

## CODE OF CONDUCT

### Target audience and expectations

The values and principles of conduct contained in this Code apply to the entire supply chain, including subcontractors, sub-suppliers and suppliers of materials and components, with particular reference to all workers working in their organisation.

Teseo requires all its suppliers to adhere to and follow this Code and to comply with all national and local laws and regulations, including those concerning social and environmental performance and the contractual agreements and requirements of the countries in which they operate.

Teseo's suppliers comply with this Code of Conduct which draws inspiration from International Standards such as the UN Global Compact [www.unglobalcompact.org](http://www.unglobalcompact.org), the International Labour Organisation (ILO) convention [www.ilo.org/global/standards](http://www.ilo.org/global/standards), national legislation and industry best practices.

By accepting this Code of Conduct, suppliers undertake to respect the values, principles and rules of conduct described in it and, more generally, the rules set out in the TESEO Code of Ethics to which the Code of Conduct forms part.

The Code of Conduct focuses on four basic topics:

- WORKING CONDITIONS
- QUALITY, HEALTH AND SAFETY AT WORK
- RESOURCE CONSERVATION AND CLIMATE PROTECTION
- BUSINESS MANAGEMENT SYSTEMS

### WORKING CONDITIONS

TESEO's suppliers must always employ workers in compliance with local legal requirements in terms of age of employment and in accordance with ILO Convention No. 138 of 1973, particularly with regard to underage workers.

Suppliers undertake not to use any form of forced, illegal or involuntary labour, to treat workers with dignity and respect, and to prohibit any form of corporal punishment, threats or practices involving physical violence or other abuse or harassment in the workplace.

TESEO's suppliers, during the process of hiring workers, shall not engage in any form of discrimination in terms of gender, sexual preference, race, ethnic origin, religious belief or political affiliation.

TESEO suppliers grant workers the right to form or join trade unions of their own free will, where permitted by local law, and the right to sign collective bargaining agreements. They also undertake not to retaliate against the right to strike.

The supplier must undertake to pay wages on time and in accordance with the minimum required by local law and, where necessary, provide a living wage. Working hours shall not exceed the legal limits permitted by local laws.

Disciplinary procedures must be documented and made available to all workers in the local language. Procedures must comply with all applicable local laws.

### QUALITY, HEALTH AND SAFETY

TESEO's suppliers undertake to meet quality requirements, generally recognised or specifically agreed in contracts, in order to provide goods and services that meet TESEO's needs and expectations in terms of durability, aesthetics, functionality and safety.

TESEO's suppliers must provide information on safety risks identified in the workplace and must adequately train their employees to ensure that appropriate measures are taken to avoid them.

Suppliers undertake to identify and verify possible and potential emergencies and to minimise their impact by adopting emergency plans and response procedures. To deal with risks, they must have a documented procedure for identifying and assessing risks in the workplace and specific emergency plans and response procedures based on risk assessment. In particular, all personnel must be kept informed and trained on occupational health and safety through the provision of regular and specialised training related to the nature of the risks to which workers are exposed.

TESEO's suppliers must ensure that the buildings and premises in which production activities are carried out are suitable for such activities, comply with applicable local laws and regulations for their use and comply with

legal building requirements, and that the working environment complies with local regulations on ventilation, lighting, temperature, hygiene and health.

Each machine must meet minimum safety requirements and be equipped with safety instructions in the local language. Protective devices and preventive measures must be correctly installed in compliance with local work safety regulations. In particular, emergency lights and fire alarms must function properly, emergency exits must be clearly marked in the local language and kept clear at all times, and fire-fighting equipment properly positioned.

A regular fire drill (evacuation test) must also be carried out and documented, according to the applicable local law, with the participation of all workers.

Adequate first aid equipment must be available and, where required by law, a doctor and/or qualified nurse should be available during working hours.

Adequate measures must be taken to prevent accidents or injuries arising from, associated with, or occurring during working hours, minimising, as far as reasonably possible, the causes of risks inherent in the working environment. In particular, TESEO's suppliers must provide their workers, free of charge, with protective equipment as required by law and applicable industry standards (PPE - personal protective equipment). Each worker is required to use his or her own protective equipment during working hours. Workwear shall be provided to workers according to applicable local legislation.

Suppliers shall implement procedures to identify, assess and control workers' exposure to safety risks. They are obliged, in the performance of their work, to scrupulously observe all relevant laws in force as well as all provisions to be issued thereafter.

If a TESEO supplier provides dormitory and/or canteen facilities, these must comply with local laws.

## RESOURCE CONSERVATION AND CLIMATE PROTECTION

TESEO's suppliers, in their use of natural resources, undertake to reduce the negative impacts on the environment and the climate, through interventions in the production system, in the maintenance of facilities as well as the replacement, conservation, recycling and reuse of materials. In particular, they undertake to develop and use climate-friendly products and processes that reduce energy consumption and greenhouse gas emissions.

This commitment must take the form of the adoption of environmental management practices to minimise the consumption of water, energy and other natural resources as well as the production of waste, and to progressively reduce negative impacts on the environment, in compliance with applicable local laws and regulations on the protection and preservation of the environment and the local community. In particular, suppliers must limit the presence of harmful chemicals in finished products, in compliance with accepted levels defined within the RSL (Restricted Substances List) defined by TESEO.

Any waste, particularly hazardous waste, must be handled responsibly and in accordance with the laws in force in the territory where the supplier is located.

TESEO's suppliers must carry out and document a comprehensive assessment of all potential hazardous waste management streams. In particular, they must provide adequate documentation showing the final destination of hazardous wastes and provide for their disposal, recycling or treatment according to the laws in force in the country where they are located, with particular attention to waste water leaving production facilities, which must be properly treated before being discharged.

Air emission sources must be equipped with pollution control devices that remove or filter contaminants prior to release, as required and within the limits imposed by local laws.

## BUSINESS MANAGEMENT SYSTEMS

TESEO suppliers are required to implement business management systems that facilitate compliance with applicable laws and promote continuous improvement in line with the expectations of this Code of Conduct. These management systems shall include the following aspects.

## PRODUCTION AND SUBCONTRACTORS

Suppliers must accurately report on production planning and any overproduction problems concerning TESEO products, which may only be sold to TESEO Group companies.

TESEO requires all its suppliers to comply with this Code of Conduct and to be transparent about the information they provide on their activities, in particular with regard to the correct identification of the origin of

raw materials.

In case of subcontracting, TESEO's suppliers must ensure that the subcontractors in turn comply with and sign for acceptance a copy of this Code of Conduct.

## ANTI-CORRUPTION POLICY AND REGULATORY COMPLIANCE

All TESEO's suppliers must keep accurate financial accounts, comply with local administrative and tax regulations and hold a regular business licence issued by the competent authorities in their country.

TESEO's suppliers must apply a specific anti-corruption policy in accordance with TESEO's Code of Ethics, of which suppliers undertake to share the main principles. In particular, they undertake not to offer bribes, gifts, discounts or other illegal or immoral payments or compensation in dealings with employees or representatives of TESEO, in order to influence any act or decision or otherwise secure an undue commercial advantage.

## MODALITIES FOR IMPLEMENTING THE CODE OF CONDUCT

All suppliers are obliged to make the content of the TESEO Code of Conduct, signed for acceptance by a legal representative of their company, known to their supervisors and managers who, in turn, must enforce it on their employees and subcontractors.

TESEO's suppliers are required to inform any subcontractors of the principles contained in this Code of Conduct and to verify compliance with them.

Compliance with this Code of Conduct will be verified through internal audits or audits entrusted to leading international auditing institutes:

- implementation of the recommendations in the SCAPRA Code of Conduct;
- the degree to which sustainability policies and practices are applied within the supply chain;
- any certifications such as, for example, ISO 14001, SA8000, ISO 26000 or ISO 50001;

and monitoring activities carried out directly by production and quality department technicians.

Disciplinary measures may be applied to suppliers who do not comply with the Code of Conduct, in proportion to the severity of the non-compliance. Extreme measures such as contract termination may be applied.

To enable verification of compliance with the Code, suppliers must provide access to all required documentation and allow access to all their facilities.

Should non-conformities be found during the audit, an appropriate corrective action plan must be defined and agreed upon between TESEO and the supplier in question.

Failure to implement the agreed action plan will constitute a serious breach of the Code of Conduct.

The Code of Conduct, like the other corporate policies and procedures adopted by the Group, is to be used as a guide and should not be understood as an exhaustive document covering all situations that may arise during the course of operations. For any questions relating to specific rules of conduct or for clarification on any subject mentioned in this Code, suppliers are invited to contact the TESEO management team responsible for corporate responsibility and sustainability.

All reports received are recorded and archived. If necessary, checks are activated, with the reasons that led to this decision. Any violations of the Code detected as a result of other verification activities are promptly assessed by the functions responsible for the application of any sanctions, following formal communication to the Supplier, who must respond to TESEO promptly, proposing, if necessary, corrective actions to the violation detected in the control.