

# Italtel Sustainable Procurement Policy

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## **1 BACKGROUND AND CONTEXT**

Italtel Group (consisting of Italtel S.p.A. and its subsidiaries, hereinafter also referred to as “Italtel”) is committed to conducting its business responsibly and sustainably, carefully managing its environmental and social impacts.

Italtel recognizes the importance of responsible supply chain management to minimize negative impacts on both the planet and society. To achieve this goal, Italtel promotes sustainable procurement practices and integrates environmental, social, and ethical considerations into its purchasing decisions.

Meanwhile, Italtel ensures that its suppliers meet essential requirements regarding quality, cost, time, and reliability, key factors in maintaining high performance standards and competitiveness.

## **2 OBJECTIVES AND SCOPE OF SUSTAINABLE PROCUREMENT POLICY**

The Sustainable Procurement Policy has been developed to outline how Italtel collaborates with its suppliers and integrates its sustainable procurement commitments into its procurement process.

This policy applies to the procurement process of Italtel S.p.A. and all subsidiaries of Italtel Group, as well as suppliers of products and services, consultants, business partners, etc. (hereinafter referred to as “Suppliers”) of Italtel.

This policy should be read in conjunction with other relevant Italtel Group policies, including the Code of Ethics, and the Sustainability Policy. Moreover, the Supplier Code of Conduct is closely linked to this policy and reflects its principles through concrete actions and expectations.

## **3 KEY ELEMENTS OF THE SUSTAINABLE PROCUREMENT POLICY**

The policy consists of the following key elements:

1. Encouraging Suppliers to adopt a responsible approach to business
2. Assessing and managing supply chain risks
3. Upholding business ethics in Supplier relationships
4. Upholding and protecting labor and human rights in business and supply chains
5. Managing and reducing the environmental impact of purchases
6. Ensuring Suppliers meet essential standards of quality, cost, time, and reliability

### **3.1 Encouraging Suppliers to adopt a responsible approach to business**

Italtel promotes responsible business practices across its entire supply chain, encouraging Suppliers to integrate ethical, social, and environmental considerations into their operations.

Suppliers are expected to not only comply with all relevant legal and regulatory requirements, but also to align with internationally recognized sustainability principles.

To promote such culture of responsibility, Italtel motivates Suppliers to implement policies and practices that uphold environmental protection, fair working conditions, human rights, and anti-corruption measures. Collaboration and continuous improvement are core elements of this approach. Italtel urges Suppliers to engage in an ongoing process of refining their practices, regularly evaluating and monitoring their sustainability performance to ensure compliance with Italtel's sustainability commitments.

By upholding these standards, Italtel aims to build long-term relationships with Suppliers who demonstrate a strong commitment to sustainability, ethical conduct, and responsible business management.

### **3.2 Assessing and managing supply chain risks**

As part of its Suppliers monitoring processes, Italtel will adopt a risk-based approach to its supply chains, focusing on:

- Categorizing procurement spending according to ESG (Environmental, Social, and Governance) risks.
- Identifying key high-risk Suppliers based on country, spending, and sector-specific ESG risks.
- Ensuring that key Suppliers acknowledge and adopt Italtel's Supplier Code of Conduct.
- Conducting regular assessments of high-risk Suppliers through an ESG analysis and reviewing their responses to determine whether further investigations or actions are necessary.

Italtel monitors environmental, social, and ethical risks within its supply chain as part of its sustainable procurement approach. This includes maintaining awareness of issues such as labor conditions, environmental impact, resource availability, and geopolitical factors that may affect supply chain stability. By incorporating risk considerations into standard procurement processes, Italtel supports responsible procurement, enhances supply chain resilience, and ensures alignment with its broader sustainability goals.

Italtel's goal is to ensure that Suppliers acknowledge the Supplier Code of Conduct, thereby promoting collaboration in identifying risks, identifying areas for improvement, and implementing the agreed-upon actions.

### **3.3 Upholding business ethics in Supplier relationships**

Italtel is committed to acting through ethical behavior and integrity in all its transactions and business relationships. Italtel's Code of Ethics applies to all employees and outlines behaviors based on the principles of honesty, fairness, transparency, and mutual respect. Therefore, all

Italtel employees, especially those working in procurement, supply chain, or related functions, are required to adhere to the following guidelines in all their interactions with Suppliers:

- avoiding conflicts of interest
- avoiding non-competitive practices
- not exploiting business opportunities for personal gain
- avoiding fraud
- avoiding money laundering
- maintaining confidentiality
- protecting and properly using company resources
- complying with applicable laws, regulations, and standards
- rejecting any form of discrimination
- rejecting any form of corruption
- do not accept gifts or entertainment that are not of modest value

Italtel expects its Suppliers to apply the same high standards of business conduct and ethics and expects its Suppliers to apply them to their own suppliers as well.

Italtel is committed to ensuring, through appropriate procedures and monitoring activities, that its Suppliers operate in a responsible, ethical, and transparent manner in the regions where they conduct business, and that they comply with all applicable laws, including those related to corruption, in the relevant jurisdictions.

### **3.4 Upholding and protecting labor and human rights in business and supply chains**

Italtel's responsibility to protect individuals extends beyond its employees to include Suppliers as well. Italtel maintains a zero-tolerance policy for violations of fundamental human rights and expects its Suppliers to adopt the same approach with their own suppliers.

Italtel is committed to ensuring that Suppliers treat their employees fairly through responsible employment contracts and equitable labor practices, supported by policies and practices that should include:

**Protection of Individuals:** Suppliers must fully respect fundamental human rights, fostering working relationships based on mutual respect for the rights, dignity, and freedom of each person. Suppliers must ensure fair labor practices in line with freely chosen employment, which includes the prohibition of forced labor, child labor, human trafficking, modern slavery, and any practices that involve labor exploitation. They must prevent and refrain from any form of harassment or abuse, whether physical, sexual, psychological, or verbal, directed at their own employees or those of Italtel.

**Occupational health and safety protection:** Protecting human resources is a primary objective for Italtel. Therefore, Suppliers must fully comply with all applicable laws, regulations, and safety and health practices, taking preventive measures to safeguard the health, safety,

and hygiene of the workplace, as well as the physical and psychological well-being of their personnel.

**Safeguarding working conditions:** Suppliers must adhere to the employment practices defined by applicable laws and provide their employees with social security, welfare, and insurance benefits that comply with legal requirements, regulations, and the collective agreements in force. Suppliers must ensure that their employees are paid at least the legal minimum wage (where applicable) or the minimum wage set by current collective agreements. They must also fully comply with relevant regulations and collective labor agreements concerning working hours, overtime, and employee entitlements, including breaks, rest days, holidays, and various types of leave.

**Freedom of association:** Suppliers must respect the right of workers to freely associate and engage in collective bargaining, in accordance with the laws of the country in which they operate and commit to promoting social dialogue.

**Equal opportunities and anti-discrimination:** Suppliers must ensure equal opportunities for all in the workplace, without discrimination based on gender, marital status, sexual orientation, religion, political or union opinions, ethnicity, nationality, age, or disability.

**Anti-harassment and abuse:** Suppliers must ensure a working environment free from harassment and abuse, including freedom from harsh or inhuman treatment like verbal, psychological, physical, and sexual harassment, abuse, or coercion in compliance with all applicable laws. Suppliers must treat and manage any reports of harassment and/or abuse seriously and respectfully. Suppliers must ensure that employees that make reports on these issues should not suffer retaliation and should provide them with fair, transparent and confidential procedures that result in unbiased and fair resolution.

**Information security:** Suppliers must protect all confidential information exchanged with Italtel by implementing appropriate physical and cybersecurity measures. This information should be used internally, and only by personnel who require access for the purposes of the business relationship with Italtel. It must not be disclosed to third parties without prior authorization from Italtel.

Suppliers are expected to uphold strict standards for protecting any confidential information shared by Italtel during their collaboration. This includes implementing both physical security measures such as secure access controls, locked facilities, restricted data handling areas and cybersecurity safeguards, like firewalls, encryption, secure networks, and up-to-date security protocols. The goal is to prevent unauthorized access, disclosure, alteration, or loss of sensitive data. By doing so, Suppliers help maintain integrity, confidentiality, and availability of information, ensuring trust and compliance with legal and contractual obligations.

**Whistleblowing policy:** Suppliers must ensure that employees, business partners, and other stakeholders have access to effective mechanisms for reporting misconduct or violations of the Supplier's commitments, Italtel's policies, or relevant legal regulations. Italtel does not

tolerate any form of retaliation against whistleblowers who raise good faith and genuine concern.

### **3.5 Managing and reducing the environmental impact of purchases**

Italtel considers the protection of the environment and the preservation of natural resources as priority objectives, is committed to conducting its activities by reducing their impacts and expects its Suppliers to share the same commitment.

Italtel is aware of the environmental impacts associated with its supplies and acknowledges this throughout the procurement process.

In particular, Italtel will:

- seek to purchase low impact goods, and use sustainably sourced materials, including recycled content where possible;
- ensure goods purchased are designed to last and can be re-used or recycled at the end of their service life.

Italtel will also take into account specific procurement considerations when selecting Suppliers. These may include:

- preferred materials in manufacture of purchased components, subassemblies or finished products, e.g. recycled materials, avoidance of certain chemicals, locally sourced materials, reduced plastic packaging etc;
- standards to be used in Supplier's operations, e.g. renewable energy, low carbon footprint, certified management systems (e.g. ISO 14001 or equivalent);
- supply-chain management processes, e.g. environmental monitoring and management of supply chain.

Through the Supplier Code of Conduct, Italtel will require its Suppliers to comply with all applicable environmental legislation and expects that the following key environmental issues are properly considered:

- Energy consumption: progressively reducing energy consumption and the dependence on non-renewable energy sources, such as fossil fuels, and transitioning towards renewable energy sources.
- Emissions and air pollution: reducing direct and indirect greenhouse gas (GHG) emissions, as well as GHG emissions along the value chain
- Waste management: reducing or eliminating waste by implementing appropriate conservation measures in their operations by recycling, reusing or replacing materials
- Resource consumption: reducing the consumption of resources, including raw materials and water, throughout the life cycle of the product or service.

### **3.6 Ensuring Suppliers meet essential standards of quality, cost, time, and reliability**

Italtel is committed to maintaining high standards in procurement, ensuring that Suppliers meet essential criteria related to quality, cost, timeliness, and reliability. Suppliers must provide products and services that comply with technical specifications, industry regulations, and internationally recognized standards. Italtel is also dedicated to ensuring that its Suppliers maintain a continuous ability to deliver products and services that meet the company's requirements.

To achieve this, Italtel evaluates the Supplier's:

- technical capabilities
- organizational structure and efficiency
- management competence
- adherence to ethical, reputational, and sustainability standards
- financial and economic stability
- compliance with applicable management system requirements for the specific type of supply.

## **4 MONITORING**

Suppliers will undergo regular assessments conducted by the Procurement Manager to ensure compliance with Italtel's sustainability commitments and the maintenance of essential standards in quality, cost, time, and reliability.

In cases of non-compliance observed, prevention and/or corrective action plans will be implemented to mitigate them, or, in the most serious instances, as last resort, business relationships may be suspended with regard to the activities concerned.

## **5 REVIEWING THE SUSTAINABLE PROCUREMENT POLICY**

The Procurement Manager is responsible for suggesting regular updates to the sustainable procurement policy. Proposed changes must be reviewed by the ESG Committee and approved by the CEO and will be promptly communicated to relevant stakeholders, allowing them to ask questions or seek clarification from the Procurement Manager.

Signed: