

RADICIGROUP SUSTAINABLE SUPPLY CHAIN PROJECT

1> PROJECT OBJECTIVES

Within the framework of the RadiciGroup for Sustainability Project, RadiciGroup is working to extend the project boundary to incorporate all aspects of its business, including its supply chain.

RadiciGroup complies with the applicable laws and regulations in Italy and in all the other countries around the world where it operates, as well as with its own Code of Ethics. Moreover, it undertakes specific projects to implement sustainable strategies along its supply chain.

In the 1987 Bruntland Report, sustainable development is defined as *"development that meets the needs of the present without compromising the ability of future generations to meet their own needs."*

2> METHOD

RadiciGroup asks all its suppliers for their active collaboration in this endeavour. It requests that they comply with the same compulsory and voluntary regulations as RadiciGroup and adopt principles and practices of environmental, social and economic sustainability.

RadiciGroup suppliers must undertake to meet the following requirements set forth in the Global Reporting Initiative (GRI) guidelines (<https://www.globalreporting.org/Pages/default.aspx>)

- To respect human rights (HR2)*
- To refrain from using child labour (HR6)*
- To refrain from using forced labour (HR7)*
- To give preference to locally based suppliers (EC6 Locally based suppliers)*
- To make investments for public benefit (EC8)*

* Guidelines for the preparation of RadiciGroup Sustainability Report – GRI Indicators – Version 3.1 (<https://www.radicigroup.com/en/documentation/corporate/report>)

In selecting its suppliers/partners, from now on RadiciGroup will base its decisions not only on the cost and the quality of the products supplied or the services provided, but also on the observance of the requirements listed above, and will give preference to the suppliers with virtuous sustainability practices.

To do so, all RadiciGroup procurement departments are sending their suppliers the document "RadiciGroup Sustainable Supply Chain Project – Minimum Requirements for Suppliers" and are asking them to provide information about their companies' performance with respect to the requirements in question. This document is obligatory if the supplier does not prepare a Sustainability Report with external assurance or does not have equivalent certification which could serve as a source for the information requested.

Definitions (from the GRI Guidelines – Version 3.1):

Respect for human rights

Human rights are the rights listed in the Universal Declaration of Human Rights adopted by the UN in 1948, as written in the official text on the website <http://www.un.org/en/documents/udhr/>.

Child labour

Child labour is work performed in an organization by persons under the age of 15 years or under the age of completion of compulsory schooling (whichever is higher), except in certain countries, where a minimum age of 14 years might apply.

Forced or compulsory labour

Forced or compulsory labour is any work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered her/himself voluntarily.

The supplier shall be required to declare if there are cases of forced labour in its organization and provide any explanations.

Locally based suppliers

Locally based suppliers are providers of materials, products and services that are based in the same geographical area as the buyer organization.

In particular, a supplier is considered to be locally based if its legal office/headquarters is located in the same province as the RadiciGroup company with which it has supplier collaboration. Wherever the definition of province does not apply, a supplier shall be considered to be locally based if its headquarters is situated within a 50-km radius from the Group company site.

Special consideration will be given to non-locally based suppliers with exclusive rights to distribute certain goods or provide certain services.

Make investments for public benefit

These investments are infrastructure investments or services provided primarily for public benefit from which the organization does not seek to gain direct economic benefit.

Information gathering

For each of the above items, the supplier shall provide the documentation needed to certify the performance of its organization with respect to the matters in question. If such documentation is not available, the supplier may supply a self-certification containing the information requested. Self-certification shall only be allowed for a maximum of three times. After that, certified documents will be required.

In order to facilitate the information gathering process, RadiciGroup has prepared a questionnaire the supplier can complete to provide the required information (Annex 1).

ANNEX 1 – RADICIGROUP SUSTAINABLE SUPPLY CHAIN PROJECT

MINIMUM REQUIREMENTS FOR SUPPLIERS

Company Name:

Address:

Contact: Questionnaire completion date:

Respect for human rights

In this document, human rights are the rights listed in the Universal Declaration of Human Rights adopted by the UN in 1948, as written in the official text posted on the website <http://www.un.org/en/documents/udhr/>.

Please indicate if there are cases of human rights violations in your organization.

YES	NO	If YES, what actions, if any, have been taken to remedy the problem(s)?
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Use of child labour

Child labour is worked performed in an organization by persons under the age of 15 years or under the age of completion of compulsory schooling (whichever is higher), except in certain countries, where a minimum age of 14 years might apply.

Please indicate if there are cases of use of child labour in your organization.

YES	NO	If YES, what actions, if any, have been taken to remedy the problem(s)?
.....		

Use of forced labour

*Forced or compulsory labour is any work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered her/himself voluntarily.
The supplier shall be required to declare if there are cases of forced labour in its organization and provide any explanations.*

Please indicate if there are cases of use of forced labour in your organization.

YES	NO	If YES, what actions, if any, have been taken to remedy the problem(s)?
.....		

