

# **Somec S.p.A.**

## **Sustainability Policy**

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## 1. Purpose of the Policy

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To SOMEK Group, Sustainability or Corporate Social Responsibility ("CSR"), means our engagement to a responsible behaviour towards all our relevant stakeholders in operating business, in order to contribute to an economic development which creates wealth while neither being harmful to the environment nor depleting natural resources, thereby supporting long-term ecological and social balance.

The purpose of this policy is to provide guidance SOMEK S.p.A. ("SOMEK") and its controlled and affiliate companies (all together "SOMEK Group") directors, officers, employees, agents, consultants, intermediaries, and other third-party representatives, in the field of Sustainability which aims to combines respect of people, natural environment and communities; and is therefore embedded with our Vision, Mission and day-to-day operations of SOMEK Group.

## 2. Scope

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This policy applies as a minimum set of rules to all SOMEK Group companies.

Locally each company should adopt more stringent rules and procedures as needed and in accordance with local laws and regulations.

While conducting its management and coordination activities, SOMEK respects management autonomy of each affiliate within its Group, while managing and controlling the overall business, as per legitimate interests of majority and minority shareholders, considering confidentiality requirements and local applicable laws.

## 3. Our approach to Corporate Social Responsibility

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Being sustainable at SOMEK Group means anticipating and managing risk and opportunities, both existing and future, under economic, social and environment areas. Such approach results into a competitive advantage and in the capability to create shareholders', and stakeholders', long term value.

Corporate Social Responsibility is the combined management of positive and negative impacts resulting from business' operations under economic-financial, social and environmental profile, through:

- consolidation of business' value over time;
- behaviors consistent with SOMEK Group values and stakeholders' expectations;
- transparency and stakeholders' dialogue.

To have a better risk management and benefit from related opportunities, an efficient CSR program should be:

- linked to business goals;
- embedded into policy and processes;
- regularly monitored and controlled.

SOMEK Group believes in respect of human rights and considers protection of integrity, health, rights and wellbeing of its employees and of the environment as basic elements of its foundations.

SOMECEC Group activities are governed by our Ethics Code and it was approved with SOMECEC S.p.A. Board of Directors motion for the adoption of the Organization, Management and Control Model as per Legislative Decree 231/2001.

SOMECEC Group development strategies are inspired on continuous improvement of environmental, health and safety and quality issues linked to its operations, including product safety.

## **4. General principles**

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At SOMECEC Group, CSR is part of our own history and culture, the engine of a continuous improvement process, which spreads out within the entire Group, in order to set and reach sustainable goals over time and to strengthen development and value generation. CSR contributes also to better manage the operations, to obtain stronger performance in the long-term, to enhance reputation and intangible value/assets.

CSR policy identifies those values that inspire and give direction to SOMECEC Group and its strategies in all Sustainability dimensions: Environmental, Social and Governance (ESG).

CSR policy is, together with the Ethical Code, the moral principle and operating style of the Group, also setting the approach to be kept in situations not defined by laws or regulations and that may impact relationships with shareholders, management or employees, such as management of suppliers, local communities or other external stakeholders.

SOMECEC Group is engaged/committed:

- to operate respecting human rights of its employees, setting wages and compensations that comply with local regulations and cover at least minimum primary needs;
- neither to use nor sustain forced and/or underage work;
- neither to practice nor incentive bias do to racial, sexual, religious, personal or political believes;
- to ensure health and safety measures in all its operations, in compliance with local laws and regulations and working towards higher and more stringent commitment in accordance with Group policies;
- to continuous improvement in the Health and Safety performance, in order to prevent occupational accidents, injuries and diseases, encouraged through the development of specific Policies by the single companies;
- to the involvement and awareness-raising among employees in the process of safeguarding Health and Safety at work;
- to provide equal opportunities to all employees in all roles;
- to comply with product safety in accordance with international standards and to other relevant rules;
- to reduce the environmental impact, improving the use of energy resources and minimizing waste production, implementing actions aimed at the containment and reduction of air emission and at the responsible consumption of water. Somecec Group, in accordance with the adoption of ISO 14001 certification by the parent company, is aware that environmental

sustainability does not simply mean more efficient energy consumption and greenhouse gas emission reduction, but in a broader sense it also means having a more harmonious relationship with Nature.

- to keep on working to find new solutions to reduce environmental impact / footprint of its products all over their life cycle;
- to avoid and not to tolerate / permit any form of bribery and corruption;
- to operate following tax / fiscal good practice, granting transparency and exchange of information and fair fiscal competition;
- to develop and to transfer knowledge and goods to its stakeholders and local communities.
- To disclose relevant information with the annual issue of the Sustainability Report, containing performance indicators for the activity planned and implemented by the Group with regard to the Environment, Social and Governance.

SOMEK Group is committed to a continuous improvement of its policies and its programs, facilitating the adoption at local level of all procedures, rules, and instructions needed to have the principles set in this policy applicable and monitored, in order to make an impact on its employees' lives.

By adopting this policy, we believe to contribute to a better condition of existing and of next generations, providing tools for a better quality of life.

At SOMEK Group, we operate in order to manage our social responsibility as employer, actual or potential, and as supplier of products to our customers.

Our operating principles set out how we think our relationships with all stakeholders, which we expect to be:

- people: employees and external consultants;
- marketplace: customers, distributors, suppliers, project partners, representatives, competitors and institutional investors;
- environment: local communities, next generations;
- governance: shareholders, management and control bodies;
- community: society, regulatory authorities, financial community, public administration, University and Research Institutions.

SOMEK Group's approach to govern principles related to Sustainability projects include the following aspects:

- planning;
- execution;
- monitoring and reporting;
- communication with the financial community/ financial communication;
- internal communication and deployment;
- external and institutional communication;

- stakeholder engagement.

#### 4.1 Planning and execution

Planning of CSR activities at SOMECEC, both at Group and local level, must be consistent with our Vision and our Mission and may identify improvement areas and related Sustainability projects.

CSR projects include:

- corporate projects, approved and under the responsibility of Board of Directors of SOMECEC;
- group wide projects, approved and under the responsibility of SOMECEC CEO;
- local projects approved and under the responsibility of local management, in coordination with SOMECEC CEO.

#### 4.2 Monitoring and Reporting

Monitoring and reporting activities aim at controlling CSR goals' achievement, re-stating them as needed and at preparing proper Sustainability performance communication, both internal and external.

Monitoring and controlling activities are inspired by the Global Reporting Initiative Framework and relate to quality and quantitative CSR data collection, comparison to set targets and related gap analysis. Local CSR key performance indicators are to be linked to Group indicators but also to local business and relevant stakeholders' information needs.

The Sustainability Report of the SOMECEC Group represents a document to describe, in a transparent and articulated manner, the results achieved by SOMECEC in terms of economic, social and environmental issues and it reports the commitment and the initiatives undertaken for sustainable development.

This Report, that is published annually, is prepared in compliance with the GRI Standards, according to the "in accordance – Core" option, as indicated in the GRI Content Index table.

The SOMECEC Group companies must ensure a reliable non-financial information and data reporting.

#### 4.3 Communication with the financial community/ financial communication

The financial communication process is aimed at providing accurate and timely information to market community and to sustainable rating agencies on CSR performance of SOMECEC S.p.A. and SOMECEC Group.

Main activities relate to:

- identification of key elements of the financial communication process to provide timely and appropriate information;
- preparation of a set of information.

#### 4.4 Internal communication and deployment

The internal communication and deployment activities are aimed at defining and executing internal communication programs and institutional deployment on CSR issues.

Main activities relate to:

- definition of internal communication and deployment programs on CSR issues at Group level, which is the minimum set to comply with, under Group policies;

- definition of internal communication and deployment programs on CSR issues at Group level, which is the minimum set to comply with, under Group policies;
- integration at local level of such deployment in order to consider any applicable local regulatory or requirements; any change that reduce the minimum set of internal communication and deployment programs should be discussed with the Int'l Operations & HR Officer;
- execution of internal communication and deployment activities on CSR issues at local level.

#### 4.5 External and institutional communication

External and institutional communication is aimed at defining strategies and actions relating to external communication of SOMECE Group on CSR issues.

Main activities relate to:

- definition of strategies and action plans relating to SOMECE Group external and institutional communication with reference to CSR, consistent with goals and priorities identified;
- preparation of Group guidelines on external and institutional communication relating to Sustainability;
- preparation, at Headquarters' level, of press releases and briefings for media and press relating to CSR activities of SOMECE Group.

#### 4.6 Stakeholders' engagement

The stakeholders' engagement process is aimed at defining methodologies, programs and operating instructions to manage the dialogue of SOMECE Group with our relevant stakeholders on Sustainability issues.

Main activities relate to:

- Identification of relevant stakeholders' categories at Group level;
- Identification of relevant stakeholders' categories at local level;
- set up methodologies, programs and operating instructions to manage the stakeholder engagement process on Sustainability issues;
- execution / deployment of stakeholder engagement processes at local level;
- briefing (reporting) on major outcomes at local level to be shared at Group's level.

Overall, the above activities should be performed under the following principles:

- traceability, fairness, and transparency of planning, monitoring and controlling processes;
- consistency of planned programs with strategic / business plan of SOMECE Group;
- consistency of Sustainability goals with business and operations purposes, both at local and at Group level;
- Sustainability Group methodological approach and consistent evaluation of CSR initiatives all across SOMECE Group;

- consistency, transparency and fairness in stakeholders' engagement activities.

Local Board of Directors are responsible to set out, in accordance with Group Sustainability strategies and under its over-all supervision, specific CSR procedures and related actions.

March 25, 2021

  
SOME

EC Group  
Chairman