



SUPPLIER CODE OF CONDUCT POLICY



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INTRODUCTION

This Supplier Code of Conduct (hereinafter referred to as the “Code”) is primarily aimed at ensuring that Spesso Gaskets S.r.l. suppliers uphold high standards regarding working conditions, fair treatment of employees, ethical business practices, and environmental and social responsibility.

Specifically, this Code provides guidance on the following key areas:

- labour Practices and Standards: Including compliance with child labor regulations, non-discrimination policies, health and safety measures, working conditions, working hours, fair wages, freedom of association, and employment free from coercion;
- Environmental Policy: addressing product and material use, as well as transportation technology.
- Ethics: Establishing anti-corruption measures, ensuring fair business practices, and managing relationships with stakeholders.
- Review and Documentation Policy: defining how compliance with these principles is monitored and reviewed.

Through this Supplier Code of Conduct, Spesso Gaskets seeks to engage suppliers in building a socially, environmentally, and economically sustainable supply chain.

This Code applies alongside all applicable laws and regulations in the countries where Spesso Gaskets operates and serves as a complement to the principles outlined in the Code of Ethics & Code of Conduct.



SCOPE OF APPLICATION

This Code applies to all entities entering into contracts with SPESSO Gaskets for the supply of goods or services (hereinafter referred to as "Suppliers"; while supply contracts signed with the Company will be referred to as "Supply Contracts").

For this reason, the Code applies without limitations to all supply categories within the Company. By signing the Code, Suppliers agree to uphold the principles outlined in it, ensuring that their employees and subcontractors are informed of its requirements and fully comply with its implementation.

It is specified that nothing in this Code is intended to replace any stricter provisions that may be included in a specific Supply Contract.

From a practical standpoint, the Supplier Code of Conduct applies to all goods and services purchased by the Company, including those instrumental to business operations, regardless of the purchasing method. However, the Supplier Code of Conduct does not apply to insurance company agents, whose relationships are governed by specific contractual agreements, nor to relationships with Public Administrations.

In the event of new contract signings or updates to existing agreements, the Code must be shared with and accepted by all involved parties.

Spesso Gaskets reserves the contractual right to carry out, also with the support of third-party entities, inspection audits at its suppliers to monitor the Code's implementation.

The areas defined in this Code (Fundamental Principles – Section 4) require the continuous implementation of multiple initiatives.

Building on this principle, the Company acknowledges the importance of working closely with its Suppliers to establish objectives, key milestones, and specific, achievable projects in these areas. In addition, the implementation of various provisions will be appropriately tailored to reflect the size and risk level of each Supplier's operations.

GENERAL CONDITIONS

Spesso Gaskets conducts its business in compliance with national and international laws, applicable regulations, and the principles outlined in its Code of Ethics and Human Rights Policy.

Spesso Gaskets is committed to implementing all necessary measures to prevent and eliminate corruption and conflicts of interest.

Based on these principles, Spesso Gaskets requires all its suppliers and subcontractors to, in turn, commit to embracing the principles of this Code, as adherence to it is an important factor in supplier selection and evaluation.

Additionally, Spesso Gaskets expects its suppliers to adopt the Code's behavioral principles and apply them throughout their entire supply chain.



CORE CONDUCT PRINCIPLES FOR SUPPLIERS

The principles and provisions of this Code act as the sustainability guidelines adopted by the Company in carrying out its activities.

Spesso Gaskets requires its Suppliers, who also commit on behalf of their subcontractors and any third parties engaged in the supply of goods or services, to comply with the minimum conduct standards and fundamental practices outlined in this document.

Compliance with the Code's provisions is monitored through appropriate oversight procedures that take into account different risk profiles across supplier categories, as well as potential legal and cultural differences.

To this end, Suppliers are required to promptly inform Spesso Gaskets in the event of full or partial non-compliance with the Code's provisions and to take measures to mitigate any negative impacts resulting from such violations. Additionally, in the event of a breach of the Code, Spesso Gaskets reserves the right to terminate the Supply Contract.

HUMAN RIGHTS AND SOCIAL BEHAVIOUR

Child protection and prohibition of child labour

The Supplier acknowledges the human rights of children, including the right to education, the right to play, and the right to basic needs. It adheres to the International Labour Organization (ILO) definitions regarding the minimum age for employment and hazardous work, ensuring compliance with children's rights and corporate principles.

The Supplier shall implement the necessary measures and actions to identify, prevent, and address child labour issues that it may cause, contribute to, or be linked to within the scope of its business relationships.

Prohibition of forced, coerced and compulsory labour

The Supplier opposes forced labour, as defined by the International Labour Organization (ILO), and condemns the use of all forms of forced or compulsory labour, including prison labour, debt bondage, coerced labour, modern slavery, and any form of human trafficking within our value chain.

The Supplier shall take action to ensure that all employees enjoy freedom of movement and are not subjected to physical restrictions, abuse, threats, or exploitative practices such as the retention of identity documents and valuable possessions. Additionally, it shall ensure that all employees have the right to work freely, are informed of their working conditions, and receive regular and fair compensation.

The Supplier shall implement the necessary measures to identify, prevent, and combat forced labor that it may cause, contribute to, or be linked to within the scope of its business relationships.

Fair wages

The Supplier guarantees all employees a fair and competitive salary, in line with the applicable ILO Conventions, considering the needs of employees and their families.

Salary agreements are established based on global principles, aligned with local market practices and values, while ensuring with corporate and legal requirements.



Working hours

The Supplier recognizes the importance of work-life balance, the right to rest and leisure, and commits to respecting applicable laws and any collective agreements regarding working hours and paid leave. The Supplier strives to ensure that all employees can maintain a balance between business and personal needs. Additionally, it complies with applicable laws and ILO Conventions on working hours and weekly rest periods.

Diversity and inclusion, prohibition of discrimination and harassment

The Supplier values diversity and inclusion and strictly condemns any form of discrimination and harassment, as well as any inappropriate or disrespectful behavior, including physical and verbal abuse and sexual harassment in the workplace or during work-related events.

The Supplier shall take proactive measures to promote equal opportunities for all employees, including temporary and agency workers, seasonal employees, and workers operating in a country different from their country of origin or nationality. The Supplier shall comply with ILO Conventions on discrimination and labour migration.

Suppliers must implement the necessary measures and actions to identify, prevent, and mitigate discrimination that they may cause, contribute to, or be linked to within the scope of their business relationships.

Freedom of association and collective bargaining

The Supplier recognizes the right of its employees to form and join a union of their choice and to engage in collective bargaining without fear of intimidation or retaliation.

The Supplier shall implement the necessary measures and actions to identify, prevent, and counteract any discriminatory behavior in relation to recruitment, training decisions, rewards, career advancement, dismissals, or transfers connected to union organization, membership, or activities.

The Supplier complies with ILO Conventions on freedom of association, collective bargaining, and worker representation.

Health and safety

The Supplier acknowledges that employees play a central role within the company. In compliance with ILO Conventions on health and safety, the Supplier shall continuously adopt the necessary measures and actions to provide and maintain a safe and healthy work environment for all employees. This includes managing identified risks, implementing preventive measures, assessing their effectiveness, and striving for continuous improvement. The Supplier complies with applicable occupational health and safety laws and is committed to developing a sustainable workplace health and safety culture.

Environmental issues related to human rights

The Supplier recognizes that a safe, clean, and sustainable environment is essential for the full exercise of human rights. Protecting the environment is therefore crucial to safeguarding and respecting human rights. The Supplier is committed to preserving the ecosystem by promoting responsible land use, land rights, and the protection of traditional cultures and livelihoods of local communities.

The Supplier shall document practices aimed at protecting the natural environment and ecosystem, as a foundation for safeguarding land rights, traditional cultures, and local livelihoods, including cases of land expropriation or use that affect the subsistence of individuals or communities.



Grievance and remediation procedures

The Supplier shall implement the necessary measures and actions to establish an effective grievance mechanism to address human rights concerns and issues within its supply chain.

ENVIRONMENTAL PROTECTION AND SUSTAINABILITY

Deforestation prohibition

The Supplier shall implement the necessary measures to ensure that its activities do not negatively impact forests, peatlands, or any other protected areas.

Furthermore, the Supplier must not expand its operations into high-carbon stock (HCS) forests, high conservation value (HCV) areas, or protected zones. When initiating new activities or expanding existing ones, the Supplier must obtain all legally required authorizations and permits.

The Supplier shall maintain supporting documentation related to the history of land use and must provide it upon request.

Biodiversity

The Supplier shall implement the necessary measures to preserve biodiversity across all its operations and throughout its entire supply chain.

When initiating new activities or expanding existing ones, Suppliers shall take the required steps to protect high conservation value (HCV) areas and promote biodiversity.

The Supplier shall maintain supporting documentation related to the history of land use and must provide it upon request.

Air quality and ecological footprint

The Supplier shall take all feasible measures to minimize greenhouse gas emissions and reduce its impact on air quality. Additionally, it shall implement monitoring and reduction practices to track and lower its ecological footprint, providing evidence of such efforts when requested.

Water resource conservation and management

The Supplier shall take all feasible measures to minimize its impact on water resources, reduce consumption, maintain or improve groundwater quality, and promote water conservation.

The Supplier shall also implement the necessary measures to provide evidence of its water footprint when requested.

Waste management

The Supplier shall implement the necessary measures to minimize waste production and reduce the consumption of natural resources.

The Supplier shall adopt best practices in waste management, recycling, and reuse of scrap materials, aiming to reduce its environmental footprint and promote the circular economy.

Chemical products management

The Supplier shall not use chemicals deemed harmful to the environment and/or human health.

Suppliers involved in agricultural product sourcing shall practice and promote the limited use of chemicals and fertilizers within the supply chain and among farmers.

The Supplier shall establish and implement procedures for chemical management across its entire supply chain. Additionally, the Supplier shall provide supporting documentation regarding the handling and use of chemicals, when requested.



Soil quality

The Supplier shall implement the necessary measures to preserve soil quality and minimize its impact on land use as much as possible.

Suppliers involved in agricultural product sourcing shall practice and promote good agricultural practices throughout their supply chain and among farmers.

The Supplier shall practice and promote composting, organic matter reuse, and regenerative agriculture—practices that enhance soil biodiversity and carbon sequestration.

Additionally, the Supplier shall provide evidence of soil management and/or soil impact assessments, when requested.

Energy Efficiency and Renewable Energy

The Supplier shall implement the necessary measures to minimize energy consumption and establish energy-saving strategies aimed at reducing the environmental and social impacts of business activities.

This includes the use of renewable energy sources and fuels as well as low-fuel consumption logistics solutions.

Animal welfare

The Supplier shall implement the necessary measures to ensure animal protection and welfare, striving for continuous and progressive improvements in their mental and physical well-being.

Sustainable packagings

The Supplier shall implement the necessary measures to minimize the environmental impact of packaging.

Suppliers shall consistently apply eco-friendly design principles, including:

- eliminating unnecessary packaging,
- choosing recycled materials whenever possible,
- reducing material usage, particularly when sourced from non-renewable resources,
- encouraging the reuse or recycling of packaging.

SUPPLIER TRANSPARENCY

Traceability and data management

The supplier shall actively engage its supply chain to enhance transparency and traceability of its products and/or services. The Supplier must track the origin of its goods, maintain key documentation, and report and manage information within the agreed-upon database, also to demonstrate authenticity. The Supplier shall take measures to prevent product counterfeiting and shall avoid using goods of uncertain origin. Additionally, it shall conduct the necessary verifications to prevent patent infringement and violations of industrial and intellectual property rights.

Upon request, the Supplier shall provide Spesso Gaskets with sample batches, records, and traceability information.

Security services

Any Supplier utilizing public or private security services to protect its business operations, facilities, and personnel must do so in compliance with applicable national laws and international regulations regarding the protection of individuals, human life, dignity, and personal freedom.

Upon request, the Supplier shall provide supporting documentation regarding supply or subcontracting agreements for private security services.



Management systems

The Supplier shall ensure that these three key areas are managed throughout its supply chain by adopting a due diligence-based approach.

The Supplier must implement management systems, including objectives, policies, and procedures.

Suppliers shall provide training for workers and/or employees, ensuring that all aspects of this Code of Conduct are consistently addressed and discussed.

Upon request, the Supplier shall provide evidence demonstrating the implementation of each key point.

FINAL PROVISIONS

This Code has been approved by the Managing Director of Spesso Gaskets, who promotes its adoption in all supplier business relationships.

This Supplier Code of Conduct is subject to periodic review in the event of changes in national and international regulations, which are referenced as best practices, or in case of legal interpretations or other necessary updates. Please note that this Code has been translated into multiple languages for reference purposes and is available on our website www.spesso.com. In case of discrepancies between the English version and any translated version, the Italian version shall prevail.

COMMITTMENT TO SUSTAINABLE PARTNERSHIP

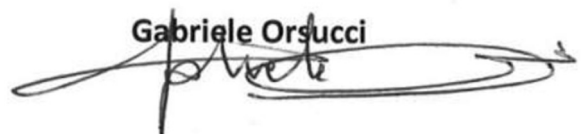
Spesso Gaskets is committed to fostering long-term relationships with its Suppliers to continuously strengthen its partnership in support of a fair, sustainable, and transparent supply chain.

Based on these principles, the Supplier:

- agrees and commits to complying with the aforementioned engagement rules, which constitute an essential prerequisite for the ongoing business relationship with the Company.
- accepts to implement the due diligence process, which may include self-assessments, online evaluations, risk and impact assessments, data collection, audits of Quality, Environmental, and Safety Management Systems conducted by Spesso Gaskets or third-party entities on its behalf, as well as the submission of required certifications, accreditations, and/or documents.
- Shall communicate this Code of Conduct to its own suppliers and implement a due diligence process throughout its entire supply chain, ensuring compliance among its employees, agents, subcontractors, suppliers, and sub-suppliers involved in providing goods and/or services to the Company.

Torino 02/09/2024

Managing Director

Gabriele Orsucci


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