



# POLICY FOR RESPONSIBLE AND SUSTAINABLE PROCUREMENT

*“Tend the Earth and the Earth will  
tend you, destroy the Earth and the  
Earth will destroy you”*

Aboriginal proverb





## INDEX

### 1. PREAMBLE

3

### 2. DEFINITIONS

4

### 3. SCOPE OF APPLICATION

5

### 4. ROLES AND RESPONSIBILITIES

6

### 5. SUPPLY CHAIN GOALS

7

### 6. APPROACH AND POLICIES

8

### 7. RULES OF CONDUCT EXPECTED FROM SUPPLIERS

9

#### 7.1 Basic requirements

9

7.1.1 Regulatory compliance

9

7.1.2 Product Safety and Compliance

10

#### 7.2. Ethical issues

10

7.2.1. Fight against corruption and bribery

10

7.2.2. Conflict of interest

11

7.2.3. Fair competition

11

#### 7.3. Human rights and labour

12

7.3.1. Prevention of forced labour

12

7.3.2. Child labour and young workers

12

7.3.3. Health and safety

14

7.3.4. Non-discriminatory treatment

15

7.3.5. Fair treatment

16

7.3.6. Wages, benefits and working hours

16

7.3.7. Freedom of association

17

7.3.8. Personal Data Protection

17

#### 7.4. Environment

18

7.4.1. Environmental impact

18

7.4.2. Environmental Authorizations and Reporting

18

7.4.3. Environmental protection and pollution prevention

19

7.4.4. Resource use and eco-friendly innovation

19

7.4.5. Biodiversity

20

7.4.6. Sustainable sourcing and traceability

20

#### 7.5. Management and control systems

21

7.5.1. Management systems and organizational models

21

7.5.2. Monitoring/Auditing

21

### 8. CORRECTIVE ACTIONS AND ZERO TOLERANCE BEHAVIOURS

22

### 9. EPO'S COMMITMENT TO SUPPLIERS

24



## 1. PREAMBLE

Fair relationships within the supply chain are an indispensable factor for the sustainability of EPO's business model in the long term. Only through the involvement of strategic suppliers is EPO able to improve the environmental and social impact of the raw materials purchased for manufacturing our extracts and thus maintain its sustainability commitments systemically and durably.

The purpose of this Policy is to ensure that EPO constantly works with suppliers who comply with high ethical, social, and environmental corporate standards.





## 2. DEFINITIONS

For this Policy purpose, the following definitions apply:

- “Sustainable procurement” refers to EPO’s selection process of Suppliers, for which environmental, social and ethical/good governance principles are consistent with ESG objectives.
- “Suppliers” means any entity or individual involved in EPO’s supply chain.



### 3. SCOPE OF APPLICATION

The Policy applies to all EPO suppliers of goods or services of any sort. EPO Suppliers are in turn required to inform their collaborators and suppliers about this Policy, asking them to comply with the principles, values and requirements contained therein.

The Policy is available on the EPO official website and is referred to in the supply contracts. By accepting the contract, suppliers declare that they adhere to and comply with the principles of conduct defined therein.





## 4. ROLES AND RESPONSIBILITIES

The Procurement Policy authority is the EPO Management Board, which oversees achieving the company's sustainability goals.

The Head of the Purchasing Department is required to ensure the Policy application and report to the Board at least once a year on the results achieved for the goals previously defined.

## 5. SUPPLY CHAIN GOALS

Through an evaluation process and continuous interviewing with Suppliers, EPO intends to pursue three main goals: **increase the traceability of raw materials, ensure respect for human rights, and contribute to the fight against deforestation and pollution** throughout the supply chain. In particular, EPO undertakes to:

- purchasing raw materials and accessory components with a decreasing environmental and social impact;
- partner with Suppliers who support responsible manufacturing and good workplace practices;
- increase the traceability of raw materials by mapping supply chains and implementing direct and indirect verifications;
- ensure reasonable delivery times.







## 6. APPROACH AND POLICIES

EPO's Responsible and Sustainable Procurement planning is designed to focus on the spending categories and Suppliers that present the highest potential risks of negative ethical, social, environmental, and business impacts, as well as to ensure compliance with specific regulatory and sustainability conditions required by EPO Customers.

For this evaluation, the main reference documents are the Suppliers' Terms of Supply and Code of Ethics (Rules of Conduct).





## 7. RULES OF CONDUCT EXPECTED FROM SUPPLIERS

### 7.1. Basic requirements

#### 7.1.1. Regulatory compliance

Compliance with the Law and Regulations in force is an essential principle of all EPO activities.

Under no circumstances can the pursuit of the Company's interest justify conduct that is not honest and/or does not comply with the rules. Suppliers are required to comply with the law in an equally essential and rigorous manner. EPO will update this Policy as the supply chain develops, regulations or legal requirements change, customer and consumer expectations increase, and our business evolves. Significant updates will be communicated promptly to active Suppliers and an updated version of the present Policy will always be available on the EPO website.





### 7.1.2. Product Safety and Compliance

Goods and services offered by the Suppliers must comply with national and international laws and standards in terms of quality and safety, and meet industrial standards of quality and safety inspired by best practices and internationally recognized reference standards. To meet the quality requirements, we ask Suppliers to carefully select raw materials and semi-finished products and to provide, upon request, the information on the supply chain necessary to verify their safety, quality, environmental and social impacts.

## 7.2. Ethical issues

### 7.2.1. Fight against corruption and bribery

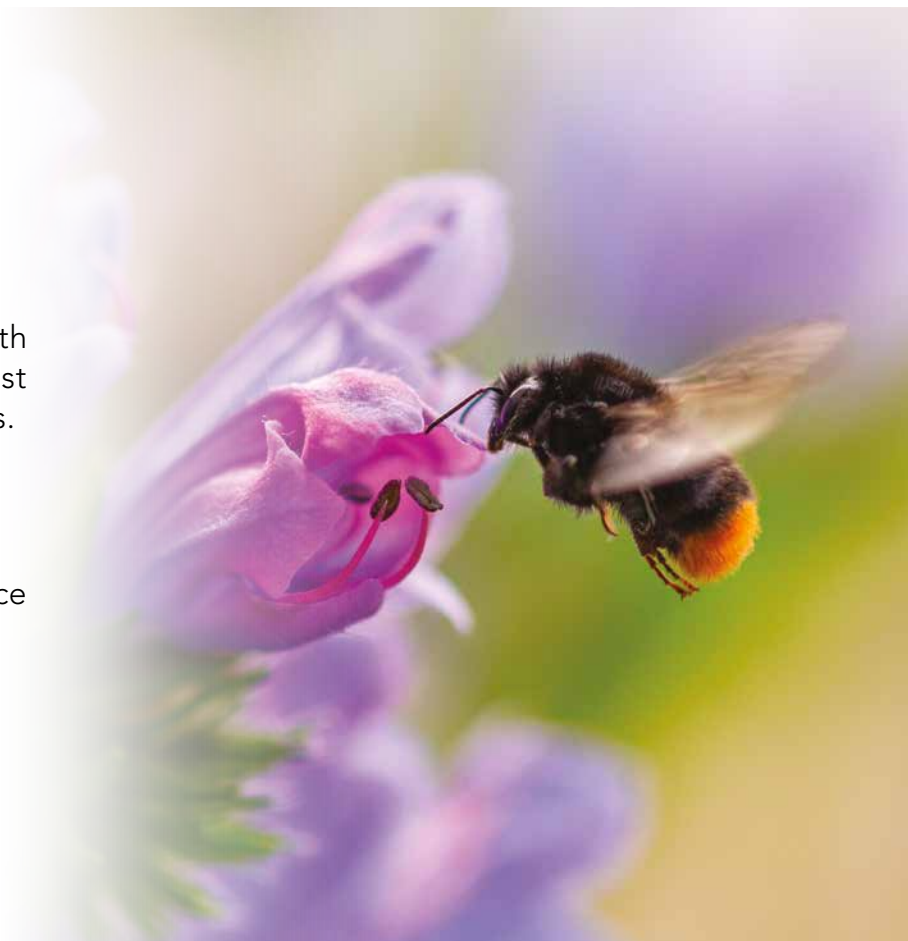
All forms of corruption, bribery, extortion and embezzlement are prohibited. Suppliers must not pay or accept bribes or participate in other illegal incentives in business or government relationships (intermediaries are also excluded). The Supplier shall not give, offer, or promise to EPO staff members, direct or indirect payment, in monetary or any other form, to obtain or retain an assignment or for any other benefit, thereby obtaining an improper advantage over other potential Suppliers. Suppliers must also ensure that they put in place adequate systems to prevent corruption and comply with applicable laws.

### 7.2.2. Conflict of interest

Suppliers are required to avoid all situations and activities in which a potential and/or concrete conflict of interest with the Company may arise or interfere with our ability to take impartial decisions for the EPO's best interest and in full compliance with our Code of Ethics.

### 7.2.3. Fair competition

Suppliers must conduct their business in line with competitive but fair competition and, in compliance with all applicable antitrust laws, must adopt fair business practices.







### 7.3. Human rights and labour

Suppliers must commit themselves to treating their staff members with dignity and respect, while defending their human and labour rights. Labour-related issues include:

#### 7.3.1. Prevention of forced labour

Suppliers shall not use any sort of forced labour, debt slavery, or forced prison labor. No employee should pay to work, nor should they be denied freedom of movement.

#### 7.3.2. Child labour and young workers

Child labour refers to any activity that is detrimental to children's growth, that compromises their health or prevents them from attending compulsory school (ILO). Suppliers may not hire people below the minimum age for admission to work, as stipulated in the Fundamental Conventions of the Declaration of the International



Labour Organization and in compliance with the local, social, and legal working standards, if they prescribe a higher minimum age. If local laws permit the employment of young workers, Suppliers shall protect them, up to 18 years of age, by ensuring that they are treated in accordance with the law; this includes measures to avoid dangerous situations and night work that could compromise their health, safety or moral integrity. The employment of young workers under 18 will have to take place only for non-risky activities and if the workers have passed, in addition to the legal age of the country, also the age set for completing compulsory education.







### 7.3.3. Health and safety

Suppliers must ensure a safe and healthy workplace environment. Health and safety measures at Suppliers' workplaces must be extended to contractors and subcontractors. Suppliers must adopt procedures to identify and assess the risks associated with their work activities. Suppliers must protect all employees from exposure to all risks also through the supply, when necessary, of personal protective equipment (PPE) free of charge, the provision of safe and compliant equipment, systems and workplaces, the planning of controls on them, as well as the definition of safe work procedures. Suppliers ensure that they provide workers with adequate training and safety information to protect them from risks. The construction and maintenance of work facilities must be done in accordance with applicable standards, regulations, and laws. In addition, access to drinking water, suitable lighting, adequate temperature conditions, and room cleanliness must be guaranteed. Suppliers must identify and assess emergencies in the workplace and minimize their impact by implementing emergency plans and response procedures.





Suppliers are required to pay regular social security contributions for each worker; if no public social security system is available, Suppliers are invited to provide health services or remuneration in the event of an accident at work or occupational disease.

#### 7.3.4. Non-discriminatory treatment

Suppliers must ensure working conditions are free from any discrimination. There must be no discrimination based on race, age, pregnancy, gender identity, sexual orientation, ethnic group, disability, religion, political affiliation, trade union membership, or marital status.





### 7.3.5. Fair treatment

Suppliers must treat their staff members with fairness, respect, and dignity, ensuring equal opportunities for all. Suppliers must ensure that the work environment is free of harassment, cruelty, and inhuman treatment (including sexual harassment and abuse, corporal punishment, mental or physical coercion, verbal assault) and threats of such treatment.

### 7.3.6. Wages, benefits and working hours

Suppliers must compensate staff members according to applicable wage laws, including those regarding minimum wages, overtime hours and mandatory benefits.



### 7.3.7. Freedom of association

Suppliers must respect workers' rights, as required by local laws, to associate freely, to join or not to join trade unions, to be represented, and to join committees.

### 7.3.8. Personal Data Protection

Suppliers must act in accordance with applicable Privacy laws, always protecting the personal data of their staff members and their rights regarding their treatment.







## **7.4. Environment**

### **7.4.1. Environmental impact**

Suppliers must act in an environmentally responsible and efficient manner to minimize the negative impact on the environment. Harvesting and production processes will have to be modified in such a way as to have as little impact as possible on the climate and the environment, in particular by reducing global warming. Suppliers are also encouraged to save natural resources, to use hazardous materials only where strictly necessary, and to engage in reuse and recycling activities.

### **7.4.2. Environmental Authorizations and Reporting**

Suppliers must comply with all applicable environmental regulations. It is critical to obtain all necessary environmental authorizations, licenses, information records, and restrictions, and follow the related operational and reporting requirements.



#### 7.4.3. Environmental protection and pollution prevention

Suppliers must have systems in place that ensure safe handling, moving, storage, disposal, recycling, reuse or management of waste, air emissions, and wastewater discharges. Any waste, wastewater or emissions that may have a negative impact on human or environmental health and biodiversity must be properly managed, controlled and treated before release into the environment. Suppliers must have systems in place to prevent and contain leaks and accidental spills into the environment and adverse effects on the local community.

#### 7.4.4. Resource use and eco-friendly innovation

Suppliers must take measures to improve efficiency and reduce resource exploitation. To this purpose, they must introduce production processes that aim to reduce the waste of natural resources, including water and energy, and promote their recycling and reuse.





#### 7.4.5. Biodiversity

EPO aims at supporting ecosystems through the protection of biodiversity, the fight against deforestation, and land management. Suppliers are invited to contribute positively to biodiversity in relation to the products and services they offer.

#### 7.4.6. Sustainable sourcing and traceability

Suppliers must apply due diligence systems on the source of raw materials to ensure a legal and sustainable supply.





## **7.5. Management and control systems**

### **7.5.1. Management systems and organizational models**

Suppliers should have certified management systems, or at least an organization inspired by the official national and international standards, to ensure business continuity, facilitate continuous improvement and compliance with the principles expressed in this Policy.

### **7.5.2. Monitoring/Audit**

Suppliers, especially those at a high risk, will be constantly monitored directly through Audits or indirectly through the evaluation of annual supplies.





## 8. CORRECTIVE ACTIONS AND ZERO TOLERANCE BEHAVIOURS

EPO requires its Suppliers to comply with the present Policy while establishing a list of ZERO TOLERANCE behaviours (table attached below).

In the event of non-compliance with the requirements, EPO will carefully manage the violations found on a case-by-case basis by requesting the implementation of corrective actions within an agreed time frame, generally 90 days.

If a Supplier fails to address the identified performance gaps within the agreed timeframe, EPO will respond proportionately.

**ZERO TOLERANCE LIST****DEFINITIONS**

<b>Forced labour and inhumane treatment</b>	Recruitment, transfer, harbouring or receipt of children, women or men through the use of force, coercion, abuse of vulnerability, fraud or other means to be exploited.
<b>Child labour</b>	Workers under the age of 15 (or the minimum legal age applied in the Country, e.g., 14 years). Workers under the age of 18 who are subject to hazardous working conditions that may harm people's health, safety, or morale.
<b>False or falsified records or attempts to inappropriately influence auditors</b>	False or falsified workers' compensation records, working hours, or other working conditions concerning a significant part of the workforce or appearing systematically used to deceive workers, their representative organizations, authorities and/or customers. Inappropriate attempts to influence EPO or other assigned auditors to assess corporate compliance with social and environmental standards, through gifts, bribes, coercion, or any other means to intimidate or incentivize obtaining an illegitimate advantage.
<b>Corruption and bribery</b>	Evidence of corruption and bribery practices, including bribes approved by management, implicitly or explicitly.
<b>Serious threat to workers' health</b>	Exposition of workers exposed to hazardous working conditions without adequate protection to reduce health and safety risks.
<b>Serious threat to the environment</b>	High risk of violating environmental laws that can cause significant harm to the environment or nearby communities, including but not limited to befoulment of wastewater, soil, and atmosphere.
<b>Structural deficiency concerning workers' rights</b>	Evidence of habitual practices with detrimental impact on workers' income (including regular and overtime pay, pensions, vacation pay, tax deductions, insurance, or other), not complying with local regulatory requirements.





## 9. EPO'S COMMITMENT TO SUPPLIERS

EPO undertakes to involve Suppliers based on the principles of integrity, fairness and transparency; it also undertakes to collaborate with Suppliers to ensure compliance with company policies.

Preferential criteria will be adopted for Suppliers who can demonstrate their compliance with the provisions of this Code and those who are seriously committed to improving their performance.

EPO Management Board

Date: 3rd March 2025

**Internet:** [www.eposrl.com](http://www.eposrl.com)

**e-mail:** [epo@eposrl.com](mailto:epo@eposrl.com)

**Tel:** +39.02.89557.1

**Fax:** +39.02.89557490

Cap.Soc. € 109.200,00 i.v. CF/PI 00714770153 - Reg.Imp.Milano 59897 - REA Milano 365.058