



<b>DOC-CE</b>	<b><u>Code of Ethics</u></b>			
Issued on:	07/11/2021	Field:	Quality Assurance	
Revision - Date:	1 – 28/10/2022	Type:	Quality Management Document	Page 1/12

# BUSINESS CODE OF ETHICS

*Revision 1*


<b>DOC-CE</b>	<b><u>Code of Ethics</u></b>			
Issued on:	07/11/2021	Field:	Quality Assurance	
Revision - Date:	1 – 28/10/2022	Type:	Quality Management Document	Page 2/12

When it comes to corporate social responsibility, the Code of Ethics is one of the tools used for encouraging good behavioural practices. This Code of Ethics by CLM Costruzioni Lavorazioni Meccaniche S.r.l (hereinafter, 'CLM') embodies the development of the corporate policy principles of the quality management system certified by Dakks.

The Code was revised in 2022 in order to comply with the requirements of the automotive industry standard - IATF 16949 - by means of a collaborative approach, notably involving employees, with the aim of defining criteria of conduct as widely shared as possible within the company.


This version of the CLM Code of Ethics has been approved by the Executive Board.

DATE	Issue	EMENDMENT TYPE
7 November 2021	0	First issue to meet requirement n. 5 of the IATF 16949:2016 standard
28 October 2022	1	Graphic revision and update following the change of certifying body for the quality management system

<b>DOC-CE</b>		<b><u>Code of Ethics</u></b>		
Issued on:	07711/ 2021	Field:	Quality Assurance	
Revision - Date:	1 – 28/10/2022	Type:	Quality Management Document	

# INDEX

- 1) Preliminary Provisions ..... 4
  - 1.1) Overview..... 4
  - 1.2) Commitments ..... 4
  - 1.3) Recipients..... 4
- 2) Purpose of the Code of Ethics..... 4
- 3) Changes ..... 5
- 4) Mission..... 5
- 5) Ethical Values ..... 5
- 6) Operating Principles of CLM ..... 5
- 7) General Guidelines ..... 6
- 8) Confidentiality ..... 7
- 9) Customer Relations ..... 7
- 10) Employees and Contractors Relations ..... 8
- 11) Shareholders Relations ..... 10
- 12) Suppliers Relations ..... 10
- 13) Local and Institutional Relations ..... 11

DOC-CE		Code of Ethics		
Issued on:	07/11/2021	Field:	Quality Assurance	
Revision - Date:	1 – 28/10/2022	Type:	Quality Management Document	

Page 4/12

## 1) PRELIMINARY PROVISIONS

### 1.1) OVERVIEW

Ethical principles relevant to the prevention of offences under the Italian Legislative Decree 231/2000 constitute a major element in the preventive control system. These principles are the cornerstone of this Code of Ethics, adopted by CLM. In general terms, the Code of Ethics represents the company's official document setting out its principles and values in terms of rights, duties and responsibilities towards its stakeholders, and in application of these principles it recommends, promotes and prohibits conduct and actions to the recipients, in addition to regulatory requirements.

This is our organisation's second version of the Code of Ethics - the first being the adoption of the Confindustria standard. This Code of Ethics was deemed necessary to meet the commitments we have made to our stakeholders, but above all to our customers in the automotive industry. The Code of Ethics is a valuable medium for communicating effectively with stakeholders even if they are not satisfied.

### 1.2) COMMITMENTS

By agreeing to and applying this Code of Ethics, CLM:

- Undertakes as a primary commitment to comply with applicable national and international standards and laws.
- Declares to abide by general principles of lawfulness, fairness, transparency, responsibility and confidentiality.
- Undertakes to act with the utmost diligence, loyalty, spirit of cooperation, moral and professional integrity at all times.
- Promotes economic and social activities geared towards environmental sustainability, with a focus on human and environmental safety.
- Makes sure that the Code of Ethics is widely disseminated and made known, both within its own corporate organisation and to third parties with whom it has relations and to those who, in various capacities and at various levels, are required to observe and implement its provisions.
- Ensures constant and correct compliance with the Code of Ethics, applying appropriate sanctions in the event of proven violations.

### 1.3) RECIPIENTS

The following parties are recipients of this Code of Ethics pursuant to Legislative Decree 231/2001 of the Company and are bound to comply with its contents:

- Shareholders of the Company
- Employees of the Company

The following external parties may be the recipients of specific obligations to comply with the content of the Code of Ethics by virtue of specific acceptance or by virtue of specific contractual clauses:

- Contractors, consultants and, in general, self-employed individuals
- Suppliers and partners (including temporary business associations and joint ventures)


The ethical standards of conduct set out in the Code of Ethics constitute a moral duty of its recipients and external parties in the pursuit of the company's goals. Most notably, they are being asked to:

- Behave in line with the Code of Ethics provisions
- Immediately inform the Executive Board of any violations of the Code of Ethics, as soon as they come to their knowledge (until the Supervisory Board is set up)
- Request, where necessary, interpretations or clarifications of the principles of conduct defined below

In this regard, the Code of Ethics is made available to any party dealing with the Company on the CLM website.

## 2) PURPOSE OF THE CODE OF ETHICS

When it comes to corporate social responsibility, the Code of Ethics is one of the tools used for encouraging good behavioural practices for people working at CLM and those with an interest in pursuing its mission. The Code does not replace laws or contractual regulations, but rather complements them, as there is a discrepancy between what the laws provide for and everyday reality. Conduct of the people who are part of the organisation, starting with those who hold the most responsibility and authority, shapes and characterises its image. There is therefore a direct relationship between compliance, authority, reliability and business success. CLM offers existing and potential customers the manufacture of mechanical components obtained through mechanical processing. CLM's operations are made possible by the work of its in-house staff and external consultants as well as the companies that supply the company with goods and services. Being aware of these relationships and the resulting responsibilities, along with protecting customers and their needs, are integral to CLM's corporate culture.

DOC-CE		Code of Ethics		
Issued on:	07/11/2021	Field:	Quality Assurance	
Revision - Date:	1 – 28/10/2022	Type:	Quality Management Document	Page 5/12

CLM's Code of Ethics summarises the basic principles and rules of conduct that CLM's Shareholders, employees and consultants, as well as its suppliers, are required to comply with when conducting CLM's business and performing their services, as well as in internal and external relations.

First and foremost, the Code of Ethics should serve to define the conduct of the people working at CLM, however it should also serve other purposes:

- Enhancing internal cohesion and consistency: the Code of Ethics aims at improving internal relations and forming a coherent and transparent corporate image.
- Greater efficiency: participants' motivation towards positive goals increases the ability to generate utility, both for those directly involved and for the environment.
- A good reputation: an organisation with clear rules and values fosters trust.

### 3) CHANGES

Overall, the major change witnessed, especially in recent times, has been the progressive modification of the role of the Code of Ethics within the company. Briefly, we can argue that the Code of Ethics is progressively transforming from a primarily regulatory instrument into a governance tool, representing the active and deliberate management of ethical issues in daily work activities. To make effective decisions, it is essential to communicate, engage in dialogue, compare perspectives, and reach agreements not only on economic aspects but also on values. This holds true for both major and minor decisions, such as those that individuals must make daily, whether in their professional or personal lives.

The Code of Ethics is intended to foster greater internal participation and, furthermore, to ensure that the dialogue on ethical matters with stakeholders is equally high in quality and effectiveness.

### 4) MISSION

Currently and moving forward, CLM aims to be the best partner for its customers, employees, and shareholders, by developing an original business model which is able to deliver innovative solutions with deep local presence, while respecting health, safety and the environment.

For CLM, being the best means serving as a source of pride and trust for:

- Our customers, ensuring they receive, through a consistent dialogue, high-quality products that meet their expectations.
- Our people working in the company, ensuring they are key contributors to the results through their expertise, their involvement and their passion.
- Our shareholders, ensuring that the company's economic value continues to be created, in line with the principles of social responsibility.
- The local community, ensuring it becomes the economic, social, and environmental wealth to be promoted for a sustainable future.
- Our suppliers, ensuring they are key players in the value chain and growth partners.

### 5) ETHICAL VALUES

We identify with the ethical values that represent the principles we uphold.

#### Integrity

CLM is a company in which lawfulness, fairness, honesty and impartiality in conduct, both inside and outside the company, constitute a shared mindset and way of acting.

#### Transparency


We are truthful and transparent towards all stakeholders. CLM is committed to clearly, comprehensively and promptly provide all its stakeholders with information on actions taken at all levels of the company.

#### Personal accountability

We work for the sake of the company together. Working at CLM entails a commitment to establish a trust-based relationship with our colleagues and, more generally, with all of our stakeholders. To us, it is essential to strive loyally and effectively to achieve corporate goals while being aware of one's tasks and responsibilities.

#### Consistency

We focus on doing what we say. Being consistent means that everyone is committed to fulfilling the company's mission, values and operating principles on a daily basis, in all actions. They are considered the cornerstone of strategic planning, objectives and operational management.

<b>DOC-CE</b>	<b><u>Code of Ethics</u></b>			
Issued on:	07/11/2021	Field:	Quality Assurance	
Revision - Date:	1 – 28/10/2022	Type:	Quality Management Document	
				Page 6/12

## 6) OPERATING PRINCIPLES OF CLM

CLM's intended course of action to achieve its strategic goals.

### Value Creation and Social and Environmental Responsibility

Being a company built to endure over time. CLM is committed to combining economic and social value with the goal of consistently meeting the legitimate expectations of all its stakeholders: customers, workers, shareholders, suppliers, institutions and local communities. CLM pursues responsible management of natural resources and adopts solutions to reduce the environmental impact of its activities.

### Quality and Excellence of Service and Product

Being customer-focused and always presenting a unified front. Customer satisfaction represents a crucial driver for business growth with the aim of being perceived as a solution provider, capable of understanding people's needs and offering high quality products. At CLM, our daily actions are intended to provide a unique and reliable response to customers' expectations.

### Efficiency

Optimising and making the most of the available resources. At CLM, we are committed to rapidly pursuing our goals by incorporating the principle of optimisation into every activity, including the management of human, time, financial, and technological resources.

### Innovation and Continuous Improvement

Feeling part of a team that generates ideas and drives improvement. CLM aims to introduce all aspects of "useful and possible" innovation—technological, organisational, managerial, and process-related—at various organisational levels. CLM strives daily to maintain and concretely improve its activities.

### Engagement and Enhancement

Sharing knowledge to improve both individually and collectively. CLM is committed to enhancing the experience and developing the skills of all its employees, fostering cooperation and knowledge exchange, and ensuring that work becomes both a source of satisfaction and pride for individuals, as well as a key factor in the company's success.

### Willingness to Choose

Choosing the most effective solution for growth. While pursuing its mission, CLM will identify business areas and development plans aimed at increasing its value and enhancing its competitiveness in the market. Merit-based differentiation will characterise the process of recognising and valuing employees.

## Recipients of the Code and Operating Principles

### 1. Recipients of the Code

The Code applies to all those who, in various capacities and with different responsibilities, directly or indirectly contribute to the achievement of CLM's objectives.

### 2. Ethical Values of the Company


CLM's ethical values:

- Integrity
- Transparency
- Personal accountability
- Consistency

### 3. Principles of Business Operation

Based on its Policy, CLM adopts the following operating principles:

- Creation of value and social responsibility
- Quality and excellence of service and product
- Efficiency
- Innovation and continuous improvement
- Engagement and enhancement
- Willingness to choose

<b>DOC-CE</b>	<b><u>Code of Ethics</u></b>			
Issued on:	07/11/2021	Field:	Quality Assurance	
Revision - Date:	1 – 28/10/2022	Type:	Quality Management Document	
				Page 7/12

#### 4. Definition of Ethical Conduct

Ethical conduct is defined as the behaviour of those within the organization, aligned with its value system.

### 7) GENERAL GUIDELINES

#### **Compliance with the Code of Ethics**

CLM's shareholders, employees, and contractors base their relationships on trust. To this end, they guide their daily conduct by respecting the rules outlined in this Code. Any conduct that violates the Code of Ethics is considered a breach of the trust agreement and must, therefore, be identified and reported.

#### **Responsibility and Decision-making Power**

For CLM, the company is the place where responsibility is rooted. The greater the authority and discretion one has in making decisions, the greater one's responsibility. Therefore, the dissemination and implementation of this Code rely on the efforts of everyone, particularly those in positions of greatest decision-making power, whose behaviour is held up as an example.

#### **Engagement in Dialogue**

CLM shall engage in dialogue with its stakeholders and their representatives, respecting their mutual interests. Everyone must respond to any requests for dialogue.

### 8) CONFIDENTIALITY

Any information regarding the company's activities that has not yet been disclosed and is available to CLM's shareholders, employees, and contractors in the course of their respective duties is confidential and solely in the interest of the company.

#### **Potential Conflict of Interest**

Shareholders, employees, and contractors must avoid situations that could create a conflict of interest between themselves and the company.

#### **Protection of Physical and Moral Integrity**

CLM safeguards the physical and moral integrity of its employees and contractors by ensuring safe and healthy workplaces and working conditions that respect individual dignity. CLM strives to ensure that its suppliers demonstrate the same respect towards their employees and contractors and, as a result, implements specific controls.

#### **Value of Training**

CLM acknowledges the importance of training as a key factor in increasing the value of the company and the competence of its employees.

#### **The Importance of Communication**

CLM recognises the value of communication as a crucial factor in sharing and exchanging skills, as well as in enhancing the sense of belonging within the company.

#### **The Importance of Cooperation**

CLM understands the fundamental value of cooperation among employees and between different organisational structures, which is grounded in a constant focus on meeting the needs of internal customers and achieving the company's common goals.

#### **Confidentiality of Personal Data and Respect for Privacy**

CLM ensures the confidentiality of personal data in its possession. Shareholders, employees, and contractors must use the data solely for purposes related to the performance of their respective duties, while adhering to the security measures in place. CLM shall ensure respect for individuals' privacy.

#### **Environmental Stewardship**

CLM operates with respect for the environment. To this end, CLM is committed to using the most appropriate technologies, preventing environmental risks, and reducing both direct and indirect environmental impacts.


#### **Adherence with the Code**

CLM requires all individuals involved in the company's activities, in any capacity, to align their conduct with the principles outlined in this Code.

### 9) CUSTOMER RELATIONS

#### **Definition of a Customer**

A customer is anyone who derives benefit from the company's products or services in any capacity.

<b>DOC-CE</b>		<b><u>Code of Ethics</u></b>		
Issued on:	07/11/2021	Field:	Quality Assurance	
Revision - Date:	1 – 28/10/2022	Type:	Quality Management Document	
				Page 8/12

### **Impartiality among Customers**

In the provision of services, CLM ensures fair treatment of both current and potential customers. CLM strives to achieve the highest possible level of service across all its areas of expertise, while considering the different territorial characteristics and the regulations set by the relevant authorities.

### **Attention to Customer Needs**

CLM bases its relationships with customers on helpfulness, respect, courtesy, and engagement, and strives to ensure their satisfaction. Recognising the value of listening and dialogue, CLM establishes tools and networks aimed at ensuring the timeliness and quality of information and communication with customers.

### **Customer Information and Outreach**

CLM shall provide its customers with complete and timely information regarding the features, functions, costs, and risks of the service offered. Notably, any notice, contract, document, or any other information issued by the company shall be:

- Clear and simple, written in straightforward and commonly used language.
- Complete and truthful, ensuring that no relevant element for the decision-making of the actual or potential customer is overlooked.
- Compliant with privacy protection regulations (GDPR 679/2016).

### **Quality and Safety of the Manufactured Products**

CLM ensures that its customers receive products that meet the appropriate quality and safety standards. The company's policy, along with the adoption of tools for analysing the risk of production process failure (FMEA) and the establishment of control and contingency plans for automotive orders, serves as a formal declaration of the company's commitment to its customers and forms an integral part of supply contracts. Furthermore, to ensure the highest quality and safety levels for its products, CLM adopts customer-specific requirements, applies statistical production control tools, and implements stringent quality controls, all aimed at their continuous improvement for the benefit of its customers.

### **Quality Management and Assessment of Manufactured Products**

CLM is committed to monitoring key qualitative and quantitative benchmarks of its production process and reporting the results achieved. These markers provide the information base that allows CLM to assess the quality of the products manufactured. To this end, CLM is committed to:

- Enhance the implementation of corporate management systems (ISO 9001:2015, IATF 16949) and establish specific goals and service improvement programs.
- Implement environmental and safety management systems to contribute to the ongoing reduction of its environmental and occupational safety impacts.
- Provide customers with the necessary information to understand the potential safety risks associated with the company's activities and the quality of the products manufactured.
- Foster awareness and training activities related to the quality of manufactured products.
- Make customers aware of how claims are handled and provide them with appropriate responses (8D report, 5W model, or proprietary model for automotive customers).

### **Customer-perceived Quality**

CLM is committed to adopting tools for monitoring and evaluating customer satisfaction as a baseline for implementing improvement actions.

### **Fairness in Contracts and Business Relations**

Aware of the differences among the markets in which it operates, CLM ensures fairness in contracts and business relationships while providing adequate training for its staff. Moreover, CLM is committed to ensuring that freelancers, suppliers, contractors, and other partners adhere to the same standards of fairness in their conduct, as well as in the conduct of their appointees, that CLM applies to its customers.


### **Confidentiality in Data Management**

CLM shall ensure that the processing of customers' personal data is carried out in compliance with current regulations and in accordance with this Code. Furthermore, it ensures that data and information are recorded and processed accurately, in a timely manner, and with due confidentiality.

### **Dispute Prevention**

CLM fosters dialogue and cooperation with customers, prioritising the settlement of disputes through non-judicial means and promoting mediation procedures to prevent legal conflicts.



<b>DOC-CE</b>	<b><u>Code of Ethics</u></b>			
Issued on:	07/11/2021	Field:	Quality Assurance	
Revision - Date:	1 – 28/10/2022	Type:	Quality Management Document	
				Page 9/12

## 10) EMPLOYEES AND CONTRACTORS RELATIONS

### Definition of an Employee and a Contractor

For the purposes of this Code, an employee and/or contractor is defined as a person who, regardless of the legal nature of the relationship, establishes a direct working relationship with CLM aimed at achieving the company's objectives.

### Personal Protection and Equal Opportunities

CLM avoids all forms of discrimination, whether related to physical condition, disability, opinions, nationality, religion, sex, sexual orientation, gender identity, or any other factor that could lead to discrimination. Personnel are only asked for information that is relevant to assessing professional and work requirements, while respecting their privacy.

### Enhancement of Human Resources

CLM ensures a workplace where everyone can collaborate by expressing their professional skills, where responsibility is upheld, and shared rules are respected and promoted. In the employment relationship, the company values skills, potential, and commitment, using clear and consistent evaluation criteria. Finally, CLM is committed to valuing diversity.

### Training

CLM prepares and implements an annual training plan for its employees and contractors, aligning the company's growth needs with the training requirements expressed by employees, and providing the necessary tools for professional development and upskilling.

### Abuse of Power

Managers shall not request personal benefits or any other form of behaviour from their colleagues that is not stipulated in employment contracts or in the rules of this Code.

### Involvement of Employees and Contractors

Starting with the managers, CLM promotes a workplace that values personnel information and active involvement. In particular:

- It clearly defines corporate roles.
- It encourages the participation of all professionals in problem-solving processes, with particular emphasis on those working directly with customers.
- It develops appropriate corporate communication tools.
- It periodically conducts surveys on the corporate climate and works to continuously improve it.
- It employs specific management systems.

### Safety and Health Protection

CLM is committed to fostering a safety culture among its employees and contractors, promoting awareness of risks and encouraging responsible conduct.

To this end, CLM is committed to:

- Maintaining and enhancing occupational health and safety management systems.
- Defining specific objectives and improvement programmes aimed at mitigating occupational accidents and illnesses.
- Reporting on occupational health and safety during their activities.


The company shall also protect employees and contractors from sexual harassment, psychological violence, and any discriminatory or harmful behaviour.

### Child Labour

Children under the age of 18 are prohibited from working at night or in hazardous conditions, in accordance with current regulations. (Ref. Legislative Decree No. 81/08, Law No. 977 of 17 October 1967, as amended and supplemented by Legislative Decree No. 345 of 4 August 1999, and Legislative Decree No. 262 of 18 August 2000).

### Careful and Efficient Use of Company Resources

Each employee at CLM is required to act with the diligence and efficiency necessary to protect and enhance the company's resources, ensuring they are used in alignment with the company's interests. Similarly, it is the responsibility of employees and contractors not only to protect these assets but also to prevent their fraudulent or improper use, whether for their own benefit, the benefit of third parties, or for other companies closely connected with CLM's activities.

DOC-CE		Code of Ethics		
Issued on:	07/11/2021	Field:	Quality Assurance	
Revision - Date:	1 – 28/10/2022	Type:	Quality Management Document	

### Conflict of Interest

All employees and contractors must avoid situations that could give rise to conflicts of interest. Similarly, they must refrain from personally benefiting from the position, information, and discretion associated with their role. All employees and contractors must report to their direct managers any potential conflict of interest in which they may be involved.

### Protection of Corporate Image and Reputation

CLM's image and reputation are valuable assets that employees and contractors must protect through their conduct in all situations, considering the evolving social context, technology, and new tools available.

### Relationship between Colleagues and Respect for the Employee's Private Life

All employees and contractors are required to maintain a respectful, dignified, cooperative, and compassionate attitude towards their colleagues. CLM respects the privacy of its employees and contractors and seeks ways to support them in difficult situations that may hinder the normal performance of their work.

### Escalation Policy or Whistleblowing

The term whistleblowing is defined by the IATF 16949 standard and in its broadest sense refers to the act of reporting any suspected fraud, danger, or other serious risks detected during the course of work at CLM that could harm customers, colleagues, partners, the company, or its reputation.

Any irregularity can be reported:

- By email, either signed or anonymous, sent to: [amministrazione@clmbz.it](mailto:amministrazione@clmbz.it)
- To the HR department or the Executive Board, through a confidential interview or during the feedback meeting between the Executive Board and the employee.

CLM is committed to promoting and supporting this type of activity to reduce hazardous actions and, most importantly, to raise awareness among its employees and contractors about the significance of their actions.

However, we encourage Whistleblowers not to report anonymously, in order to facilitate possible investigation activities. CLM shall ensure the utmost protection of Whistleblowers' data and prevent any retaliation against whistleblowers who report alleged violations.

## 11) SHAREHOLDERS RELATIONS

### Definition of a Shareholder

A CLM shareholder is any individual or entity that holds shares in the company.

### Value Creation

CLM is committed to creating a medium- to long-term value for its shareholders and employees through effective business risk management, socially responsible business practices, and a continuous focus on operational efficiency, that includes efficient management and prudent use of capital, and the protection of corporate assets. CLM recognises the importance of building a trusting relationship with shareholders, creditors, and analysts through transparent conduct and continuous, timely, and clear communication.

### Shareholders Protection

CLM adopts a governance and management system designed to ensure the protection and profitability of shareholders' capital, in compliance with the law and international best practices.

### Involvement of Shareholders and Stakeholders

CLM is committed to maintaining effective communication with the market and ensuring an ongoing dialogue with stakeholders. CLM has identified the individual responsible for coordinating and managing all communications related to strategic company information. The Executive Board is responsible for overseeing the accuracy of information.


## 12) SUPPLIERS RELATIONS

### Definition of a Supplier

Suppliers are individuals and companies that, in various capacities, provide goods, services, and resources essential for carrying out our activities and delivering services, thereby contributing to the achievement of CLM's goals. Both individuals and companies are required to adhere to the purposes and principles outlined in this Code.

### Relationship with Suppliers

CLM's approach to procuring goods, services, and works is characterized by a focus on quality, cost-effectiveness, minimizing environmental impact, and ensuring equal opportunities for all suppliers.

<b>DOC-CE</b>	<b><u>Code of Ethics</u></b>			
Issued on:	07/11/2021	Field:	Quality Assurance	
Revision - Date:	1 – 28/10/2022	Type:	Quality Management Document	Page 11/12

CLM is committed to fostering cooperative relationships with suppliers, grounded in open communication, mutual exchange of expertise and information, and the creation of shared value. Both CLM and the supplier should avoid dependency situations.

### **Suppliers' Health and Safety Protection**

CLM is committed to ensuring, in accordance with the terms outlined in the contracts, that the health and safety of personnel from the companies involved in its supply chain is protected. CLM will ensure that the requirements of these companies align with those of the corporate qualification procedures and systems over time.

### **Criteria for Selecting and Qualifying Suppliers**

The criteria for selecting and qualifying suppliers are characterised by fairness and equity. Supplier selection is based on the assessment of service quality and cost-effectiveness, technical and professional suitability, adherence to contractual deadlines, and relevant certifications, in accordance with specific regulations, procedures, and standards. Preference will be given to suppliers certified ISO 9001:2015, and even more so to those holding IATF 16949:2016 certification.

### **Assessment of Suppliers**

Supplier assessment is based on the criteria outlined in the previous article. CLM shall adopt specific procedures that make the conduct, skills, and commitment of its suppliers assessable, enabling them to adapt and improve their performance.

### **Fairness in Contract Management and Reformulation**

Contract management with suppliers is based on fairness, avoiding any form of abuse. In other words:

- At the time the contract is concluded, CLM provides comprehensive information regarding the characteristics and risks of production, payment terms and deadlines, and other relevant aspects of the relationship for the supplier.
- CLM uses complete, clear, and comprehensible information, avoiding clauses that could lead to ambiguous interpretation.
- CLM avoids taking advantage of its position in situations that may require contract renegotiation, particularly with regard to smaller suppliers.

### **Gifts and Benefits**

CLM refrains from giving or receiving any gifts that could be perceived as exceeding normal business courtesy or as an attempt to acquire favourable treatment. Anyone who receives gifts or other benefits, beyond those of modest value and within the bounds of ordinary business courtesy, must inform the relevant Manager, who will arrange for their return or donation to charity in accordance with the company's specific provisions on the matter.

## **13) LOCAL AND INSTITUTIONAL RELATIONS**

### **Definitions of Territory, Community and Institutions**

The term 'territory' refers to a specific physical space, encompassing its natural and historical features, its human community, institutions, and other forms of social organization. The term 'institutions' typically refers to public institutions.

### **Relations with the Environment**

CLM manages its activities by pursuing environmental protection through the continuous improvement of business performance, with a focus on minimizing the environmental impacts of its operations. To this end, CLM is committed to:

- Assess the adoption of an Environmental Management System (EMS), even if not certified, and work towards the prevention of environmental risks.
- Internally foster environmental awareness and training activities and promote the adoption of eco-efficient technologies.

### **Relations with Institutions**

CLM establishes constant collaborative and communicative relations with institutions, concerning exclusively:


- Regulatory and administrative activities related to CLM's business
- Environmental preservation
- Risk prevention

### **Relations with Regulatory Bodies**

CLM is committed to providing national and local regulatory bodies with all requested information in a complete, accurate, adequate, and timely manner.

### **Relations with the Community**

CLM is committed to being attentive to the communities in which it operates and to listening to their requests. To this end, it undertakes consultation, information-sharing, listening, and engagement initiatives. This applies particularly to the communities located near its facilities, both current and future.

<b>DOC-CE</b>		<b><u>Code of Ethics</u></b>		
Issued on:	07/11/2021	Field:	Quality Assurance	
Revision - Date:	1 – 28/10/2022	Type:	Quality Management Document	Page 12/12

### **Sponsoring Social and Cultural Initiatives**

When supporting or sponsoring social and cultural initiatives, CLM considers only those that align with its strategic goals, principles of environmental and social responsibility, and the guidelines set by the Executive Board. CLM does not grant contributions of any kind to political parties or election candidates and refrains from exerting any undue pressure on public representatives to procure advantages for the company.

### **Donations and Concessions**

CLM favours donation and concession initiatives that guarantee quality, stand out for their ethical message, and, in line with its mission, contribute to social development.

This Code is valid for three years, after which it will be subject to review and potential revision by the Executive Board. CLM Executive Board shall ensure the dissemination and implementation of the Code.