

# Supplier Code of Conduct

## INTRODUCTION

Tiesse recognizes that the creation of sustainable value depends on building strong, long-lasting relationships with its suppliers. Our supply chain is an extension of our corporate values and of our responsibilities toward people, the environment, and society.

This Supplier Code of Conduct outlines the fundamental principles and expectations that Tiesse requires from its suppliers, with the objective of promoting ethical, socially responsible, and environmentally sustainable business practices throughout the value chain.

We expect every supplier not only to comply with the requirements described herein, but also to consider them as a minimum baseline for the continuous improvement of their sustainability performance. Collaboration with Tiesse implies a concrete commitment to sharing this vision and working together to build a resilient, transparent supply chain aligned with the highest ethical and environmental standards.

## HUMAN RIGHTS AND WORKING CONDITIONS

Tiesse is firmly committed to the protection of fundamental human rights and requires its suppliers to adhere to the same principles, in accordance with the conventions of the International Labour Organisation (ILO) and the Universal Declaration of Human Rights. Every supplier must ensure that its operations respect the dignity of workers and promote fair and safe working conditions.

Forced labour, child labour and any form of exploitation are absolutely unacceptable. Suppliers must verify the age of workers prior to recruitment and ensure that no child under the legal minimum age is employed in their operations or those of their subcontractors. Any apprenticeship schemes for young workers must be conducted in full compliance with applicable regulations and must provide adequate training opportunities without compromising compulsory education.

Freedom of association and the right to collective bargaining must be respected in all circumstances. Workers have the right to organise, to join trade unions of their choice and to be collectively represented in negotiations with their employer. Suppliers must not in any way prevent, discourage or penalise the exercise of these fundamental rights. In jurisdictions where these rights are restricted by law, suppliers must nevertheless facilitate alternative forms of dialogue and worker representation.

Discrimination in any form is prohibited. Suppliers must ensure equal opportunities and fair treatment for all workers, regardless of race, colour, gender, sexual orientation, gender identity, age, disability, religion, political affiliation, nationality, social origin or any other characteristic protected by law. This expectation applies to all stages of the employment relationship, from recruitment to training, from remuneration to career advancement opportunities.

Harassment and physical, verbal, psychological or sexual abuse will not be tolerated. Suppliers must implement clear policies against all forms of harassment and create a working environment in which employees feel safe and respected. Confidential mechanisms must be in place for reporting inappropriate behaviour, and the protection of those who report such behaviour in good faith must be guaranteed.

## HEALTH AND SAFETY AT WORK

The protection of workers' health and safety is a top priority. Tiesse requires its suppliers to create and maintain safe and healthy working environments that comply with all applicable health and safety regulations. Commitment in this



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area must go beyond mere regulatory compliance, aiming to prevent accidents, injuries and occupational illnesses through the adoption of structured management systems and the active involvement of workers.

Suppliers must perform regular risk assessments, implement preventive and corrective measures, and ensure appropriate ventilation, lighting, temperature control, and noise protection. Access to drinking water and clean sanitation facilities must always be guaranteed. Worker housing, dining, and rest facilities—when provided—must be safe, clean, and adequate.

All workers must receive regular and comprehensible training on the specific risks associated with their duties and on the safety procedures to be followed. Training must be provided in a language understood by the workers and must be repeated periodically, particularly when new processes, machinery or substances are introduced. The necessary personal protective equipment must be provided free of charge and workers must be trained in its correct use and maintenance.

Emergency preparedness is essential. Suppliers must maintain clear evacuation plans, accessible and marked emergency exits, functioning alarm systems, trained first-aid personnel, and regularly inspected fire-fighting equipment. All incidents and near-misses must be recorded, analyzed, and used to implement corrective actions.

## **FAIR WAGES AND WORKING HOURS**

Tiesse recognises that fair pay and decent working conditions are essential to the well-being of workers and their families. Suppliers must comply with all applicable laws regarding wages, benefits and working hours, and must undertake to ensure that workers' pay is sufficient to meet at least their basic needs and to provide some disposable income.

Wages must be paid regularly, on time and in full, in accordance with employment contracts and applicable regulations. Workers must receive clear and detailed information on the breakdown of their pay, with payslips clearly indicating the basic wage, hours worked, any overtime, bonuses, deductions and the net amount paid. Deductions from pay are permitted only if required by law or explicitly authorised by the worker, and under no circumstances must they be used as a disciplinary measure.

Working hours must comply with applicable national laws and industry standards. In the absence of specific regulations, suppliers must ensure that the standard working week does not exceed 48 hours, excluding overtime, and that workers are entitled to at least one day off every seven days. Overtime must be voluntary, must not exceed 12 hours per week and must be paid at the rates provided for by law or collective agreements. Suppliers must closely monitor working hours to avoid situations of prolonged overwork that could compromise the health and safety of workers.

## **ENVIRONMENTAL RESPONSIBILITY**

Environmental protection is a shared responsibility that requires the active commitment of all stakeholders in the supply chain. Tiesse expects its suppliers to operate in a way that minimises the environmental impact of their activities, adopting a preventive approach to environmental challenges and committing to the continuous improvement of their performance.

Suppliers must obtain and maintain all necessary environmental permits and ensure full compliance with applicable environmental regulations at local, national and international levels. Systems must be implemented to monitor and control the significant environmental aspects of their operations, including the consumption of natural resources, atmospheric emissions, water discharges, waste generation and noise pollution.

Efficient resource management is essential. Suppliers must commit to reducing their consumption of energy, water and raw materials by optimising processes, adopting more efficient technologies and promoting circular economy practices. The use of renewable energy sources must be encouraged wherever technically and economically feasible. Waste reduction must be pursued primarily through prevention and reuse, followed by recycling and recovery, limiting landfill disposal to unavoidable cases only.

Hazardous chemicals and materials must be managed with particular care. Suppliers must identify and document all chemicals used, ensuring that their management, storage, handling and disposal are carried out safely and in compliance with regulations. The use of substances of very high concern must be progressively reduced and replaced with safer alternatives where available. Suppliers must be aware of the restrictions imposed by regulations such as REACH, RoHS

and other applicable sector-specific regulations, and ensure that the materials and products supplied comply with these requirements.

## CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

Tiesse recognises the urgency of the climate crisis and the crucial role that companies must play in the transition to a low-carbon economy. We expect our suppliers to share this commitment and to take concrete action to measure, reduce and, where possible, offset their greenhouse gas emissions.

Suppliers must implement systems to quantify their greenhouse gas emissions using internationally recognised methodologies, such as the GHG Protocol. This measurement must cover at least direct emissions from their own operations and indirect emissions associated with energy consumption. Based on this quantification, suppliers must set ambitious emission reduction targets consistent with the goal of limiting global warming to well below 2°C, whilst pursuing efforts to limit it to 1.5°C as set out in the Paris Agreement.

Le strategie di riduzione delle emissioni devono focalizzarsi prioritariamente sull'efficienza energetica e sulla transizione verso fonti energetiche rinnovabili. I fornitori sono incoraggiati a investire in tecnologie a basse emissioni, a ottimizzare i processi produttivi e logistici, e a collaborare con i propri stakeholder per ridurre l'impronta carbonica lungo l'intera catena del valore. Tiesse si impegna a supportare i propri fornitori in questo percorso, condividendo best practice e valutando opportunità di collaborazione per progetti di decarbonizzazione.

## SUSTAINABLE WATER RESOURCE MANAGEMENT

Water is an increasingly scarce and precious resource that requires responsible and forward-thinking management. Suppliers operating in sectors or regions where water use is significant must implement water management strategies that minimise consumption, prevent pollution and protect local aquatic ecosystems.

A water risk analysis must be conducted to understand the availability and quality of water resources in operational areas, identifying current and future potential water stresses. Based on this analysis, suppliers must develop water management plans that include consumption reduction targets, efficiency measures, recycling and reuse systems, and technologies for treating wastewater prior to discharge. Particular attention must be paid to operations in areas identified as water-stressed, where competition for water resources can have significant impacts on local communities and the environment.

Water discharges must be monitored regularly to ensure that they comply with regulatory limits and do not compromise the quality of the receiving waters. Suppliers must commit to progressively reducing the pollutant load of their discharges through process optimisation and the implementation of effective treatment systems. Transparency regarding water management must be ensured through the measurement and reporting of key performance indicators, such as total water consumption, water intensity relative to production, and the quality of discharges.

## BIODIVERSITY AND LAND USE

The loss of biodiversity is one of the most pressing environmental challenges of our time, with direct implications for the resilience of ecosystems and the sustainability of economic activities. Suppliers must recognise their responsibility to prevent negative impacts on biodiversity and, where possible, actively contribute to its conservation and the restoration of natural habitats.

Operations involving changes in land use, the sourcing of raw materials from natural or modified ecosystems, or activities in the vicinity of protected areas or areas of high biodiversity value require particular attention. Suppliers must conduct biodiversity impact assessments to understand the potential consequences of their activities and implement mitigation measures following the hierarchy: avoid, minimise, restore and, as a last resort, offset residual impacts.

Deforestation and the conversion of natural ecosystems must be avoided. Suppliers using agricultural, forestry or animal-derived raw materials must ensure the traceability of their supply chains and verify that their sourcing does not contribute to the destruction of forests, peatlands, savannahs or other ecosystems with high carbon and biodiversity value.

Recognised certifications attesting to sustainable management practices must be prioritised, such as FSC for forest products, RSPO for palm oil, or equivalents for other commodities at risk.

## **BUSINESS ETHICS AND INTEGRITY**

Conducting business with integrity, transparency and accountability is essential for building lasting relationships of trust. Tiesse expects all suppliers to operate to the highest ethical standards, rejecting all forms of corruption, conflicts of interest or unfair commercial practices.

Corruption in all its forms – including bribes, facilitation payments, improper gifts and other forms of undue advantage – is strictly prohibited. Suppliers must implement clear anti-corruption policies, train their staff and maintain adequate internal control systems to prevent, detect and respond to situations of potential corruption. Particular attention must be paid to interactions with public officials, where rigorous procedures must be adopted to ensure compliance with applicable anti-corruption laws, including the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.

Conflicts of interest must be identified, disclosed and managed appropriately. Suppliers must ensure that business decisions are made in the company's best interests and are not influenced by personal considerations, family relationships or other external interests. Transparency in business dealings must be maintained by keeping accurate and complete records of all transactions, which must be available for verification and audit when requested.

Intellectual property and confidential information must be respected and protected. Suppliers must not use, disclose or misappropriate trade secrets, patents, trademarks, proprietary data or other confidential information belonging to Tiesse or third parties. Adequate IT security measures must be implemented to protect sensitive data from unauthorised access, loss or theft, in accordance with data protection regulations, including the GDPR where applicable.

## **RESPONSIBLE SUPPLY CHAIN**

Social and environmental responsibility does not stop at the immediate boundaries of one's own organisation, but extends throughout the entire supply chain. Tiesse's suppliers must undertake to ensure that their subcontractors, suppliers and business partners also adhere to the principles set out in this Code of Conduct.

Due diligence processes must be implemented to assess and select subcontractors based not only on economic and quality criteria, but also on sustainability performance. Suppliers must clearly communicate expectations regarding social and environmental responsibility to their business partners and must include contractual clauses requiring compliance with standards equivalent to those set out in this document. Particular attention must be paid to high-risk supply chains, where the likelihood of human rights violations, environmental degradation or unethical practices is greater.

Transparency and traceability throughout the supply chain are essential. Suppliers must be able to provide information about their supply chains when requested by Tiesse, including the origin of critical raw materials and the key stages of processing. This transparency is vital for identifying and managing risks, ensuring compliance with increasingly stringent regulatory requirements regarding mandatory supply chain due diligence, and meeting the expectations of consumers and stakeholders who are increasingly focused on sustainability.

## **INNOVATION AND CONTINUOUS IMPROVEMENT**

Tiesse regards its suppliers not merely as contractors, but as strategic partners in creating long-term sustainable value. We actively encourage innovation, knowledge-sharing and collaboration to identify opportunities for improving environmental, social and economic performance throughout the value chain.

Suppliers are invited to propose innovative solutions that can contribute to shared sustainability goals, whether these involve more sustainable alternative materials, more efficient production processes, circular design, innovative business models or emerging technologies. Tiesse is committed to carefully evaluating these proposals and collaborating with suppliers to test and implement promising innovations, recognising that the transition to a sustainable economy requires experimentation and the taking of calculated risks.

Continuous improvement must be embedded in the organisational culture. Suppliers must establish management systems that include regular monitoring of sustainability performance, the identification of opportunities for improvement, the implementation of corrective and preventive actions, and the periodic review of objectives. Tools such as certifications for environmental management systems (ISO 14001), quality management systems (ISO 9001),

occupational health and safety management systems (ISO 45001) or social responsibility (SA8000) can support this structured approach, although they are not mandatory requirements for all suppliers.

## INVOLVEMENT OF LOCAL COMMUNITIES

Business activities are intrinsically linked to the regions in which they operate and the communities that live there. Suppliers must recognise their role as responsible members of local communities and must commit to contributing positively to their social and economic development, whilst minimising any negative impacts.

Open and constructive dialogue with local communities is essential, particularly where operations may have significant impacts on the local environment, natural resources, employment or the social fabric. Suppliers must implement accessible and culturally appropriate mechanisms through which communities can express their concerns, provide feedback and participate in decision-making processes that affect them. The legitimate concerns of communities must be taken seriously and appropriate responses developed in collaboration with local stakeholders.

The rights of indigenous peoples and traditional communities deserve particular attention and respect. Where operations affect territories inhabited by these groups, suppliers must ensure compliance with the principle of free, prior and informed consent (FPIC), recognising customary rights to land and resources, respecting cultural heritage and genuinely involving these communities in decision-making processes that affect them.

## TRANSPARENCY AND REPORTING

Transparency is a key element in building trust and accountability in business relationships. Tiesse expects suppliers to maintain high standards of communication and reporting regarding their sustainability performance, thereby facilitating the monitoring of progress and the identification of areas requiring attention or support.

Suppliers must be prepared to provide information and documentation regarding compliance with this Code of Conduct when requested by Tiesse. This may include data on environmental performance, documentation on social responsibility policies and procedures, evidence of regulatory compliance, results of internal or third-party audits, and corrective action plans in the event of identified non-compliance. The confidentiality of commercially sensitive information will always be respected, but transparency on sustainability issues is considered essential.

Suppliers are encouraged to publish sustainability reports or equivalent documents that communicate to their stakeholders their approach to social and environmental responsibility, the objectives set, the progress made and the challenges faced. Reporting in accordance with internationally recognised standards, such as the Global Reporting Initiative (GRI), is a valued best practice that facilitates the comparability and credibility of the information shared.

## AUDITS AND COMPLIANCE

Tiesse reserves the right to verify compliance with this Code of Conduct through various means, which may include self-assessment questionnaires, requests for documentation, document reviews, on-site visits and third-party audits. Suppliers must cooperate fully with these verification activities, ensuring access to the relevant information, facilities and personnel necessary to conduct comprehensive and accurate assessments.

Should any non-compliance with the expectations set out in this document be identified, Tiesse will work collaboratively with the supplier to understand the root causes, develop corrective action plans with clear timelines, and support the implementation of the necessary improvements. We recognise that perfection is not immediately achievable and that operational contexts may present significant challenges; therefore, we will favour an approach based on constructive dialogue and measurable progress rather than immediate sanctions for issues that the supplier is sincerely committed to resolving.

Tuttavia, in caso di violazioni gravi o ripetute di questo Codice di Condotta, in particolare quelle che riguardano diritti umani fondamentali, sicurezza dei lavoratori, corruzione o danni ambientali significativi, Tiesse si riserva il diritto di prendere misure più severe, che possono includere la sospensione delle attività commerciali o la cessazione della relazione contrattuale. I fornitori devono anche garantire che non vengano intraprese azioni ritorsive nei confronti di

lavoratori o altri individui che, in buona fede, sollevino preoccupazioni relative al rispetto di questo Codice o che partecipino ad attività di verifica.

## REPORTING AND COMPLAINTS PROCEDURES

Tiesse recognises the importance of accessible and effective channels through which concerns regarding suppliers' conduct can be raised and addressed in a timely manner. Suppliers must put in place operational grievance mechanisms that enable their own workers, workers in the supply chain, local communities and other stakeholders to report potential breaches of this Code or other ethical, social or environmental concerns.

These mechanisms must be easily accessible, clearly communicated, available in languages understandable to users, and must guarantee confidentiality and protection from retaliation for those making reports in good faith. Reports must be handled in a timely, impartial and professional manner, with appropriate communication to reporters regarding the progress and outcomes of investigations, subject to the limitations imposed by privacy and ongoing investigations.

Tiesse also provides its own reporting channel through which anyone can raise concerns regarding the conduct of our suppliers. Details on how to access this channel are available on our company website. Every report received will be treated with the utmost seriousness and an appropriate investigation will be launched. We encourage suppliers to raise awareness of these channels amongst their own employees and business partners.

## CONCLUSION AND JOINT COMMITMENT

The adoption of and compliance with this Code of Conduct form the foundation of our partnership with suppliers and reflect our shared commitment to creating sustainable value for all stakeholders. Tiesse recognises that the journey towards excellence in sustainability is an ongoing one and can present significant challenges, particularly for suppliers operating in complex environments or sectors with structural issues.

For this reason, we are committed to being a constructive partner, open to dialogue, sharing knowledge and best practices, and collaborating to identify viable solutions to the challenges encountered. We firmly believe that the strongest and most enduring business relationships are those based on mutual trust, transparency, open communication and shared goals of continuous improvement.

We expect our suppliers not to view this Code merely as a set of requirements to be passively complied with, but as an opportunity to strengthen their organisations, improve their performance, reduce risks and actively contribute to building a more sustainable and equitable future. Together, we can build a supply chain that is not only efficient and competitive, but also respectful of people, the planet and future generations.

Entering into commercial contracts with Tiesse implies acceptance of this Code of Conduct and a formal commitment to comply with its principles and expectations. We are confident that, by working together with determination and integrity, we can achieve significant results that benefit our organisations, our stakeholders and society as a whole.