



POLICY ON SUSTAINABLE PROCUREMENT

Publication date 09/12/2024

Version No. 1

Contents

- 1. INTRODUCTION..... 3
- 2. PURPOSE AND SCOPE OF APPLICATION 3
- 3. COMMITMENTS AND PRINCIPLES 4
- 4. MONITORING AND APPLICATION 7
- 5. THE ROLES AND RESPONSIBILITIES OF THE PARTIES INVOLVED 7
 - 5.1 APPROVAL AND REVIEW 7
 - 5.2 DISSEMINATION 7
- 6. GLOSSARY 8



1. INTRODUCTION

In line with its Code of Ethics and Business Model, the METLAC Group considers the management of a sustainable supply chain a fundamental priority. This commitment translates into selecting and purchasing products and services that meet competitive economic criteria, that minimise any environmental impacts throughout their life cycle and that ensure compliance with the principles of social responsibility.

The company considers it essential to involve suppliers in the achievement of shared objectives, supporting the improvement of economic, social and environmental performance with a view to lasting development and mutual growth. The METLAC Group recognises that a robust, quality supply chain not only ensures business continuity but also generates a positive impact on the local economy and communities, strengthening its commitment to a more sustainable future.

2. PURPOSE AND SCOPE OF APPLICATION

This Policy on Sustainable Development defines the guiding principles adopted by the METLAC Group in its dealings with suppliers and in the purchase of products and services needed to support its activities.

The purpose of this Policy is to promote the integration of environmental, social and governance (ESG) aspects in the management of the supply chain to ensure the adoption of responsible, sustainable practices throughout the supply cycle. The METLAC Group undertakes to reduce operational, compliance and reputational risks related to the management of the supply chain whilst improving the efficiency and effectiveness of costs related to purchasing processes and logistics. The company also aims to promote the growth of its suppliers through innovation and the development of sustainable products, services and processes. With a focus on collaboration, the METLAC Group works with its suppliers to design goods and services that respect the principles of sustainability and the circular economy, thereby increasing the resilience of the supply chain in the face of changes.

This Policy applies to all suppliers of the METLAC Group, including subcontractors, sub-suppliers, partners and third party collaborators who operate at the Group's plants, sites and offices, or who contribute to its operations. Suppliers are required to select their partners along the supply chain on the basis of sustainability standards which are comparable to those laid out in this document.

The aim is to develop long-term relationships with suppliers who share the Group's values and who, together with their network of sub-suppliers, contribute to the achievement of corporate objectives in a socially and ecologically responsible way. The guidelines in this Policy not only guide the Group's purchasing strategies but also constitute a clear reference to verify the commitment of suppliers to promote and respect the principles of sustainability.

3. COMMITMENTS AND PRINCIPLES

The METLAC Group undertakes to ensure that its suppliers respect the fundamental rights of workers, promoting decent and safe working conditions and avoiding any form of exploitation, discrimination or violation of human rights. The company firmly opposes illegal practices, such as corruption and conflicts of interest, and only establishes business relationships based on fairness, integrity and transparency. In addition, the METLAC Group pays particular attention to reducing its environmental impact, promoting the adoption of sustainable practices and complying with applicable environmental regulations throughout its supply chain, committing to purchasing materials, goods and services in line with its Sustainability Policy.

The METLAC Group's Policy on Sustainable Procurement is based on the guiding principles outlined in the Code of Conduct for business partners, with which every supplier is to comply. In line with its Code of Ethics and its Organisation, Management and Control Model, pursuant to Italian Legislative Decree no. 231/2001, the METLAC Group:

- complies with current regulatory requirements, laws and standards on environmental and social matters;
- protects the health and safety of its employees and the community in which it operates;
- aims to reduce its environmental impact;
- protects the data and information exchanged.

To this end, it conducts periodic monitoring and promotes the training of its employees in order to implement the established objectives. It also ensures that environmental and social factors are taken into account when making purchasing decisions.

With regard to these principles, the METLAC Group has developed a procurement strategy, including the selection of its suppliers, certain that their compliance represents a competitive advantage, capable of guaranteeing the quality of its products, the levels of efficiency required by the market and ensuring lasting relationships.

The METLAC Group undertakes to:

- Define the criteria for sustainable procurement, seeing to the inclusion of specific clauses related to ESG objectives and circular economy objectives in new contracts in order to obtain the commitment from suppliers to adopt the principles of sustainable development.
- Increase the Purchasing Team's awareness of supply chain sustainability issues through targeted training courses and internal analysis of data obtained from rating platforms. The METLAC Group undertakes to extend this awareness to other teams that have dealings with suppliers and to qualify suppliers and assess purchasing choices.
- Communicate with the entire value chain, including downstream, to understand customer expectations through questionnaires/checklists or dedicated meetings to measure performance.
- Extend the assessment of ESG aspects (economic impact, circular economy, environmental and social performance) to all suppliers, providing support to achieve shared objectives. To

ensure collaboration is effective, the METLAC Group undertakes to organise direct meetings, webinars and focus group sessions related to these topics.

- Accredit suppliers on the basis of the principles laid out in this document; new, potential suppliers shall be required to send the minimum information necessary for pre-qualification (by means of a specific questionnaire).

The METLAC Group expects the commitment of its suppliers regarding the following aspects:

- Environmental protection:
 - reduce the impact of the extraction of raw materials;
 - reduce the impact of GHG emissions from logistics in terms of organisation and choices related to means of transport;
 - optimise the use of energy resources by avoiding waste and by focusing on renewable forms of energy with a low environmental impact, in particular with regard to reducing GHG emissions;
 - reduce water usage;
 - reduce water discharges;
 - reduce noise pollution;
 - reduce the use of hazardous substances;
 - reduce the volume of waste produced, working on knowing the processes, the search for solutions to reduce waste by seeking alternative solutions to current practices based on an analysis of the waste chain and an increase in the possibility of recovery;
 - improve the quality and depth of information related to the consumption of energy carriers, in order to reduce approximations and uncertainties in the data and increase the accuracy of LCA analyses, through close and active collaboration with suppliers.

The adoption of an environmental management system compliant with *ISO 14001* constitutes a virtuous step towards safeguarding the environment and the certification of the system is a positive element.

- Safeguarding labour and human rights:

The METLAC Group requires its supply chain to comply with its Code of Conduct; suppliers to the METLAC Group must undertake:

- not to directly or indirectly engage in child or forced labour;
- to reject any form of discrimination;
- to prevent any form of exploitation of labour;
- to guarantee fair remuneration that complies with the minimum requirements as provided for by national collective bargaining agreements and by applicable legislation;
- to respect the right of freedom of association and collective bargaining for employees;

- to promote healthy and safe living conditions for the local community, supporting job creation, local procurement and the development of infrastructure.

The METLAC Group follows, and requires suppliers to follow, the principles laid out in the International Labour Organization's declaration and requires suppliers to provide evidence that its personnel are properly trained on these issues.

- Protecting Occupational Health and Safety:

The METLAC Group invites suppliers to comply with Occupational Health and Safety Policies aimed at providing safe and healthy working conditions. Specifically, suppliers are required to adopt the principles of Management Systems that, inspired by *ISO 45001*, promote the continuous improvement of performance and to undertake to disseminate and consolidate a culture of safety in organisations.

- Safeguarding information and reports:

The METLAC Group invites suppliers to protect the data and information exchanged by signing confidentiality agreements (NDAs), which also ensures that personal data is processed in compliance with current legislation.

The METLAC Group makes a tool (Whistleblowing Platform) available to suppliers and Stakeholders, which is accessible from its website, <https://www.metlac.com/sostenibilita/>. This tool allows people to make a confidential report about offences, fraud, critical issues or breaches of domestic or EU law.

- Governance

Suppliers must not be involved in acts of bribery or corruption and may not participate in agreements which are contrary to the rules governing free competition between companies/antitrust in any area in which they operate.

Suppliers are to comply with economic sanctions, trade laws and applicable restrictions that may be imposed by the EU Commission, by the United Nations or any other national body or government.

Suppliers are prohibited from providing or offering gifts or favouritism that might compromise or raise doubts regarding the neutrality of the decisions taken by the METLAC Group towards a supplier regarding commercial operations. In addition, suppliers shall avoid any interaction with METLAC Group employees that might result in a conflict with the employee.

Suppliers shall implement internal controls to detect, prevent and respond to cases of fraud and money laundering; they shall ensure complete and accurate accounting practices and shall maintain records that reflect the nature of the transactions that take place.

4. MONITORING AND APPLICATION

In order to verify a supplier's commitments regarding the various topics described, the METLAC Group undertakes to implement rating systems to which suppliers will be invited to join and the Group may potentially carry out periodic audits and send assessments to suppliers of their performance. With regard to new suppliers, the METLAC Group hereby undertakes to apply the objectives of the Policy on Sustainable Procurement whilst expecting those suppliers which have already been accredited and assessed to address any areas for improvement identified in the assessment and to provide the required supporting documentation.

The METLAC Group undertakes to share the objectives and results of the assessments carried out with customers and suppliers, through periodic meetings. Suppliers will be required to prepare and subsequently implement a Non-Conformity Recovery Plan and documentary checks and/or audits will be carried out by the Group to ascertain how the recovery plans have been implemented. The Purchasing Team and HSE&S shall be responsible for implementing the sustainable procurement programme.

5. THE ROLES AND RESPONSIBILITIES OF THE PARTIES INVOLVED

5.1 APPROVAL AND REVIEW

This Policy document was prepared by HSE&S in November 2024 in collaboration with the main METLAC Group corporate functions on the Operations Committee. The structure of the document complies with the requirements of European standards (the CSRD). This version has been approved by the METLAC Group's Board of Directors.

This document may be revised or amended in event of a change or update to the Strategic Plans, taking into account the regulatory framework and, more generally, the company's guidelines.

5.2 DISSEMINATION

This Policy is published in the Sustainability section of the METLAC Group's institutional website, together with the Sustainability Report within which the company's social, environmental and economic performance is reported transparently [<https://www.metlac.com/sostenibilita/>].

The METLAC Group undertakes to ensure that this Policy is disclosed and communicated to the Stakeholders concerned through the usual corporate channels.

CEO
Pier Ugo Bocchio



General Manager Italy
Enrico Buriani



CRO
Guido Chiogna



6. GLOSSARY

Antitrust. A measure to protect free competition and prevent monopolistic practices (page 6).

CSRD. The *Corporate Sustainability Reporting Directive* is the new European Commission Directive. Its objective is to establish a new framework for non-financial reporting by companies on their environmental, social and governance impacts (page 7).

ESG. *Environment, Social and Governance* (page 3).

GHG. Green House Gas(es) (page 5)

HSE&S: the acronym for the *Health, Safety, the Environment & Sustainability* function (page 7).

ISO 14001. This is the technical standard on environmental management systems (EMSs) that sets the environmental management requirements of an organisation (page 5).

ISO 45001. This is the international standard for Occupational Health and Safety (page 6).

LCA. Life Cycle Assessment or the study of the life cycle of a good or service aimed at determining the impact generated to produce or generate it (page 5).

NDA. *Non-Disclosure Agreement.* This is a contract by which one party guarantees not to disclose the other party's confidential information to any other third party (page 6).

Performance. This refers to the result obtained by a party, who is an individual or a team, in the execution of a certain task (page 7).

Sustainability Policy. The Policy document referring to the sustainability practices adopted by the METLAC Group and its subsidiaries (page 3)

Rating: an assessment of the performance received from an external body, in this specific case, with reference to ESG (environment, social and governance) aspects (page 4).

Stakeholder: a natural or legal person who interacts directly or indirectly with the organisation. Employees, customers, suppliers, etc. are Stakeholders (pages 6-7).

Supply Chain. Reference is made to the coordination activities that are used to manage all the phases that make up the supply chain (page 3).

Webinars and focus groups. The first refers to a single virtual session with a group of presenters and speakers who address an online audience. The second refers to a group of selected people who engage in a discussion about a pre-established topic (page 4).

Whistleblowing. These are reports made by a worker who, in carrying out their duties, notices a situation, a fact or circumstances which, reasonably, could lead one to conclude that an irregular or an unlawful act has occurred (page 6).