SABAF GROUP
Sustainable Procurement Policy

Introduction
The Sabaf Group (hereinafter also "Sabaf" or "the Group") considers the enhancement of the Person, respect for ethics in business and socially responsible behaviour to be the founding elements of its business model.
In this perspective, the Group has developed and adopted a governance system that ensures sustainable growth, through constant innovation and the balancing of the legitimate expectations of the various stakeholders. The Sabaf Charter of Values defines the principles of behaviour required of collaborators and stakeholders.

This Sustainable Procurement Policy ("the Policy") promotes sustainable and responsible procurement practices throughout Sabaf's supply chain and defines the standards with which the Group's suppliers are required to comply.
Sabaf has established and maintains active appropriate procedures for the evaluation and selection of suppliers, including on the basis of their ability to satisfy the principles of the Sabaf Charter of Values and the commitments required by signing this Policy.

Scope of Application
The Policy applies to all suppliers of goods and services of the Sabaf Group, in all countries in which it operates.

Reference Documents
The Policy should be read in conjunction with the following documents:
- Charter of Values;
- Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001;
- Anti-Corruption Policy.

Regulatory Context
The Policy is based on the values indicated in the Sabaf Group Charter of Values, which refers to:
- the Charter of Fundamental Rights of the United Nations, the Charter of Fundamental Rights of the European Union, the Italian Constitution, the Charter of Fundamental Human Values of the Nova Spes International Foundation;
- the core labour standards contained in the ILO conventions;
- the OECD Guidelines for Multinational Enterprises;
- the United Nations Global Compact, to which Sabaf adheres.

Suppliers are required to comply with the regulations and standards in force in the countries in which they operate. Where local regulations are less stringent than this Policy, suppliers undertake to adopt the necessary measures to comply with the requirements of this Policy.

Ethics
Sabaf does not tolerate any form of corruption and is committed to complying with the anti-corruption laws in force in all countries in which it operates. Suppliers are also required to act with transparency and integrity and in compliance with the anti-corruption regulations in force in all the countries in which they operate.
Any form of corruption, incitement to crime, extortion and embezzlement is strictly prohibited. Suppliers, directly or through an intermediary, must not offer, promise, pay or request money (through bribes and/or gifts and incentives in money or other benefits) for the purpose of obtaining an undue advantage.

Fair competition is a fundamental prerequisite in creating sustainable success. Suppliers must act in compliance with competition, antitrust and trade laws applicable in all countries in which they operate. Any form of agreement in violation of competition and antitrust rules is strictly prohibited.
Suppliers are required to disclose any actual or potential conflicts of interest in the conduct of their business. A conflict of interest exists when a personal interest interferes or could interfere with the business relationship with Sabaf.
Suppliers must firmly oppose all forms of money laundering and take measures to ensure that every economic and financial transaction is correctly traced, in order to allow the identification of the origin of the goods and/or money.
Suppliers undertake to respect the intellectual property rights of third parties.

Work and Human Rights
In line withinternationalstandardsand with a view to social protection andsustainability, in orderto prevent and avoid the possibility that itsactivitiesmay cause or contribute to causingviolationsof human rights,Sabafalsoasks its suppliers:

- not to resort to child labour. Suppliers must not, under any circumstances, employ personnel under the age of 15, unless it is a professional internship, training programme or apprenticeship authorised by the government and of clear benefit to the participant;
- not to make use of any form of forced labour. Suppliers shall not tolerate the use of any disciplinary practices involving the use of physical or psychological violence and shall oppose any form of human trafficking and modern slavery;
- recognise, respect and fully guarantee the right to work and free association of its employees in all establishments and apply collective bargaining where the regulations provide therefor.
- not to tolerate any form of harassment and/or discrimination based on gender, belonging to a minority, political opinions, religious beliefs, age, ethnicity, marital status, family status, disability and any other personal condition and promote the positive value of diversity;
- comply with applicable rules on working hours;
- promote the material well-being of its employees. Wages and allowances must be paid in accordance with applicable regulations. In defining wages, Sabaf invites suppliers to take into consideration the cost necessary to meet the basic needs of their workers.
- commit to considering local populations and communities among the main stakeholders in any type of community project they plan to implement, and promote their involvement.

Occupational Health and Safety
Workplace health and safety is a basic principle of Sabaf's business model. Suppliers are required to:

- adopt occupational health and safety management systems inspired by the ISO 45001 standard or in any case aligned with benchmark best practices;
- commit to spreading and consolidating a culture of safety that promotes responsible behaviour by workers.

Environmental Protection
Sabaf adheres to the principles of sustainable development. To this end, the Group is committed to pursuing the following objectives:

- the prevention of pollution and the rationalisation of the use of energy through the continuous improvement of its processes and products;
- efficiency in the use of natural and energy resources;
- the reduction of the quantity of waste produced and the improvement of its quality in terms of hazardousness and recoverability.

To achieve these objectives, the contribution of the entire supply chain is essential. Suppliers are required to:

- adopt environmental management systems compliant with the ISO 14001 standard or in any case aligned with benchmark best practices;
- commit to optimising the use of natural resources and reducing emissions that are harmful to the environment and/or are climate-altering;
- design products and processes that minimise environmental impacts throughout their life cycle, with particular attention to water resources and energy consumption;
- progressively reduce the use of energy from fossil fuels;
- suggest to Sabaf the adoption of alternative products and processes with a reduced environmental impact throughout their life cycle, such as, by way of example, secondary origin materials with a view to the circular economy;
- manage the treatment and disposal of waste appropriately and in compliance with current regulations, minimising the production of waste destined for disposal;
- avoid the use of hazardous substances where technically possible and, when their substitution is not feasible, manage them in accordance with applicable provisions (e.g. REACH regulation);
- optimise logistics and promote the use of means of transport that minimise environmental impacts;
- stimulate its supply chain in minimising environmental impacts.

Management of Materials Critical for Environmental and Social Impact

For the management of minerals from conflict-affected and high-risk areas (tin, tungsten, tantalum and gold) as well as other raw materials such as cobalt, suppliers commit to establishing processes in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains. Smelters and refineries without adequate and controlled due diligence processes are to be removed from the supply chain.

Cyber Security

The Sabaf Group considers cyber security to be an essential factor for the protection of its assets and those of its stakeholders. To this end, Sabaf is constantly committed to increasing the level of security, through the implementation of technical and organisational measures that protect the integrity, confidentiality and availability of the data and information managed.

In order to ensure that information is protected throughout the entire supply chain, Sabaf requires its suppliers to:

- process the information provided by Sabaf in an appropriate manner, ensuring suitable administrative, physical and technical safeguards;
- comply with data protection and information security laws and regulatory requirements when collecting, storing, processing, transmitting and disseminating data and information.

Training

Sabaf is committed to training its employees and encourages all suppliers to disseminate the contents of this Policy through adequate training of their own employees and suppliers.

Reporting Violations

Suppliers are required to promptly report to Sabaf any violations of this Policy by their employees.

Suppliers are required to report any behaviour contrary to the Policy carried out by Sabaf employees in the context of the supply relationship, via the email address internal.audit@sabaf.it. Sabaf guarantees the confidentiality of the identity of the whistleblower.

Monitoring and Corrective Actions
Sabaf may request information from its suppliers regarding the contents of the Policy and reserves the right to carry out audits by its own personnel or by third parties, subject to appropriate communication.

If a violation of the provisions of this Policy is found, Sabaf will promptly notify the supplier in writing. It will set a reasonable period for the supplier to prepare and implement appropriate corrective actions. If the period elapses without results, or if the implementation of corrective actions does not resolve the violation, Sabaf reserves the right to terminate the commercial relationship, without prejudice to the contractually agreed terms.

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SUPPLIER COMMITMENT

By having this document signed by a legal representative, the supplier acknowledges that it has read and accepts the principles, commitments and terms and conditions contained herein.

Company Name:

Address:

Name and surname of the signatory:

Role of the signatory:

Date:

Signature: Firmato digitalmente da: Pietro Iotti
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