

Supplier Code of Conduct

SOMMARIO

1	introduction.....	1
2	human rights and working conditions.....	2
2.1	Child labour and young workers	2
2.2	Wages and benefit	2
2.3	Working hours.....	2
2.4	Modern slavery	2
2.5	Ethical recruiting	2
2.6	Freedom of association and collective bargaining.....	2
2.7	Non-discrimination and harassment.....	2
2.8	Women’s Right.....	2
2.9	Diversity, Equity and Inclusion	3
2.10	Rights of Minorities and inclusion.....	3
3	Environment and energy management.....	3
3.1	Decarbonization	3
3.2	Energy Efficiency and Renewable Energies.....	3
3.3	Responsible Management of Water Resources and Air Quality	3
3.4	Responsible chemical management	3
3.5	Sustainable resources management.....	3
3.6	Waste reduction.....	3
3.7	Reuse and Recycling.....	3
3.8	Animal welfare	4
3.9	Biodiversity, land use and deforestation	4
3.10	Soil quality.....	4
3.11	Noise emission	4
4	HEALTH, SAFETY, AND WORKING ENVIRONMENT	4
4.1	Integrity, Legality, and Compliance.....	4
4.2	Transparency and Conflict of Interest Management	4
4.3	Data Protection and intellectual property	4

1 INTRODUCTION

This Supplier Code of Conduct outlines the fundamental principles and behavioural expectations that all suppliers and subcontractors of the Kab-Lem Group are required to comply with in the context of their collaboration with Kab-Lem and throughout the entire supply chain.

The Code sets forth requirements in terms of sustainability, ethical conduct, environmental management, and respect for human rights, ensuring alignment with internal corporate policies and globally recognized best practices.

Suppliers are required to respect the fundamental rights of individuals, promoting safe, fair, and inclusive working conditions, free from any form of discrimination, exploitation, or abuse. They must operate with integrity, ensuring transparency in operations, fairness in business management, and full compliance with applicable laws and regulations.

Special attention must be paid to the environmental impact of activities, promoting the responsible use of natural resources, preventing pollution, and adopting operational practices aimed at sustainability and the protection of ecosystems. Suppliers must also demonstrate respect for local communities and contribute to the development of relationships based on responsibility, collaboration, and the protection of collective well-being.

Kab-Lem Group is committed to fostering supply relationships based on the principles of shared responsibility, transparency, and long-term sustainability. All suppliers are expected to act in accordance with these principles, ensuring that their own supply chains also operate according to comparable ethical, environmental, and social standards.

2 HUMAN RIGHTS AND WORKING CONDITIONS

Suppliers must respect the human rights of workers, local communities, and other stakeholders, by preventing and addressing any potential negative impacts resulting from their activities, in line with the United Nations Guiding Principles on Business and Human Rights. They must also ensure safe, fair, and inclusive working conditions, promoting non-discrimination, freedom of association, and the prohibition of forced and child labour.

2.1 Child labour and young workers

Suppliers are required to respect the minimum age for employment in their business operations and throughout their supply chain, ensuring that child labour is not tolerated in any form. If a case of child labour is identified, the supplier must take immediate and appropriate corrective actions to remedy the situation and ensure full compliance with applicable laws and regulations.

2.2 Wages and benefit

Suppliers must ensure that their workers receive wages in accordance with applicable laws and prevailing industry practices. Such compensation must be sufficient to meet basic needs and ensure a decent standard of living for workers and their families. This includes compliance with minimum wage requirements, overtime pay, sick leave, and any other benefits mandated by applicable regulations.

2.3 Working hours

Suppliers must comply with applicable laws and, where relevant, collective bargaining agreements regarding working hours, or at a minimum, adhere to working hour standards where applicable laws provide lower requirements.

2.4 Modern slavery

Suppliers must commit to preventing all forms of modern slavery, including forced labor, human trafficking, servitude, and compulsory labor. They are responsible for ensuring that all individuals involved in their operations and supply chain are treated with dignity and respect, work voluntarily, and receive fair compensation. Any suspicion or identification of modern slavery practices must be addressed immediately with effective corrective actions, in compliance with applicable national and international laws.

2.5 Ethical recruiting

Suppliers must ensure transparent, fair, and respectful recruitment practices that uphold workers' rights. The hiring process must be free from any form of coercion, discrimination, or deception, ensuring that workers do not bear undue costs to obtain employment. Additionally, it is essential that suppliers provide clear and comprehensive information regarding working conditions, rights, and responsibilities, promoting a safe and dignified work environment for all candidates and employees.

2.6 Freedom of association and collective bargaining

Suppliers must respect workers' rights to freely organize, join trade unions or other worker representatives, and participate in collective bargaining without fear of discrimination, intimidation, or retaliation. They must ensure an environment where dialogue between workers and employers is encouraged and supported, promoting fair and constructive negotiation of working conditions.

2.7 Non-discrimination and harassment

Suppliers must ensure an inclusive and respectful work environment, free from any form of discrimination, harassment, or abuse based on race, gender, age, religion, sexual orientation, disability, national origin, or any other characteristic protected by law. It is their responsibility to implement effective policies and measures to prevent and address inappropriate behavior, ensuring that all workers are treated with dignity, fairness, and respect.

2.8 Women's Right

Suppliers must commit to promoting and protecting women's rights in all aspects of work, ensuring equal opportunities in hiring, professional development, remuneration, and working conditions. It is essential to prevent any form of discrimination, harassment, or gender-based violence, guaranteeing a safe, inclusive, and respectful work environment. Suppliers must also support initiatives aimed at fostering gender equality and the empowerment of women within their organization and throughout the supply chain.

2.9 Diversity, Equity and Inclusion

Suppliers must actively promote diversity, equity, and inclusion within their workplace and throughout the entire supply chain. This entails respecting and valuing individual differences, ensuring equal opportunities for access, growth, and participation for all, regardless of gender, ethnicity, age, disability, sexual orientation, religion, or any other personal characteristic. Suppliers are required to create an inclusive work environment where every person feels valued, respected, and supported.

2.10 Rights of Minorities and inclusion

Suppliers must respect and protect the rights of minorities and indigenous peoples, recognizing their culture, traditions, and ways of life. They must ensure that these groups can fully participate in employment opportunities without discrimination, while preserving their right to self-determination and the protection of their lands, resources, and cultural identity. It is essential to adopt measures that prevent any form of exploitation, marginalization, or violation of their fundamental rights.

3 ENVIRONMENT AND ENERGY MANAGEMENT

3.1 Decarbonization

Suppliers, in accordance with the objectives established by the European Commission, are required to develop and implement a decarbonization plan aimed at achieving a 55% reduction in greenhouse gas emissions by 2030 compared to 1990 levels, as well as reaching climate neutrality by 2050. The plan should include the adoption of sustainable practices, energy efficiency measures, and the use of renewable energy sources. Suppliers are also encouraged to monitor and report on their progress, actively collaborating to contribute to common sustainability goals.

3.2 Energy Efficiency and Renewable Energies

Suppliers must commit to continuously improving the energy efficiency of their operations by adopting advanced technologies and best practices that reduce consumption without compromising quality or productivity. At the same time, they are strongly encouraged to integrate renewable energy sources into their activities, aiming to reduce dependence on fossil fuels and limit greenhouse gas emissions. The combined adoption of energy efficiency solutions and the use of clean energy represent a crucial step toward a more sustainable industrial model, aligned with global decarbonization goals and environmental responsibility.

3.3 Responsible Management of Water Resources and Air Quality

Suppliers must adopt a responsible approach to environmental management, with particular attention to the quality of water resources and air. Regarding water, it is essential to ensure that withdrawal, use, and discharge comply with environmental and health regulations, while promoting water conservation, reuse, and recycling wherever possible. Concerning air quality, suppliers are required to monitor and limit pollutant emissions generated by their activities by implementing clean technologies and emission control systems. These actions are essential to protect human health, safeguard the environment, and contribute to a more sustainable production system.

3.4 Responsible chemical management

The safe and responsible management of chemicals is essential to prevent risks to human health and the environment. Suppliers must ensure that the use, transport, storage, and disposal of chemicals comply with current regulations and industry best practices, adopting preventive measures to avoid accidents and contamination.

3.5 Sustainable resources management

The sustainable use of natural resources is a fundamental commitment for suppliers. They must promote practices that enhance the efficiency of raw material use, reduce waste, and adopt alternative materials with a low environmental impact, thereby contributing to the preservation of resources for future generations.

3.6 Waste reduction

Suppliers are required to implement effective strategies to reduce the amount of waste generated, promoting prevention through careful planning of production processes and minimizing scraps. These efforts are essential to limit environmental impact and improve the overall sustainability of activities.

3.7 Reuse and Recycling

To promote a circular economy, suppliers must adopt policies that encourage the reuse and recycling of materials, thereby reducing the amount of waste sent to landfills or incineration. This includes implementing separate waste collection systems, material recovery, and the use of recycled products in production activities.

3.8 Animal welfare

Animal welfare must be ensured at all stages of the production chain. Suppliers are required to adopt high standards that guarantee adequate living conditions, preventing any form of mistreatment, stress, or suffering of animals, in accordance with international regulations and recognized best practices.

3.9 Biodiversity, land use and deforestation

Suppliers must commit to protecting biodiversity and managing land use sustainably, avoiding practices that may lead to deforestation, environmental degradation, or loss of natural habitats. It is essential to promote agricultural and industrial activities that respect local ecosystems and contribute to nature conservation.

3.10 Soil quality

Preserving soil quality is essential to ensure the productivity and health of ecosystems. Suppliers must adopt practices that prevent erosion, contamination, and soil degradation, promoting sustainable management methods that maintain soil fertility and biodiversity.

3.11 Noise emission

Noise emissions resulting from production and operational activities must be carefully managed to minimize acoustic impact on workers and nearby communities. Suppliers must implement noise control and reduction measures, using appropriate technologies and barriers to ensure a safe working environment and the well-being of surrounding populations.

4 HEALTH, SAFETY, AND WORKING ENVIRONMENT

Suppliers must ensure safe and healthy working environments by adopting all necessary measures to prevent accidents, injuries, and occupational diseases. It is essential to promote a safety culture through training, continuous monitoring, and compliance with applicable health and safety regulations.

4.1 Integrity, Legality, and Compliance

Suppliers commit to operating with integrity and transparency, complying with laws against corruption, money laundering, and anti-competitive practices. They must avoid any illegal behavior, promote fair competition, and ensure responsible financial management with accurate records in accordance with applicable regulations. Suppliers must also comply with regulations related to export controls and international economic sanctions.

4.2 Transparency and Conflict of Interest Management

Suppliers are required to provide truthful and complete information regarding their activities, avoiding omissions or misleading statements. They must promptly identify and manage any conflicts of interest, ensuring impartiality and integrity in professional relationships. Additionally, they must ensure an effective whistleblowing system that allows for reporting unlawful conduct without fear of retaliation.

4.3 Data Protection and intellectual property

It is the suppliers' responsibility to protect personal and corporate data handled during their activities, ensuring compliance with privacy regulations and adopting measures to prevent unauthorized access or improper disclosures. They must also safeguard intellectual property by ensuring that products and components are original and meet standards, preventing the distribution of counterfeit parts.

Giuseppe Mendolia
Kab Lem Group CEO

