



Version: 2  
Approved by the Board of AUGA  
group, AB on August 31<sup>st</sup>, 2023.

## SUPPLIER CODE OF CONDUCT

### INTRODUCTION

AUGA group, AB (**the Company**) with its subsidiaries (**the Group**) and AUGA Farmers Community (**the Community**) seek for a sustainable cooperation with all stakeholders, our business partners being especially important.

We prioritize long-term cooperation based on business transparency and sustainability principles. We choose our business partners with consideration of their compliance with, and adherence to the principles of sustainable business.

We expect that our suppliers will engage in their activities in adherence to the fundamental principles of environmental protection, social policy and good governance as well as the Sustainable Development Goals of the United Nations.

We expect that our suppliers closely adhere to all applicable legislation and the universally recognised principles of ethical business.

### PURPOSE

The purpose of this policy is to lay down the guidelines and principles of the relationship management of the Group and the Community with their suppliers throughout the business cycle.

### ENVIRONMENTAL PROTECTION

- To adhere to all environmental protection rules and provisions prescribed by legislation and to control the compliance to the applicable requirements in all business activities.
- To put effort to assess and minimise the negative effect on the environment.
- To put effort to reduce the consumption of various energy resources and water, and to demonstrate a responsible approach to waste management.
- To adhere to the animal welfare standards prescribed by legislation.
- To assess and control environmental business risks and to implement risk prevention.
- To employ environmentally friendly technologies.
- To seek to reduce the amount of waste and harmful emissions.

### SOCIAL POLICY

- To adhere to local and international labour legislation and regulations.
- To take care of the occupational safety and health of their employees and to invest in the improvement of working conditions.
- To not tolerate discrimination, humiliation, harassment, or insults related to employee sex, age, nationality, race, religious and political beliefs or other personal traits.



- To not restrict employee freedom to establish trade unions or other professional organisations envisaged by law and to provide all the conditions required for the free operation of employee organisations.
- To not tolerate child labour, forced labour and any other coercion or restriction of human rights.
- To provide their employees with an opportunity to notify encountered problems or illegal activities.
- To adhere to the prescribed working hours and salary payment requirements.

## **GOVERNANCE PRACTICES**

- To adhere to all local and international legislation applicable to the business.
- To not tolerate corruption of any kind. To not engage in any activities having any expressions of corruption, neither on behalf of the Company nor on behalf of the Community or on the initiative of individual employees.
- To not exert influence, using prohibited methods, on private persons or State officials.
- To not permit document forging and to ensure that documents comply with the prescribed requirements and be appropriately accumulated and stored.
- To adhere to all enforced tax laws and to ensure on an ongoing basis that obligations in respect of the State be fulfilled in a transparent, responsible and timely manner.
- To not employ any tax evasion schemes and to not work with any partners that use such schemes in their operations.
- To not violate any provisions of competition legislation and to only use fair and ethical competition methods.

## **IMPLEMENTATION OF PRINCIPLES**

It is important for the Group and the Community that its suppliers adhere to the provisions of this Code. The Group reserves the right to discontinue cooperation if supplier's actions are in conflict with the business ethics described in this Code. The managers of each structural division and subsidiary of the Group are responsible for familiarizing Employees subordinated to them and accountable persons with the Supplier Code of Conduct. The Community members are informed about Supplier Code of Conduct according to the procedure established in the AUGA Community Agreement.

The Group and the Community shall be entitled to request at any time that a supplier provide documents evidencing the adherence to the provisions of this Code.

We expect that suppliers will take all the required steps to ensure the adherence to the provisions of the Code in all fields of their operation and in all of their divisions.

Suppliers must notify any instances of failure to adhere to the principles laid down in this Code and/or possible risks.

The Company provides conditions for notifying violations of the Code and receiving the required information connected with the implementation of the Code; an e-mail for this purpose can be sent to [etika@auga.it](mailto:etika@auga.it). The Group takes all the required steps to protect the employees who report violations of the Code against any negative consequences: the e-mail address referred to above is only accessible to the head of the Procurement Department of the Company.



## **FINAL PROVISIONS**

This code shall be approved and, where needed, amended by the Board of the Company.

A person may notify the head of the Procurement Department about the possible need to amend the Code and provide explanations of the need and related circumstances. The head of the Procurement Department will examine the notice and, if the amendment is viewed as advisable, present the respective recommendation to the Board of the Company.

The head of the Procurement Department of the Company shall collect summarised information about notices, inquiries and complaints received in the preceding calendar year according to this Policy and prepare a report to the Board of the Company on implementation of the Policy and the need to adjust it (if required) and provide it for consideration to the Board of the Company before the ordinary general meeting of shareholders of the Company of the respective year.