




SUPPLIER POLICY STATEMENT AND CODE OF CONDUCT



CLN S.p.A. and its Subsidiaries ('CLN') are committed to meeting the highest standards of Corporate Social Responsibility, as set out in the "CLN Group Code of Ethics", which explains the rules of conduct and social responsibility standards for the protection of health, safety, the environment and human rights adopted by CLN and published on the website <https://www.gruppocl.com/en/csr>.

CLN expects its suppliers to adopt similar standards.

This Policy Statement and Code of Conduct sets out the guidelines that CLN expect suppliers to follow regarding Corporate Social Responsibility issues.



CLN calls upon its suppliers to encourage their subcontractors and suppliers of production material to comply with the guidelines set out in this document, and to forward these requirements along their supply chain.

Responsible Sourcing

CLN is committed to a policy of responsible sourcing of production materials, equipment and services, and will favour suppliers whose policies and practices support a high level of Corporate Social Responsibility. If CLN becomes aware that a supplier falls below CLN's expected standards, a supplier assessment may be undertaken to determine whether CLN should suspend or discontinue the supply relationship.

Corporate Social Responsibility Commitments

CLN formally supports a number of globally recognised initiatives as set out on <https://www.gruppocl.com/en/our-commitments>




CLN encourages its suppliers to make the same formal commitments in order to support their Corporate Social Responsibility efforts.

Working Conditions / Labour Practices / Human Rights

Child Labour and Young Workers

CLN suppliers may not employ child labour or people younger than the age legally required for taking up work pursuant to the legislation in force in the place where the supplier is based. In any case, people younger than fifteen years of age should never be employed by a CLN supplier, unless an exception is expressly provided for by the applicable international conventions or the local legislation.

CLN requires its suppliers to place all its sub-contractors under a corresponding obligation.



Forced and Compulsory Labour

CLN suppliers may not use any form of forced or compulsory labour, slavery, servitude, or human trafficking.

CLN requires its suppliers to place all its sub-contractors under a corresponding obligation.

Working Hours, Wages and Benefits

CLN upholds the principle that all workers should have decent working conditions. In relation to working hours, wages and benefits, social security benefits, overtime, and paid leave, suppliers are required to comply with the applicable legislation and practices in the country where they operate. CLN expects suppliers to pay wages in full for services rendered and not to unlawfully withhold amounts due to their employees. Employee wages should at least, as far as possible, cover the basic needs of employees and enable a decent standard of living for employees and their families.

Private or Public Security Forces

If a supplier uses security personnel to protect its operations or assets, the security providers must warrant that they respect internationally recognized human rights. Suppliers should not use security personnel that do not respect human rights.

Rights of Minorities and Indigenous Peoples

CLN expects suppliers to take reasonable steps to inform local communities of actions or projects that could impact them and to seek to ensure that the legitimate expectations of minorities and indigenous peoples are considered where they are affected by the supplier's activities.

Freedom of Association and Collective Bargaining

CLN supports the principle of freedom of association and favours the effective recognition of the right to collective bargaining and therefore encourages its suppliers to do likewise.


Workplace Safety

CLN believes that health and safety in the workplace is a fundamental right of all workers. CLN therefore encourages its suppliers to set occupational health and safety as their priority and to provide and maintain a safe work environment for their employees, complying with local legislation wherever they operate.

CLN expects suppliers to implement a consistent health and safety management system. Suppliers of production materials are strongly encouraged to implement a certified health and safety management system, such as ISO 45001 or equivalent.


Suppliers, subcontractors, and business partners are expected to follow the Groups safety rules while on Group premises and to ensure their activities are fully aligned with CLN's policies and procedures during their presence on site.

Non-discrimination, equity, and inclusion

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CLN expects its suppliers to treat their workers in a fair and non-discriminatory manner with a guarantee of equal opportunity without discrimination on any basis whatsoever, including but not limited to reference to sex, sexual orientation, gender identity, ethnicity, skin colour, civil status, pregnancy and maternity, disability, religious belief, age, social position, union membership or political beliefs.


Women's Rights

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CLN encourages suppliers to promote gender equality and women's empowerment in the workplace, marketplace, and community, and to set targets for participation of women in their workforce.

Business Ethics Standards

Anticorruption and money laundering


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CLN has zero tolerance towards acts of bribery, extortion, illicit payments, and corruption and prohibits them in any direct or indirect form. CLN will not tolerate the involvement of its employees or suppliers in acts of bribery and corruption.

Suppliers must not be engaged or involved in any activity which may imply money laundering or the funding or facilitation of criminal activity.


Conflicts of interest

Suppliers should not engage with employees of CLN in any way that could lead to a conflict of interest for those employees. Suppliers are required to report any actual or potential conflict of interest to CLN at the earliest opportunity.

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Fair competition and anti-trust

CLN suppliers are expected to conduct their business in line with fair competition and in accordance with applicable anti-trust and competition laws.


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Compliance

Responsible and lawful conduct is key to CLN's corporate policies. CLN expects its suppliers to comply with all applicable laws, particularly those relating to fair competition, anti-trust, anti-corruption, the environment, labour, and human rights.

Export Controls and Economic Sanctions

CLN Group expects suppliers to observe all applicable national export controls and supranational sanctions and to strictly adhere to any resulting embargoes and export control measures.

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Data Protection and Data Security

CLN suppliers are required to comply with applicable laws and regulations concerning e-privacy, data protection and data security. Suppliers must take the necessary measures and establish appropriate controls to adequately protect data, including the data of CLN. Suppliers are required to protect non-public confidential information that, if disclosed, would cause harm to CLN.

Financial Responsibility and Accurate Records

CLN requires suppliers to maintain accurate and timely records of financial transactions and business transactions with CLN, accompanied by adequate supporting documentation, and to make such records available to CLN upon request.

Intellectual Property

Suppliers are required to respect the intellectual property rights of third parties and partners - such as patents, trademarks, and designs - and to respect the corresponding requirements under competition law. Suppliers should ensure that they hold all the necessary rights of use to avoid infringements of intellectual property rights.

Disclosure of Information

Suppliers should disclose financial and non-financial information in accordance with applicable regulations and prevailing industry practices, and when applicable, disclose to CLN information regarding their labour/labour force, health and safety practices, environmental practices, business activities, financial situation, and performance, including signing of important contracts and dissolution of strategic partnerships and legal proceedings.

Counterfeit Parts / Plagiarism

CLN considers the production of counterfeit parts by suppliers to be an abuse of intellectual property. Suppliers should develop, implement, and maintain methods and processes appropriate to their products and services to minimize/minimise the risk of introducing counterfeit parts and materials into deliverable products. Suppliers should establish effective processes to detect counterfeit parts and materials and, if detected, quarantine the materials, and notify CLN and/or law enforcement as appropriate. Suppliers should ensure that any sales are compliant with local laws and those products sold will be used in a lawful manner and with appropriate royalties where applicable.

Environmental Standards

CLN expects its suppliers to act proactively to prevent environmental damage, and to take initiatives to ensure the promotion of greater environmental responsibility, and the development of environmentally friendly technologies.

CLN encourages suppliers to promote sustainable resource management and waste reduction, maximising the purchase of recycled and/or sustainable materials, as well as reuse and recycling strategies.

CLN expects suppliers to implement a consistent environmental protection management system. Suppliers of production materials are strongly encouraged to implement a certified environmental management system, such as ISO 14001 or equivalent.

GHG emissions, energy efficiency and renewable energy

CLN believes that the fight against climate change and how we use energy resources will determine the future of our society and therefore our business. CLN has made a clear commitment to the Paris Agreement and has set targets accordingly.

CLN encourages suppliers to implement improvements in their own activities to reduce carbon emissions by increasing energy efficiency, purchasing energy from renewable or low GHG sources, and investing in sources of renewable energy.

Water quality and consumption

CLN is conscious that water is a scarce resource. Suppliers are encouraged to adopt technologies and procedures that minimise the use of water and to recycle and reuse water wherever possible.

Biodiversity, Land Use, Deforestation

CLN suppliers are encouraged to respect protected and conserved areas and not to initiate activities or plan associated facilities in protected areas. The business activities of CLN suppliers should not contribute or benefit from the illegal conversion of natural ecosystems, for example illegal deforestation. CLN encourages its suppliers to engage locally in greening and biodiversity initiatives, such as planting of vegetation, and to encourage the adoption of green spaces and tree planting around facilities.

Soil Quality, Air Quality and Noise

CLN is aware that some suppliers may have processes in place or may use substances that can have adverse impacts on soil quality, air quality or may cause high levels of noise. The risks arising from such processes and substances, such as noise, soil or air pollution or water contamination, must be reduced as much as possible and never exceed legal limits. CLN expects suppliers to provide its workforce with appropriate instructions and protection to mitigate these risks.

Land, Forest and Water Rights and Forced Eviction

CLN suppliers must fully respect local legal requirements in respect of land, forest, and water rights, and must not participate in illegal forced eviction.

Responsible chemical management and waste disposal

CLN expects its suppliers to have in place procedures for the responsible management of chemicals and other hazardous waste. These procedures should include the proactive prevention or minimisation of the impact of accidents that may adversely affect the environment.

Waste treatment and disposal must be in compliance with applicable laws.

CLN suppliers based in the European Union are required to comply with REACH regulations where applicable.

Conflict Minerals

The CLN's commitment to promoting socially and environmentally responsible procurement includes restricting the use of cassiterite, wolframite, coltan (which contain tin, tungsten, and tantalum respectively), and gold mined in the Democratic Republic of Congo ("DRC") or adjoining countries in conditions of armed conflict and human rights abuses.

It is CLN policy to refrain from purchasing minerals from any known conflict sources, and we expect our suppliers to adhere to the same standards.

CLN may request its suppliers to provide declarations and perform due diligence analyses regarding the source of the above minerals if they are in the products they supply.

Reporting Channel

Any concerns relating to unethical or illegal conduct may be reported to CLN through <https://leaks.gruppocln.com> . Any supplier who reports a legitimate concern will be protected against retaliation by CLN.

Rivoli, May 2023

Gabriele Perris Magnetto

Chief Executive Officer