

Code of Supplier Conduct

Overview

“Sustainability, like justice, is a value that is not constructed through purely individualistic market processes” – Herman Daly, 1986

- Sustainability is key to ITEMA values and an integral part of its business strategy, a complex and ambitious objective that ITEMA intends to achieve together with all the Stakeholders with whom it shares problems and solutions, while also sharing growth and ongoing improvement processes.
- ITEMA’s relations with its Suppliers - vitally important Stakeholders – are based on the principles of lawfulness, transparency, correctness, trust, and collaboration.
- This Code of Supplier Conduct aims to foster even closer cooperation in the corroboration of these principles by constructing together a supply chain that is not only attentive to the quality of products and services but equally concentrated on the environment, ethics, and the social and occupational conditions in which the products and services being supplied are conceived and developed.
- ITEMA expects all its Suppliers and sub-Suppliers to share the principles expressed in this Code of Conduct; compliance with this Code is an essential requisite for establishing and continuing a working relationship with ITEMA.
- The stipulation of new supply contracts or the renewal of existing agreements with ITEMA, along with any purchase order placed by ITEMA, will have as integral and indispensable part the unconditional acceptance of this Code of Conduct, which can be downloaded in updated form from the website www.itemagroup.com.

General Terms

- Suppliers agree to respect all the laws, regulations, contractual agreements in force, and the technical standards and regulations generally acknowledged, while also agreeing to disseminate the principles indicated in this Code further down their own supply chain.
- Suppliers are invited to implement the mechanisms necessary to identify, determine, and manage the risks in all the areas to which this Code may apply and to respect every pertinent law in force.
- They are also requested to preserve documented information that demonstrates their agreement with and implementation of the values expressed in this Code. Following previous agreement with the Supplier, ITEMA reserves the right to audit such implementation.

Reporting for Corrective Actions

- Suppliers can report violations of this Code or any examples of unethical behavior by ITEMA employees or associates to the ITEMA Board of Vigilance by sending a confidential email to ODV@itemagroup.com.

Evolution of the Code

- The Supplier Code of Conduct is not a static, unchanging document. In order to ensure that it remains an important point of reference and continues to ensure the adequacy and efficiency of its contents and application, it is regularly subjected to revision on the basis of developments in regulations and legislation, best practices, and input from Stakeholders. Suggestions, opinions, and comments on the Supplier Code of Conduct can be sent by email to info@itemagroup.com.

Principles of the Supplier Code of Conduct

1. Ethics

1.1 Integrity in business

- In order to meet their social responsibilities, Suppliers are required to conduct their activities with ethical correctness and to act with moral integrity. For such reason they are expected to refrain from conducting and/or tolerating any type of corruption, extortion or misappropriation of funds.
- Suppliers must commit themselves to never offering bribes or other illegal incentives to their business partners while also pledging to never accept any of the same.
- Suppliers agree to never offer ITEMMA employees gifts or other personal benefits as the direct consequences of their goods and services supply relationship.

1.2 Unfair competition

- Suppliers are required to do their business in accordance with the principles of fair competition and all the anti-trust legislation applicable.
- ITEMMA agrees to adopt transparent and correct processes for the selection of its Suppliers, all of which will be evaluated on the basis of their quality and the prices of their products or services and awarded equal treatment. ITEMMA also agrees to refrain from disseminating misleading opinion about Suppliers and their products and/or services.

1.3 Conflict of Interest

- Suppliers are obliged to inform ITEMMA of any situation that may be construed as a conflict of interest. Whenever an employee of a Supplier has a relationship of kinship or trade relations with an employee of ITEMMA, or whenever any other type of relationship that may generate a conflict of interest arises, the Supplier must promptly inform ITEMMA of the same.

1.4 Intellectual property rights

- Suppliers agree to protect and use appropriately all sensitive and confidential information

(such as product prices, costs, and technical characteristics or other information subject to specific confidentiality agreements) that comes to their attention and to ensure the guardianship of ITEMA intellectual property rights.

- Suppliers are required to adopt in the sectors under their responsibility every measure necessary to ensure that ITEMA products, their components or raw materials, and the respective know-how for production never fall into the hands of counterfeiters and never leave the legal supply chain.
- Any and all confidential information obtained from Suppliers will be deemed absolutely confidential by ITEMA and under no circumstances disclosed to competitors.

2. Labor

2.1 Rejection of forced labor and child labor

- Suppliers must agree to never engage in forced, bonded, or indentured labor.
- Suppliers must agree to never avail of any form of child labor in its own purchasing chain or business activity in compliance with the founding principles of the ILO (International Labor Organization)¹ and the United Nations Global Compact principles.

2.2 Diversity and integration

- Fair treatment of all Employees must be one of the constituent principles of the company policy of the Supplier, who agrees to refrain from any form of discriminatory treatment in terms of race, nationality, gender, age, physical characteristics, social origin, disability, political or religious views, marital status, state of pregnancy, sexual orientation, or any other illegal criteria on the basis of the laws applicable.

2.3 Fair treatment and working hours

- Suppliers are required to ensure that Employees are not subjected to any form of inhumane treatment or subjected to threats, harassment, sexual abuse, torture, corporal punishment, constriction, or mental or physical mistreatment in the workplace.
- Suppliers are obliged to guarantee Employees a fair pay sufficient to ensure such Employee and his/her family an adequate standard of living. Suppliers must also guarantee Employees' salaries that comply with the laws in force in their respective nations.
- ITEMA also invites its Suppliers to offer their Employees adequate opportunities for training and education.
- Suppliers are obliged to manage Employee work contracts lawfully and correctly in terms of the respective labor law.

¹ *Convention Concerning Minimum Age No. 138 dated 1973 – Convention on the Worst Forms of Child Labor No. 182 dated 1999*

2.4 Freedom of association

- Suppliers are committed to maintaining an open and constructive dialogue with their Employees and Trade Union representatives.
- In compliance with national and/or local laws in force, Suppliers must respect the rights of their Employees to freely associate, join labor unions, appoint representatives, sign national collective labor contracts, and take part in collective bargaining.
- Suppliers must never penalize Employees who assume Worker Representative roles.

3. Quality, health, safety, and environment

3.1 Quality requisites

- Suppliers are required to acknowledge generally acknowledged quality and technical requisites and those agreed during contract stipulation in order to ensure the supply of goods and/or services that are safe to use for their destined purpose and capable of adequately satisfying ITEMMA needs.

3.2 Workplace health and safety

- Suppliers are required to respect national regulations governing workplace quality, health, safety, and the environment, and also to obtain, conserve, and update all the necessary permits, licenses, and registrations.
- Suppliers must apply good practices in the regards to quality, healthfulness, and safety throughout the entire purchasing chain while ensuring the integrity of every shipment to ITEMMA from its place of origin to its destination and at all points in between.
- Suppliers are required to protect their Employees during work activity against any and all risks posed, strenuous work, and the risks posed by the infrastructure used by Employees.
- Suppliers must take all measures appropriate (checks, procedures, preventive maintenance) to limiting the risks to health and safety at the workplace. Whenever such risks cannot be kept under adequate control by such measures, Suppliers agree to provide Employees with the appropriate personal protective equipment.

3.3 Process safety

- Suppliers are required to be actively involved in every question posed by the safety of their productive processes and the issues regarding their products and potential environmental impact during the productive process.

3.4 Management of emergencies, information, and risk training

- Suppliers are required to check and identify possible and potential emergency situations in the workplace and reduce the risk of their occurrence to the minimum. They are also obliged to distribute safety information on the risks identified and provide their employees with training that ensures adequate protection in such situations.

3.5 Protection of the environment and conservation of resources

- Suppliers must agree to adopt systems that guarantee that the handling, processing, conservation, recycling, reuse or management of waste and the management of emissions into the atmosphere and waster waters is conducted safely and in compliance with the laws in force in the nation in question.
- Suppliers are also obliged to utilize natural resources (such as water, power supplies, raw materials) with the purpose of mitigating the effect of their processes on the planet's resources.
- Suppliers are also required to develop and utilize products and processes with limited environmental impact that are capable of reducing the consumption of energy and greenhouse gas emissions.

Colzate (BG), June 7th 2018

ITEMA S.p.A,

Purchasing Office Manager

Matteo Facchetti

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