

HME METAL EUROPE GROUP PRINCIPLES FOR RESPONSIBLE AND SUSTAINABLE PROCUREMENT

INTRODUCTION

The HME METAL EUROPE Group acknowledges the importance of responsible and sustainable procurement as a strategic driver for quality, competitiveness, and long-term value creation. An ethical and sustainable approach to supply chain management not only ensures compliance with applicable legal and regulatory standards across the countries in which the Group operates, but also strengthens stakeholder trust and fosters a model of sustainable growth.

The objective of this Sustainable Procurement Policy is to establish a common framework for all Group companies by providing clear and shared guidelines aimed at harmonising procurement practices, ensuring consistency and alignment with principles of social, environmental, and governance responsibility. This Policy applies to all companies within the Group, which are expected to adopt and integrate it into their corporate strategies, taking into account local specificities and applicable national regulations.

This Code of Conduct outlines the fundamental principles and minimum standards that all suppliers must adhere to in order to ensure compliance with national and European regulatory requirements, including obligations under the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). Furthermore, the Code refers to the UN Global Compact principles, relevant ISO standards (ISO 20400 on sustainable procurement, ISO 14001 on environmental management, ISO 45001 on occupational health and safety, ISO 50001 on energy management), and other international practices and standards.

CORE PRINCIPLES

Respect for Human Rights and Working Conditions

Suppliers must comply with the principles enshrined in the United Nations Universal Declaration of Human Rights, the core conventions of the International Labour Organization (ILO), and the OECD Guidelines for Multinational Enterprises. Additionally, they must observe the provisions of Regulation (EU) 2023/1115 on Human Rights Due Diligence and the EU Charter of Fundamental Rights.

- Prohibition of all forms of forced, child, or coerced labour.
- Guarantee of safe, fair, and non-discriminatory working conditions.
- Respect for trade union rights and freedom of association.
- Assurance of fair wages and working conditions in compliance with national and international standards.
- Implementation of measures to prevent and mitigate adverse human rights impacts along the supply chain.
- Compliance with new Omnibus Package requirements for protecting workers in global supply chains.

Environmental Protection and Responsible Use of Resources

Suppliers must adopt a proactive approach to environmental management in accordance with ISO 14001 standards and the principles of the EU Green Deal.

- Adoption of practices to reduce greenhouse gas emissions and optimise energy use, in line with CO₂ reporting obligations and EU ETS regulations.
- Promotion of sustainable material use and implementation of circular economy processes.
- Proper waste management and reduction of hazardous substances, with specific attention to REACH regulation provisions.
- Transparency in environmental reporting in accordance with CSRD requirements.



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Integrity and Transparency

HME METAL EUROPE Group is committed to ethical procurement in compliance with applicable anti-corruption and anti-money laundering laws (e.g. EU Regulation 2018/1805 and EU Directive 2019/1937).

- Prohibition of corruption, extortion, and fraudulent practices.
- Traceability of financial transactions and prevention of conflicts of interest.
- Adoption of whistleblowing systems to report unethical or unlawful conduct.

Traceability and Responsible Management of Raw Materials

Suppliers must ensure traceability throughout the supply chain, with particular attention to critical raw materials and minerals sourced from conflict-affected areas (Dodd-Frank Act, EU Regulation 2017/821, EU Regulation 2021/821 on conflict minerals).

- Compliance with regulations on conflict minerals and with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals.
- Verification of supply chains to prevent unethical exploitation of natural resources.
- Special attention to the sustainability and traceability of lead and zinc ingot suppliers, in compliance with REACH and best practices for responsible sourcing.

MONITORING, REPORTING AND COMPLIANCE

HME METAL EUROPE Group actively monitors supplier compliance with sustainability principles through:

- Regular audits and compliance assessments.
 - Mandatory ESG reporting aligned with CSRD.
 - Supplier evaluation systems based on sustainability criteria (ISO 20400).
- In the event of a breach of this Code of Conduct, HME METAL EUROPE Group reserves the right to take appropriate measures, including suspension or termination of the business relationship.

SUPPLIER COMMITMENT

Adherence to the principles set forth in this Code represents a shared commitment to building a business model that integrates innovation and sustainability, balancing economic growth, social responsibility, and environmental protection. Suppliers are required to sign this Code and ensure its implementation throughout their entire supply chain.



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