence, public shaming and similars.

2.6 Non-discrimination/Non-Harassment

The Supplier undertakes not to discriminate against any of its employees and/or anyone else with whom it has contact during the performance of its own business. The Supplier undertakes not to make discriminations or harassments on the basis of race, colour, gender, religion, nationality, social standing, political opinions, age or disability and not to apply any discriminatory practices in the stages of appointment of staff, promotion or training, nor in cases of dismissal or in any stage of a labour relationship whatsoever.

In addition, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way, including pregnancy tests.

2.7 Freedom of association

The Supplier undertakes to observe the workers' right to form or join organisations promoting their interests or to bargain collectively; not to impede workers who try to form or join these organisations or to bargain collectively by the use of reprisals or direct or indirect threats, in such a way as to create an atmosphere of intimidation or fear. Supplier undertakes to respect the workers' freedom of opinion and expression, including any concern regarding working conditions, without fear of being subjected to reprisal or intimidation.

2.8 Non Solicitation

The Supplier undertakes not to hire and/or offer work opportunities, either directly or indirectly, to any employee of SPEA, for the whole duration of the contractual relationship and for the following twelve months thereafter.

3. Health and safety

The Supplier undertakes to develop, implement and maintain health and safety policies based on applicable law and legislation. This is intended to promote and maintain at the highest level the physical, mental and social well-being of workers and to prevent any harm to health caused by working conditions.

Below is a list and brief description of the principles which are required to be implemented.

3.1 Occupational Safety

The Supplier shall analyse and control risks to health and safety generated by its operations. It undertakes to provide its employees and third parties, where required, with adequate, essential safety equipment, including personal protection equipment for prevention of injuries, diseases and accidents in the workplace, as well as for dealing with emergencies.

The Supplier shall require its own staff and third parties to adhere to all safe practices at all times and ensure that proper procedures are followed.

The Supplier guarantees adequate training on all matters pertaining health and safety at work, to be provided to all employees.

3.2 Protection of workers' health

The Supplier shall protect workers' health according to current law and regulations by executing regular health surveillance. Medical examinations must be performed according to health protocols defined by occupational doctor, which shall also periodically check the work environment.

3.3 Emergency Preparedness

The Supplier shall identify, assess and keep under control potential situations and cases of emergency and lay down appropriate procedures for reaction and training for emergency team and all staff, implementing regular drills and making available the required equipment for detection and extinguishing of fires.

3.4 Occupational Injury and Illness

The Supplier shall (i) record and investigate all accidents and problems relating to health and safety, to reduce them to a minimum or eliminate them; (ii) constantly monitor all risks connected with its own operations, or with those introduced by operations performed by outsiders or by its employees on the outside, in order to eliminate or reduce any possible causes of professional accidents or diseases; and (iii) encourage its own staff to promptly give warning of risks to health and safety which they could notice.

3.5 Industrial Hygiene

The Supplier shall identify, assess and keep under control workers exposure to chemical, biological and physical agents. Hazards shall be eliminated or reduced through proper design, engineering and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with personal protective equipment free of charge.

3.6 Physically Demanding Work

The Supplier shall identify, assess and keep under control workers exposure to manual handling and heavy or repetitive lifting of materials, prolonged standing, highly repetitive tasks and physically demanding works in general.

3.7 Safety of machinery

The Supplier shall make available for production purposes machinery and equipment that is safe and compliant with applicable legislative measures. It shall carry out assessments to identify any risks to safety, in order to implement appropriate corrective measures. Maintenance of machinery and equipment shall be carried out according to the timing and criteria set out by the manufacturer.

3.8 Sanitation, food and eating facilities

The supplier shall provide its personnel adequate working areas with ready access to clean toilet facilities and potable water. Eating facilities allow hygienic food preparation and storage. Facilities are built according to local laws and standards.

3.9 Health and safety communications

The supplier shall provide its personnel adequate training about health and safety topics. Health and safety related information shall be clearly posted in the Facility. Personnel shall be trained during onboarding process and regularly thereafter, according to law requirements.

Workers shall be encouraged to raise any health and safety concerns without retaliation.

4. Environmental Responsibility

SPEA, who recognizes its environmental responsibilities, adopted an Environmental Management System in accordance with the ISO 14001 standard, with the intention of improving its own environmental performance. Spea encourages its suppliers to take this standard as a guideline to develop their activities.

The Supplier acknowledges that its environmental responsibility:

- cannot be detached from the decisions and operations that it carries out, as any operations have an impact on the environment. This is the reason why the supplier respects the environment and finds solutions for its protection while safeguarding the health and safety of the public.
- will grow employees' awareness through constant training and information activities. Particular care shall be taken on the impacts due to own work activities, promoting a deeper sense of responsibility towards environment.

Please, find below a list and brief description of the principles which are required to be implemented by the Supplier.

4.1 Compliance with legal requirements

The Supplier undertakes to determine, apply and monitor the mandatory legal requirements regarding its own environmental aspects.

4.2 Environmental permits and reporting

The Supplier shall obtain, keep current and maintain all the environmental permits. It shall also observe its operational and reporting requirements.

4.3 Pollution prevention and resource reduction

The Supplier undertakes to prevent pollution by improving its environmental performances. Supplier undertakes to implement procedures, techniques, materials, products, services and energy sources that will avoid, reduce or keep under control the production, emission or disposal of any type of pollutant or waste.

In order to progress towards sustainable use of resources, the Supplier undertakes to make responsible use of electricity, fossil fuels, raw and partly finished materials, soil and water. Furthermore, it undertakes, where possible, to combine or replace non-renewable resources with renewable resources.

The Supplier undertakes to implement measures for efficient use of resources, in order to reduce consumption of energy, water and other resources, while taking account of indicators of best practices and other references.

4.4 Chemical and hazardous substances

Chemical or hazardous substances may constitute a risk in the event of emission into the environment during use, storage or disposal.

The Supplier undertakes to identify any such substances systematically and store, move and use them under conditions of safety, by means of appropriately trained staff. The Supplier especially undertakes to avoid the use of prohibited chemical substances as defined by applicable legislative measures or the use of undesirable chemical substances as listed in international agreements.

4.5 Solid waste

The Supplier shall identify and dispose hazardous and non-hazardous waste, committing to reduce the production and implement a systematic approach in order to promote recycling, in compliance with the current law in force.

4.6 Air emissions

Emission of pollutants into the air, such as, for example, gaseous organic compounds, nitrogen oxides, particulate matter and ozone-harmful substances may cause impact on the environment and on the health of persons.

The Supplier must identify the sources of emissions, characterize and routinely monitor such air emissions.

4.7 Materials restrictions

The Supplier must observe the requirements of applicable laws regarding prohibition or limitation of specific substances which may be contained within its products.

Such limitations can depend on hazardousness (e.g.: RoHS) or origin of materials (for example conflict-affected areas).

4.8 Water management

Waste water produced by business activities, by industrial processes and by sanitary systems may cause pollution through direct discharge, either intentional or accidental.

The Supplier undertakes to prevent this form of pollution by means of controls and monitoring plant and systems.

4.9 Energy consumption and greenhouse gas emissions

The supplier commits to track, record and document the energy consumption and greenhouse gas emissions in order to find solutions to improve energy efficiency and to minimize its energy consumption and gas emissions.

5. Ethical principles

SPEA adopts company procedures based on integrity, honesty, correctness and observance of all applicable legislation. SPEA requires its Suppliers to carry on their business in an ethically correct manner and behave with integrity.

Below is a list and brief description of the principles which are required to be implemented.

5.1 Business Integrity

The Supplier undertakes to operate in accordance with the principles of maximum honesty.

It must ensure that its staff, representatives, suppliers and collaborating sub-suppliers are aware of the ethical significance of their actions and do not pursue personal or company gain, regardless of applicable laws and regulations in force.

The Supplier undertakes to oversee that all operations are carried out with transparency and all is available in accounting entries and statements.

As required by anti-corruption legislation, the Supplier shall identify, implement and maintain practices that fight corruption and extortion.

5.2 No improper advantage

The Supplier undertakes to ensure that bribes and other methods of obtaining unfair or illicit advantages are neither offered nor accepted.

5.3 Disclosure of information

The Supplier undertakes to disclose all information regarding its operations, results obtained, its structure and its financial situation in full transparency and in compliance with the laws and regulations in force.

5.4 Intellectual property

The Supplier is obliged, in compliance with the legislation in force, to respect any intellectual property rights and of customer information protection, by implementing procedures to safeguard such rights when transferring technologies and know-how.

5.5 Confidentiality

The Supplier must protect the confidentiality of information and technologies belonging to SPEA and all those coming into its possession, including any information received by third parties.

The Supplier is obliged to use the maximum degree of confidentiality in relation to any information in its possession.

The Supplier shall require its staff and collaborators to maintain maximum confidentiality for information of a confidential nature acquired from SPEA or which is at their disposal as a result of their function: none of these information shall be revealed to third parties, and none of these information shall be used other than for the purpose agreed with SPEA.

5.6 Correctness of business operations, advertising and competition

The Supplier undertakes to carry on its operations in a manner that is consistent with applicable legislative measures regarding competition. All operations and advertising must be based on the respect of confidentiality criteria.

5.7 Protection of identity and non-retaliation

The Supplier shall encourage its personnel to raise any concerns about illegal or non-compliant behaviour guaranteeing the confidentiality, the anonymity and protection of employees whistleblowers.

The Supplier must prohibit any retaliation against any employee who has reported any transgressions in good faith, while protecting the rights of the persons reported.

5.8 Responsible purchasing of minerals

The Supplier undertakes to use raw materials coming from a legal and sustainable origin and not to purchase «conflict minerals», which help to finance armed conflict and commit abuse of human rights.

The Supplier undertakes to implement procedures in order to ensure the responsible purchasing of «conflict minerals».

For responsible minerals purchasing, it is suggested to refer to the Organisation for Economic Co-operation and Development Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

5.9 Privacy

The Supplier must ensure and guarantee full observance of any applicable regulations concerning the protection of personal data.

Privacy of employees, collaborators and clients must be protected by adopting measures specifying (i) the reasons why the company have to know the personal information (ii) the methods used for handling and storing the information.

6. Management Systems

SPEA recognizes the importance and usefulness of management systems and suggests its Suppliers, where applicable, to adopt and establish management systems helping to ensure compliance with applicable laws, regulations, customer and RBA Code of Conduct requirements. They also suggest to facilitate continual improvement.

Management systems shall contain the following elements:

6.1 Commitment

Each system must have a policy highlighting the Supplier engagement for compliance and continuous improvement. Policy has to be endorsed by executive management and posted in the facility in the local language.

6.2 Management responsibility

The Supplier shall clearly identify senior executive and company representative(s) responsible for ensuring implementation of the management systems and associated programs. Company representative(s) shall review the status of the management systems on a regular basis. It reports directly to the General Management.

6.3 Risk assessment and Risk management

A process to identify the legal compliance, environmental, health and safety and labor practice and ethics risks associated with its operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to contain identified risks and ensure compliance to laws and standards.

6.4 Improvement objectives

Written performance objectives, targets and implementation plans to improve the Supplier's social, environmental, and health and safety performance, including a periodic assessment of Supplier's performance in achieving those objectives.

6.5 Training

Training programs aimed at increasing personnel's awareness on topics concerning health and safety in the workplace, environment, work procedures and ethics further than assuring compliance to standards and law requirements.

6.6 Communication

A process for communicating clear and accurate information about policies, practices, expectations and performance about social responsibility and environment to workers, suppliers and customers.

6.7 Worker participation

Ongoing processes, including an effective grievance mechanism, to assess workers' understanding of and obtain feedback on violations against practices and conditions covered by this Code and to foster continuous improvement.

Workers must be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

6.8 Audits

Periodic self-evaluation to ensure conformity to legal and regulatory requirements, to the content of the Code and to customer contractual requirements related to social and environmental responsibility.

Supplier agrees to receive audits or periodical inspections by SPEA or by third parties defined by SPEA.

6.9 Corrective actions

A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

6.10 Documentation and records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

7. References

The following standards have been used in drafting this Code and may be a useful source of further information.

- RBA Code of Conduct
- ISO 14001 Standard
- ISO 26000 Standard
- ISO 45001 Standard
- ISO 9001 Standard
- National legislation concerning Safety in the Workplace, Environment, RoHS, Industrial Property, Privacy
- Legislation for the reform of financial markets and consumer protection, known as Dodd-Frank
- OECD Due Diligence Guidance
- OECD Guidelines for multinational companies.
- Universal Declaration of Human Rights
- United Nations Convention against Corruption
- OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas