

<u>REVIEW</u>	<u>DATE</u>	<u>DESCRIPTION</u>	<u>RESP.</u>
Rev.00	10/05/2015	First issue	DG
Rev.01	07/09/2017	Update on child labour references	RSGQ
Rev.02	19/07/2018	Adjustment to the IATF 16949:2016 standard	RSGQ
Rev.03	26/03/2020	Health and Safety update COVID-19	RSGQ

**Preamble**

The expectations of civil society and local communities have evolved considerably in recent years: they have become increasingly sensitive to the ethical behaviour of companies and have learnt to recognise, behind the product and service, the production process that generated it.

In this respect, TEO.REMA SRL has been increasingly active in recent times to undertake a socially responsible 'management style', oriented towards stakeholder involvement<sup>1</sup> and control of the supply chain.

The globalisation of production processes, of mining flows, of markets beyond our borders and within our country requires greater commitment and direct control on the part of companies.

It therefore becomes a priority to promote a society that defends human rights and respect for the individual, inspiring every market relationship, especially in the most at-risk situations, with the principles of transparency, fairness and efficiency.

TEO.REMA SRL is accustomed to taking responsibility for the effects that its entrepreneurial action produces in the local community and in society at large: it therefore promptly adopts the appropriate behaviour and control tools, working for development and innovation with its partners in the production of technical rubber articles.

The SA 8000 model lists the requirements for socially correct behaviour of companies and the supply chain towards workers, in particular with regard to:

- child and infant labour,
- forced labour,
- discrimination,
- health and safety conditions,
- disciplinary practices,
- freedom of association,
- salary and working hours.

TEO.REMA SRL has taken its cue from this standard, not only to witness first-hand the duty to respect human and workers' rights in all kinds of processes and organisations, but also to promote it with its partners and suppliers.

<p><b><i>Child and infant labour</i></b></p> <ul style="list-style-type: none"> <li>• <b>do not employ persons under 18 years of age</b></li> <li>• <b>ensuring qualified training</b></li> </ul>	<p>Not to employ child labour in the manufacture of any product or the provision of any service, where child labour is defined as the employment of persons under the age of 18 years who are unable to attend compulsory schooling and/or lead a life suitable for them. Guaranteeing workers effective conditions for learning, growth and professional development, as well as appropriate health and safety conditions and training in this regard.</p>
<p><b><i>Forced labour</i></b></p> <ul style="list-style-type: none"> <li>• <b>do not employ persons who are not free to terminate their employment contract, as per regulations</b></li> </ul>	<p>Do not employ non-voluntary staff (prisoners, persons insolvent towards the company), who suffer non-legal restrictions in their freedom to terminate their work commitment (seizure of documents, unpaid wages kept as security), who are not protected by a form of contract. <i>In particular, it means not using undeclared labour, especially in the form of 'caporalato' (forced labour), and ensuring that workers use permits in compliance with the law.</i></p>

<p><b>Health and safety conditions</b></p> <ul style="list-style-type: none"> <li>• <b>ensuring a safe and unhealthy working environment</b></li> </ul>	<p>Provide employees with a safe and healthy working environment with adequate facilities and means of control and protection from hazardous materials and situations, in accordance with relevant regulations. Where canteens and housing are provided for employees, these must be healthy, safe and comply with local environmental safety regulations.</p> <p><i>Specifically, adhering to the contents of TU81/2008 and subsequent additions following COVID-19, means complying with this requirement, in particular, attention must be paid to the use of PPE, the presence of first aid in the workplace, serious risk analysis and comprehensive, comprehensible and effective training for all workers (illiterate, foreigners, etc.), and corrective action following reports.</i></p>
<p><b>Freedom of association not prohibit, hinder or penalise trade union activity</b></p>	<p>Guarantee workers the freedom to associate if they wish, and to be able to bargain publicly and according to the law, without fear of interference or restrictions.</p> <p><i>In practice, the freedom to join the union must be ensured by not putting pressure on members, not discriminating against them in their tasks and growth processes, recognising elected representatives as privileged interlocutors, and guaranteeing them the places and time to carry out union activities.</i></p>
<p><b>Discrimination</b></p> <ul style="list-style-type: none"> <li>• <b>select workers on the basis of skills and abilities</b></li> <li>• <b>treat all workers equally, offering them equal opportunities and conditions</b></li> </ul>	<p>Select workers regardless of age, gender, race, religion, political and spiritual beliefs. Employ workers according to their work abilities, avoiding any kind of discrimination. Equal gender opportunities must be ensured and no unequal treatment of persons of different religion, race, political or spiritual beliefs.</p> <p><i>Avoid the two most frequent types of discrimination by management: not offering women management roles, hiring non-EU nationals exclusively at the lowest levels, regardless of their level of education and language skills. But much more important is to take action against discrimination between workers: on the basis of race, religion, geographical origin, to be discouraged by appropriate training, interventions, etc.</i></p>
<p><b>Disciplinary practices</b></p> <ul style="list-style-type: none"> <li>• <b>show respect for workers in actions, words and behaviour</b></li> </ul>	<p>Treat all workers with dignity and respect, strictly excluding the use of any kind of unusual and/or bodily disciplinary practices. Disciplinary practices of suppliers must comply with all applicable local laws and regulations for workers in use.</p> <p><i>Care must be taken to ensure that 'mobbing' and 'sexual harrasment', i.e. psychological pressure and conditioning with verbal and gestural allusions, do not use unfavourable working conditions as 'instruments of punishment', and do not hastily and simplistically adopt disciplinary practices.</i></p>
<p><b>Salary</b></p>	

<ul style="list-style-type: none"> <li>• <b>ensure their workers' wages for a decent living</b></li> </ul>	<p>Guarantee their workers a wage that complies with all local laws in this regard, including the one determining the minimum wage, and allows them to live in dignity.</p>
<p><b>Working hours</b></p> <ul style="list-style-type: none"> <li>• <b>not work more than 40 hours per week, nor ask for more than 12 hours of overtime, agreed with the worker</b></li> <li>• <b>do not habitually ask for overtime</b></li> </ul>	<p>Working hours must comply with the number of hours stipulated in the national contract for the category and overtime, when necessary, must be compensated appropriately and must not exceed 12 hours per week. Employees must in any case be guaranteed at least one day off in seven.</p> <p><i>In particular, it is important to plan work carefully, trying to rationalise production processes, to make proper provision for the necessary staffing so as not to force one's employees to work excessive overtime and to ensure that they are able to take their planned holidays.</i></p>
<p><b>Management System</b></p>	<p>Suppliers must commit themselves to:</p> <ul style="list-style-type: none"> <li>- Knowing and respecting the TEO.REMA srl code of ethics</li> </ul>

**Employee Reports (whistle-blowing)**

TEO. REMA SRL invites employees and shareholders to report to the Management any suspicion of fraud, illegal or irregular conduct and/or any type of serious danger or risk that may involve or in any case damage employees, consultants, customers, suppliers, stakeholders, the public or the company's reputation itself, and of which they have become aware during their work and management activities, according to the definition of whistle-blowing taken from the IATF 16949 standard: 2016 (e.g., but not limited to, workplace hazards, environmental harm, unlawful financial transactions, health threats, suspected bribe or bribery). In particular, TEO.REMA SRL specifies that: any circumstantiated report made within the company, even if not anonymous, will be given adequate consideration, ensuring the confidentiality of the identity of the reporter, without prejudice to the legal obligations regarding the enforceability of anonymity and confidentiality; a circumstantiated report made in good faith will not have any negative effects on the reporter in connection with its submission; the person making a circumstantiated and reasonable report in good faith will be protected from retaliation or other action by the parties involved in the facts that are the subject of the report.

**Supplier Relations**

1. TEO.REMA SRL considers as its supplier anyone who markets and/or manufactures and/or provides other services related to the products and/or parts thereof, intended for TEO.REMA SRL;
2. TEO.REMA SRL procures on the basis of the quality of the goods and services offered, their cost, the technical and economic reliability of the supplier, and the punctuality of deliveries, recognising on this basis conformity of treatment to present and future suppliers. In particular, the selection of suppliers and the specific qualification of those whose services relate to the quality of the working processes and of the manufactured product made by TEO.REMA SRL;
3. TEO.REMA SRL is committed to preserving the health and safety of suppliers and their employees and collaborators who may occasionally work on TEO.REMA SRL's premises in accordance with the regulations in force, calling on suppliers to respect workers' rights and the protection of child labour in all circumstances;
4. TEO.REMA SRL adopts appropriate procedures for the transparent and impartial assessment of the reliability and competence of each supplier, the suitability of its offer and the guarantees of assistance and timeliness of services;
5. TEO.REMA SRL imprints its relations with suppliers on fairness and loyalty.