

Sustainable procurement practices SACMI IMOLA S.C.

To ensure the company handed to future generations is an even better one: a directive for today and a 'compass' to take us towards the future.

This is SACMI's Vision, which is expressed in the company's Code of Ethics and its Quality, Safety and Environment Policy.

We see our corporate social responsibility as extending beyond the company to encompass the entire value chain. Hence our investment - set to continue in the future - in sustainable procurement; we see this not just as ethical, but an effective way of promoting responsible conduct throughout the supply chain.

SACMI has always sought to build solid, lasting relationships with its suppliers, relationships based on trust and mutual respect. Nevertheless, we're aware that doing so also involves nurturing awareness of the environmental and social impact of our businesses and ensuring a balanced approach to safeguard partners.

In its **founding principles**, in the pursuit of its goals, SACMI seeks to respect diversity in terms of culture, race, gender and age, guaranteeing equal rights and opportunities for all.

The Group's expansion means that the drawing up of a Sustainable Procurement Policy can no longer be postponed. It is needed to provide Group companies with a clear reference, to enact practices that are in keeping with the Cooperative's principles and traditions and to ensure that such Policy plays an increasingly pivotal role in development strategies and plans.

In a world in which sustainability-related strategies and the need to provide all stakeholders with clear, reliable information are increasingly important, SACMI has defined procurement guidelines that aim to promote a **resilient, sustainable business model**.

This policy sets out the commitments that SACMI undertakes and shares with its suppliers, who constitute a key category of company stakeholders.

SACMI sees quality, sustainability and safety as essential to its corporate strategy. More specifically, aspects concerning sustainability are laid out in its constituent parts, as summarized by the acronym ESG:

- *Environmental*: ensuring customers receive products capable of reducing environmental impact at both the usage and design-development stages through meticulous selection of raw materials and suppliers;
- *Social*: assuming greater responsibility both internally (workers) and externally (local communities, institutions);
- *Governance*: ensuring that sustainability criteria are incorporated into strategic decisions and manufacturing activities.

Drawing on these principles, SACMI has developed a procurement strategy that also includes supplier selection. It has done so in the certainty that compliance with such principles represents a competitive advantage that ensures the quality of our products, the levels of efficiency demanded by the market, and lasting relationships.

The key aspects assessed on suppliers' premises will be:

- compliance with non-negotiable requirements relating to **social and ethical issues** that concern the treatment of their employees;
- reduction of all forms of **environmental impact**;
- optimized use of **energy resources**, waste avoidance and a focus on renewable forms of energy with low environmental impact;
- efficient use of **raw materials** to maximize the 'circularity' of products: for example, by recycling materials at the end of their lifecycle or disposing of them in the most environmentally-friendly way;
- a commitment to work with SACMI on these issues in order to improve results by accepting an **appraisal and audit system**.

Procurement Management undertakes to introduce such elements into supplier assessment reports as per these guidelines:

- sustainability criteria shall be included in the process of selecting and assessing suppliers and contractors;
- financial integrity shall be guaranteed, making business relations economically sustainable;
- priority shall be given to suppliers and contractors who have implemented sustainable policies and practices to safeguard workers within their organization and who adopt the measures needed to identify, prevent and reduce discrimination;
- suppliers with local links who employ local labor and optimize transport, consequently minimizing emissions and reducing their impact on air quality, shall be preferred;
- sustainability, health and safety awareness levels shall be raised throughout the supply chain;
- close collaboration with suppliers and contractors shall be enacted to identify solutions that drive innovation while increasing the sustainability and safety of processes and products;

- regular monitoring of the implementation of sustainable procurement commitments and health and safety standards shall be performed to keep accurate track of trends and ensure environmental and social factors are taken into account in purchasing decisions;
- transparency and involvement in decision-making shall also be assessed favorably.

This document completes existing commercial terms and conditions and agreements.

The current version, together with the Quality, Safety and Environment Policy, Code of Ethics and Sustainability Report, is available on the website www.sacmi.it

Imola, 02/05/2022

Reference SDGs:

