

Code of Business Conduct

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SMART SOLUTIONS IN WINDING WIRE
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Code of Business Conduct: introduction

IRCE Spa is committed to responsibly implementing a business model based on Sustainability and Environment protection standards.

IRCE, starting from its Code of Ethics, intends to promote responsible business practices in order to fulfill economic, ethical, environmental and social principles along its value chain. The principles included in this Code of Business Conduct apply to their Suppliers in order to guarantee a responsible and sustainable supply chain.

The following dispositions regarding sustainability and environmental standards define the standards and criteria that IRCE's Suppliers must meet: compliance to internationally recognized human and employees rights, the prohibition of child labor and forced labor, observing and promoting ethical business conduct and adherence to legal standards and environmental rules, as well as preventive environmental protection and to animal protection regulations. IRCE standards are referring to the internationally accepted principles of the United Nations Global Compact ([http:// www.unglobalcompact.org](http://www.unglobalcompact.org)) and the established minimum standards of the International Labor Organization of the UN (<http://www.ilo.org>).

This document is available in the "Ethics & Compliance" section of the IRCE website. This Code is subject to review and possible updating by IRCE, at least every three years.

The Suppliers hereby are asking to comply with the following Sustainability and Environmental Standards:

1. Working Conditions/Labor Standards

1. Wages and Benefits, Working Hours

Wages and benefits are to be given in accordance with the fundamental principles relating to minimum wages, overtime hours and statutory benefits. Working hours shall comply with all applicable laws and with the industry standards and must comply with the relevant ILO conventions. Overtime should be voluntary and do not exceed applicable local legal limits.

2. Child and Forced Labor Prevention

Supplier warrants that no exploitation child labor within the meaning of ILO Convention no. 182 is or was involved in producing or processing the products to be delivered, as well as that these products do not violate any obligations resulting from the implementation of this Convention or of any other applicable, domestic or international regulations on combating exploitative child labor. This warrant must include the elimination of all form of slavery, human trafficking, forced or compulsory labor. Furthermore, supplier warrants that its business, its suppliers and their sub-suppliers have taken targeted measures to ensuring that exploitative child labor in the sense of ILO Convention no. 182 is ruled out where the production or processing of their products is concerned. Supplier will conduct its sub-suppliers and their sub-suppliers under a corresponding obligation and will perform monitoring in this regard.

3. Freely Chosen Employment

Supplier will not hire anyone against their will or force them to work. Employees must be free to leave employment with regulated notice period. Supplier is obliged to respect the requirements of the ILO Convention no. 29 and in general avoiding any kind of modern slavery. Supplier shall conduct its suppliers and their sub-suppliers under a corresponding obligation and shall carry out monitoring in this regard.

4. Freedom of Association and Collective Bargaining

Workers must be able to communicate easily with management regarding working conditions without fear of reprisals of any type. Workers shall have the right, but not the duty, to associate freely, join labor unions, looking for representation and join works' councils. Supplier must issue rules to avoid force abuses against workers by public or private safety patrol. The ILO Convention no. 87 and 98 are relevant in this regard.

5. Harassment and Non Discrimination

Harassment or discrimination against workers in any form is prohibited. In particular discrimination based on gender, race, caste, color, disability, union membership, political ideas, origin, religion, age, pregnancy or sexual orientation is prohibited. Diversity and inclusions policies should be issued, including minorities and indigenous peoples. Supplier is obliged to at least take measures to avoid discriminations within the meaning of the ILO Conventions no. 111 and 100.

6. Occupational Health and Safety

In its role as employer, Supplier ensures occupational health and safety of all workers in keeping with local rules and will promote continuous improvement of the workplace conditions.

II. Business Ethics Standards

1. Anti-Corruption and Compliance

Regarding of its commercial dealings with IRCE, Supplier is obliged to avoid all practices which may lead to penal liability due to fraud or embezzlement, money laundering, insolvency crimes, crimes in violation of competition, guaranteeing advantages, bribery, acceptance of bribes or other corruption crimes on the part of persons employed by Supplier or other connected parties. In case of violation of the above, IRCE has the right to cancel all negotiations. Supplier has to establish clear rules related to: financial responsibility, data protection, information managing, fair competition, antitrust, conflict of interest, intellectual property, export managing, whistleblowing.

2. Safety & Quality

Supplier is committed to deliver all products and services meeting the contractually specified quality and safety criteria.

3. Accounting & Business records

Supplier should maintain accurate and transparent books, records and accounts to demonstrate compliance with applicable laws and regulations. Furthermore, they must never, under any circumstances, engage in inaccurate, false or misleading record keeping, even if one might reasonably believe the consequences of the inaccuracy would be harmless.

4. Technical Compliance

Supplier has to comply with all technical regulations, which according to the contractual agreements with IRCE, apply to the Supplier's products (e.g. applicable regulations, policies, laws and technical standards).

Furthermore, Supplier has to define proper structures within his organization to assure the adherence to all these technical regulations within the product creation phase. Such a system should supply guidance for the Supplier's employees and consider appropriate ethical, integrity and technical compliance standards.

5. Human Rights Measures

Supplier is obliged to define processes for his duty to take care of the human rights in his company, provided delivers products or provides services, where potential negative effects on human rights are to be feared in the value-added chain (e.g. risk management system), and to take systematic and proper preventive measures in the context of human rights based on this process. Relevant in this regard are the specifications of the UN Guiding Principles on Business and Human Rights (“UN Guiding Principles”) as the relevant OECD Guiding principles & Concepts. In accordance with the UN Guiding Principles, Supplier shall define proper measures according to the size and sales of its company, the kind of the product or service as well as according to the origin of the product or service and the raw materials contained in it, and particularly according to the related risks.

III. General Environmental Standards and Environmental Sustainability

1. General Environmental Responsibility, Environmental Performance of Production Operations

IRCE is committed to limit its impact on the environment due to manufacturing operations and related unavoidable emissions, resource consumption and logistics.

Regarding to environmental protection, Supplier will act in accordance with precautionary principles, will take the initiative to assure the promotion of deeper environmental responsibility and will promote the development and sharing of environmentally friendly technologies. In all stages of manufacturing, Supplier will ensure a concrete attention of environmental respect. This includes preventing or minimizing the impact of accidents which may adversely affect the environment. Particular emphasis is related to the application and continuing development of resource-conserving technologies that are characterized by strategies which ensure the reduction of emissions, the saving of water and energy, the use of recycled materials and renewable raw materials as well as reuse and recycling.

All products manufactured within the supply chain must meet the environmental standards applicable to their respective market segment. This includes all materials and substances used in production. Chemicals and other materials causing a potential risk if released into the environment are to be identified. A hazardous material management system is to be instituted by Supplier for them, which ensures appropriate processes for their safe handling, movement, storage, recycling or reuse and disposal.

2. Use and Compliance of Raw Materials

IRCE consider very important the raw materials management. Materials used by Supplier are to be reduced, when possible, by production practices and technological improvements. Chemicals and other materials causing a potential risk if released to the environment are to be identified and managed by Supplier, in order to assure their safe handling, storage, use, recycling and disposal. Furthermore, Supplier should comply with regulatory requirements regarding the prohibition and restriction of substances and ensure that goods provided are in compliance with requirements covered under the scope of all relevant regulations. If necessary, Supplier should also implement a policy regarding conflict minerals and promote due diligence to investigate their source.

3. Greenhouse Gas and other Emissions, Energy use

Supplier must be committed to a responsible use of energy and energy saving concepts such as the use of renewable sources. Supplier should also respect all related laws and regulations at international level related to greenhouse gas emissions. Furthermore, emissions of volatile organic chemicals, aerosols, particulates, ozone generated by operations are to be monitored and treated as required. Including noise emissions.

4. Water use, Waste treatment and Recycling

Supplier must be committed to a responsible use of water and water saving strategies. Wastewater and solid waste generated by operations, industrial processes, should also be characterized, monitored and treated as required before to discharge or disposal. Recycling and the use of recycled materials in production, together with life cycle assessment should also considered by Supplier in order to find the best environmental solutions trough the value chain.

5. Sustainable Supply Chain

IRCE strategy is to enforce the entire supply chain sustainability, empowering the awareness of the importance of ESG factors in all business relationship. IRCE is targeting to evaluate future business collaborations preferring Supplier that have developed Sustainability policies within their own supply chain operations, in order to disclose commitment on the main Sustainability and Environment aspects such as human rights, decarbonization, conflict minerals free, code of business conduct, ethical code, respect of land quality and related exploitation, deforestation concern and biodiversity.

IV. Animal protection

Supplier is obliged to respect the applicable laws and regulations for animal protection as a part of its business relationship with IRCE.

v. Forwarding of Sustainability and Environmental Standards in the Supply Chain

Supplier will forward the content of these sustainability and environmental standards to its suppliers, placing them under the corresponding obligations, and will monitor and check related compliance.