Supplier Code of Conduct

Rev. 01

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1. Foreword

This Avvale Supplier Code of Conduct (hereinafter also SCC) is designed on the basis of the Code of Ethics and is an integral part of it.

This SCC outlines Avvale's expectations of Suppliers, in particular they are required to understand and identify the processes necessary to comply with applicable laws in the jurisdictions in which they operate or do business.

The principles and provisions contained in the SCC represent guidelines that Avvale shares with any organization and/or third party that enters into a supply or subcontracting contract with Avvale.

According to the principle of an integrated supply chain, Avvale's suppliers are also required to adhere to these standards in their own supply relationships.

This SCC is applicable for Avvale S.p.A. and its subsidiaries in Italy, and for Avvale Spain. Other companies of the Group are free to adopt it, without prejudice to compliance with the laws of their respective countries.

2. Control and monitoring

Avvale, as part of the monitoring of its Internal Control System through auditing and compliance assessment activities conducted by the relevant departments, carries out interventions that may also involve activities provided or goods supplied by its suppliers, requesting full cooperation in this regard.

During the accreditation phase in the context of “strategic supply” relationships, Avvale's Procurement office will submit to the Supplier the completion of risk-based assessment questionnaires, with the aim of measuring the level of application of the principles defined in the SCC.

Having said that, in cases where adherence to the principles contained in the SCC is not satisfactory or sufficiently supported, Avvale is entitled to request an audit of its organization or the procurement process, or recommend remediation plans through the appropriate structures.

In particular, in cases where local legal provisions and this SCC address the same issues, to the extent legally permissible, Suppliers shall promote the principles of this document, through business processes and specific control activities, determined in a reasonable and effective manner.

Furthermore, with the signing of the supply agreement between the parties, the Supplier undertakes to ensure careful knowledge and to comply with the provisions of the Code of Ethics of Avvale (and this document), as well as the Model of Organization, Management and Control ex D.Lgs 231/2001 of Avvale S.p.A., noting through the so-called “ethics clause”, that any failure to comply with these provisions, may justify the termination of the contractual relationship in place under Article 1456 of the Civil Code.

For more information, see Avvale's website: https://www.avvale.com/ethics-and-transparency.

3. Whistleblowing

Individuals who suspect or become aware of actions related to corrupt acts or conduct that is unlawful or otherwise intended to circumvent the provisions of this document, are encouraged to contact their main contact person in Avvale, or if this is not opportune and/or appropriate, they may make a "report" as outlined in Avvale's Whistleblowing Policy.

For more information, see the Whistleblowing Policy: https://www.avvale.com/ethics-and-transparency.

4. General Principles

The relations and conduct to be adopted shall be inspired by the following principles and ethical values:

Honesty and Fairness, so that the relations that the Supplier establishes with third parties as a result of the performance of its activities are carried out without incurring in the commission of illegal acts and, more generally, without engaging in practices that are reprehensible and in conflict with the principles of the SCC.

Conflict of interest, the decisions taken by the Supplier are made with the sole purpose of pursuing its own interests in order to avoid the occurrence of conflicts of interest that could, as such, interfere or impair the ability to make impartial decisions.
The Supplier shall voluntarily report such conflicts if they involve Avvale personnel.
Our suppliers are required to comply with labor laws and regulations, respecting all the rights of workers in accordance with the legislation of the country where they are working and guaranteeing the rights of association, membership and collective bargaining in accordance with the rules applicable in each case.

4.1 Human Rights

Avvale's approach to the protection of human rights is rooted in the United Nations Guiding Principles for Business and Human Rights, which are the international standard for business management and respect for human rights. As such, suppliers are required to protect the human rights of their employees, treating them with dignity and respect.

The supplier recognises the importance of creating an environment in which rights and opportunities are guaranteed fairly, and does not engage in any form of discrimination or harassment against any individual with whom the company has dealings of any kind.
The Supplier does not tolerate any form of discrimination and, to this end, is committed to recruiting, supporting and promoting the most qualified persons, regardless of age, lifestyle, country of origin, language, cultural background, ethnicity, gender or any other characteristic.

The Supplier shall not use or support the use of forced or compulsory labour, or coerce or threaten any person in order to obtain the provision of a service; the Supplier shall not withhold original identity documents, residence permits or other similar documents.
The employees have the right to leave the workplace at the end of the working day within the timetable defined by the company's regulations in accordance with the law and they can terminate the employment relationship in accordance with what is protected by the law on labor legislation.

The Supplier shall not use or give support to child labor.
The Supplier shall not employ workers younger than 16 years of age, or younger than the age stipulated by law if a higher age limit applies.

The employment of workers under the age of 18 shall not interfere with their compulsory education and shall not harm their health and safety, even potentially.

4.2 Environment

Environmental topics become relevant for the Supplier, which is committed to adopting business practices,internally and along the entire value chain, that aim to reduce the overall impact on the environment, aligning with the targets set by the Paris Agreement on climate change.

The supplier shall promote the best practices of environmental sustainability among its people and stimulate awareness to act responsibly, ensuring that workers embrace these business principles and put them into practice on a daily basis.

4.3 Health and Safety

Health and safety in the workplace is a core value for the Supplier, which constantly strives to maintain the highest level of physical, mental and social well-being of people and to prevent risks related to the workplace.

In particular, the Supplier shall implement health and safety principles and apply related procedures, in accordance with all national and international laws and regulations, and ensure that they are followed by all the Employees; adopting, in this regard, a management system that is appropriate to prevent possible accidents and injuries.

4.4 Confidentiality and Privacy

The Supplier must carefully protect the confidential information of customers, business partners, suppliers, employees and others from unauthorized use or disclosure by allowing access to such information within its organization only on a “need-to-know” basis.

Furthermore, when collecting and processing personal data, the Supplier shall operate in full compliance with laws on privacy and the processing of personal data. The Supplier shall process personal data in a fair and lawful manner and shall adopt specific policies and procedures for this purpose.

4.5 Commitment against Corruption

The Supplier commits to prevent and detect any conduct or action that may represent or lead to corrupt activity, i.e., it shall not behave in a manner contrary to the law or the principles identified by the documents herein.
In this sense, the Supplier shall adopt specific business procedures and controls, determined with criteria of reasonableness and substantial effectiveness, suitable to prevent corruption in all its forms.

Relationships with third parties shall be based on the highest moral and ethical integrity.

The identification of suppliers and the assignment of the execution of works or services under contract or sub-contract are operations that shall be carried out under conditions of objectivity, transparency and verifiability in such a way as to select suppliers and/or contractors and/or sub-contractors who stand out for their seriousness, reliability and quality in the provision of services. It shall be expressly forbidden for each supplier and/or contractor and/or sub-contractor (a) to offer or give money -directly or indirectly-, as well as (b) to offer gifts or compensation, (c) to apply unlawful pressure, (d) to promise objects, services and/or performances in favor of executives, officials and/or employees of the Public Administration or in favor of their relatives or cohabitants for the purpose of inducing such representatives of the Public Administration to perform an official act or to omit or delay or perform an act contrary to official duties or for the benefit of Avvale.

References and contacts

For any further information, please contact the Avvale S.p.A. Procurement Office: it.procurement@avvale.com.

Useful references

Corporate Documents (*):

- Code of Ethics
- Organizational Model pursuant to Legislative Decree 231/01
- Anti-Corruption Policy
- Integrated OSH and Environment Policy
- Integrated Quality and Information Security Policy

Guidelines, principles and international standards:

- OECD Guidelines for Multinational Enterprises
- United Nations Global Compact
- ISO 9001 on quality management systems
- ISO 45001 on occupational health and safety management systems
- ISO 14001 on environmental management systems
- ISO 37001 on anti-corruption management systems
- IFC's Environmental and Social Performance Standards (World Bank Group) - United Nations Guiding Principles on Business and Human Rights.

(*) For further information see the website www.avvale.com