



®

ACTUATECH

ACTUATOR TECHNOLOGY

SUPPLIER CODE OF CONDUCT

ACTUATECH S.p.A



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CODE OF
CONDUCT**
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**SUMMARY**

PREMISE	6
COMPANY POSITION	8
VALIDITY	9
APPLICATION	9
OUR COMMITMENT TO OUR SUPPLIERS	10
PASSION	10
RESPECT	11
SENSE OF DUTY	11
WHAT WE EXPECT FROM OUR SUPPLIERS	12
PURSUIT OF EXCELLENCE	13
ETHICS	15
ACTIVE RESPONSABILITY	16
ADDITIONAL BUSINESS PRINCIPLES	17
INNOVATION	17

PREMISE

ACTUATECH is a company that can truly tell a story that few other companies can share. A story of excellence, dedication and observance. Our daily operations, our latest achievements and our future's goals show how deeply committed ACTUATECH is, to represent a model of continuous improvement, long-term vision and responsible innovation.

Passion, Respect and Sense of Duty are the three threads of principles intertwined with ACTUATECH's activities, that inform our mission and vision driving our operations and paving the way for this publication on ethical values. We do not want to address such values because we are too big, or too international, not to... in other words just because the market is asking for that. Nor because we fear to be at risk of external negative comments for not dealing with ethical issues at a company level. We want to openly declare our "Ethical Manifesto" because such issues are intrinsically linked with our essence. Indeed, we have always been sensitive to people's needs and/or environmental issues. We have always been committed to a never-ending effort for improving our products and our internal processes. This document just gave us the possibility to systematize our "ethical framework" and communicating it to our stakeholders and shareholders.

Many are the reasons for investing in ethical issues at ACTUATECH, not as a reaction to external requests but as an internal strategy of management and organization providing positive impacts at various levels. Improved internal relationships, more integrated communications, stronger relationship with our community, market positioning vis à vis "born social" clients and partners, attraction of purpose-driven talents...all these aspects motivated us to gather pre-existent information, combining them with updated ones, and finally showing how Ethics is embraced at ACTUATECH. We want our employees to be proud of working for ACTUATECH, as we aspire to motivate our partners in aligning their operations with our ethical guidelines, and our community to be excited to collaborate with us.

Fully aware that growth is a participative process, we start this journey by engaging our counterparts in the most ethically-oriented way...now, it's your choice!

Sincerely

Amedeo Bonomi
CEO ACTUATECH S.p.A.



COMPANY POSITION

ACTUATECH is strongly committed to ensuring that the principles of sustainable development and social liability of the company do not fall exclusively within the internal company functions but also relate to the more relevant stakeholders, including our suppliers. For over 30 years ACTUATECH has been operating in the manufacturing field, investing energy and resources in managing its supply chain in the best possible way, and choosing solutions, materials, services and skills of excellence. ACTUATECH believes it is to the mutual benefit of suppliers and the company, to pursue responsible exchange procedures to achieve continual improvement and favour dialogue which is not only commercial in nature, but also strategic in upholding a farsighted business model, ready to adapt to the changes required by the market. To finalise what has been stated above, ACTUATECH has drawn up this "Supplier Code of Conduct," hereinafter referred to as "Code," that states what ACTUATECH expects from its suppliers in business and environmental matters. In order to implement corporate relations, ACTUATECH requests all its business partners in any geographical area to read and understand the principles and line of conduct stated herein. ACTUATECH wishes to uphold an approach of constructive exchange of views to improve relationships with all its suppliers, who will be asked to give their opinions and information vital to maintaining open dialogue which will be to the mutual benefit of all parties concerned. This document accepts and complies with all the standards and regulations stated in the following ACTUATECH internal initiatives, standards and documents:

United Nations Global Compact
www.unglobalcompact.org

Universal Declaration of Human Rights
<https://www.un.org/en/about-us/universal-declaration-of-human-rights>

International Labour Standards (ILO)
http://www.ilo.org/rome/risorse-informative/servizio-informazione/publicazioni/WCMS_151918/lang--it/index.htm

Furthermore, the contents of this Code also specifically state what is in the Actuatech Code of Ethics.

VALIDITY

The Code applies to ACTUATECH suppliers and subcontractors, who must comply with the principles stated herein as well as the national regulations in matters regarding the environment, safety, social liability, and labour law. Should the supplier hire a subcontractor, he must inform the same of the implementation of the Code, and monitor that the same complies with the principles stated therein.

APPLICATION

If there is any noncompliance with the principles stated herein, Actuatech must be informed and the supplier must strive to remedy this.. Should this not be followed Actuatech could suspend business relations with the said supplier. Actuatech reserves the right to personally verify compliance with the Code by means of visits, audits and requests for official information.

Visits will be conducted exclusively by Actuatech staff and in this case, the supplier must be prepared and able to share information that will be treated as confidential by Actuatech and used to check compliance with the Code.

For any requests for information concerning the supplier's compliance with the Code, Actuatech places at the disposal of inquirers, an authorised person in the sales office who will reply to the needs of the supplier.

OUR COMMITMENT TO OUR SUPPLIERS

ACTUATECH always endeavours to respect and concretely maintain the values that support our VISION and our MISSION.

Our ambitions allow us to face ongoing challenges, which we accept with diligence, strengthened by our distinctive values: passion, respect and sense of duty.

We cannot expect excellent performance from our suppliers if we cannot assure them of all the necessary support.

This is why the values listed below express ACTUATECH's commitment in support of its suppliers in order to establish the basis for a well-balanced and constructive dialogue.

These are the values which we pass on to our suppliers:

PASSION



ACTUATECH believes in what it does and how it is done. We guarantee enthusiasm and the wish to deal with each minimum detail in our work in a mutual relationship. Our commitment demands that we exert utmost effort to improve processes and the results of our interaction, being aware of the importance of merit, reliability and skill in the dynamics of the national and international markets.

RESPECT



ACTUATECH undertakes to respect the roles and responsibilities within the business relations established with all the suppliers, regardless of their size and geographical location.

Lastly, ACTUATECH will remain impartial with regard to the business relations and choices that could interest one or more suppliers.

SENSE OF DUTY

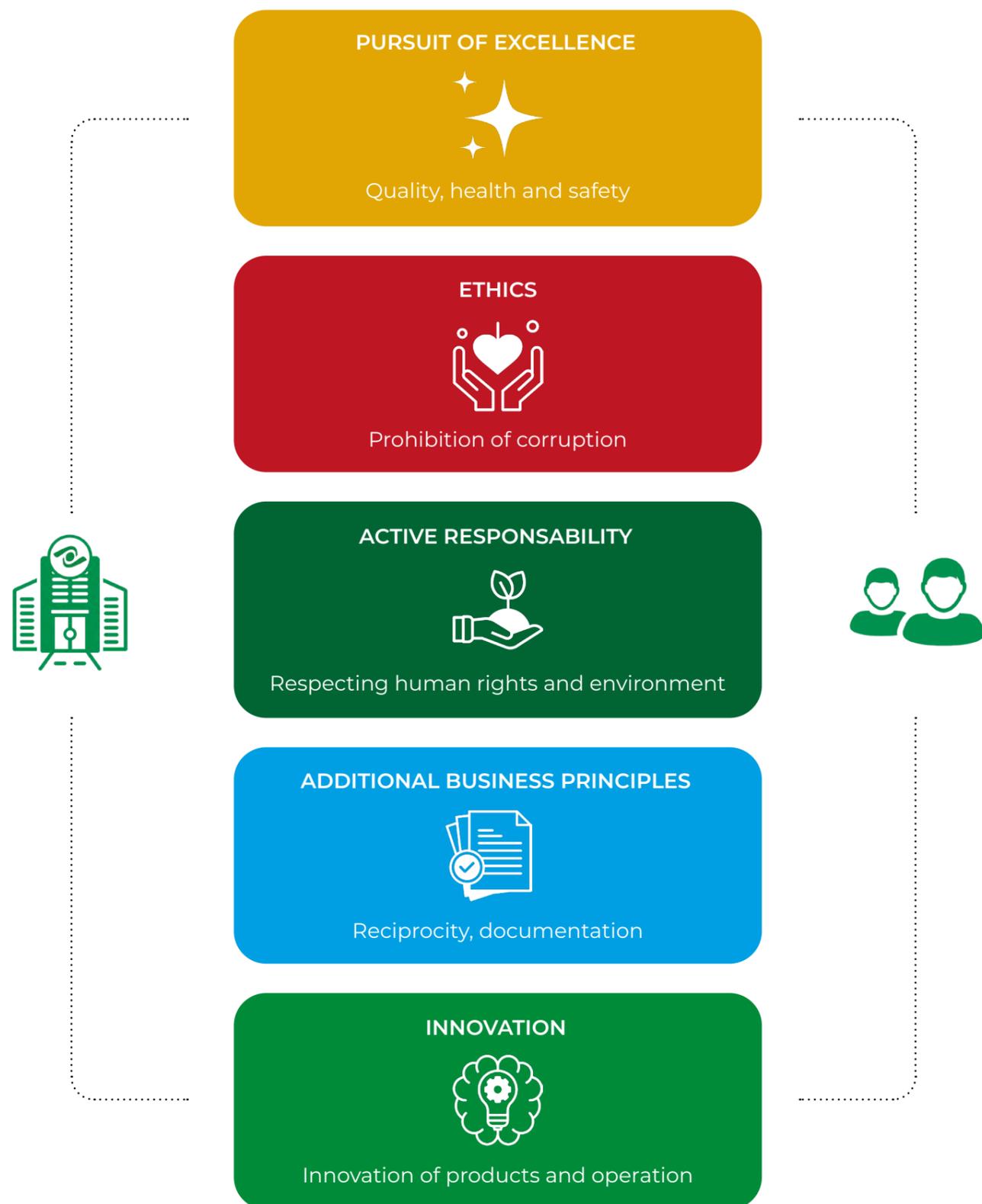


ACTUATECH undertakes to always have an elevated sense of duty that allows it to maintain effective processes and efficient relations with all its suppliers. Transparency, effectiveness and loyalty will characterise the human and business relations with suppliers and subcontractors, in order to strengthen a winning and professional team.

The above mentioned values fall within the framework of a greater set of values in which ACTUATECH operates, targeting the achievement of excellent results for both parties. Therefore, ACTUATECH undertakes to consider this commitment not only as a statement of intent but as an operational guide that is inclusive and flexible depending on the various experiences and requirements. As for all growth processes, the improvement of the supply chain also requires ongoing sharing and comparison. ACTUATECH is amenable to the opening of a constructive dialogue with all its suppliers in order to grow together.

WHAT WE EXPECT FROM OUR SUPPLIERS

After having stated the values that ACTUATECH undertakes to guarantee as regards the suppliers, the following values in turn, are those that we wish to be guaranteed to us, as an integral part of enriching long-lasting business and human relationships.



PURSUIT OF EXCELLENCE

For ACTUATECH excellence is the DNA of any operation. We believe that the simplest and most effective way to improve relations between our suppliers and our company is to concentrate on two fundamental aspects

• QUALITY

By quality we mean the tangible and intangible characteristics of products and services that we acquire from our suppliers.

The quality that ACTUATECH acquires should be the best and must be monitored constantly by the supplier for continual improvement.

Each aspect linked to the product must be verified in its entirety so as to guarantee excellent results.

Therefore, we request that the suppliers commit themselves to comply with standards of quality that are generally agreed on during contract negotiations, and with all regulations, minimum standards, protocols, permits and authorisations requested and updated.

For all hazardous materials, suppliers will allow ACTUATECH to check product sheets so as to assess the risks of use in the short and long term

• HEALTH AND SAFETY

By health and safety we mean the collection of production processes and procedures, and the delivery of goods and services we acquire from our suppliers. Health and safety concerns the product in itself, and the workers, machinery and systems that contribute to the manufacture thereof. Health and safety, besides being guaranteed at a central and regional regulatory level, must be complied with over and above the minimum requirements of regional and national laws, because it is only the attention paid to production and farsightedness that result in excellent products and optimum relationships between buyers and suppliers. For this purpose we ask ACTUATECH suppliers to guarantee appropriate checks and updated maintenance procedures. Information relating to health and safety in the production phase must be at the disposal of ACTUATECH in order to contribute to the improvement and optimisation of processes with an exchange of information and experiences.

• ENVIRONMENTAL SENSIBILITY

Environmental sensibility occurs when a supplier, having more than one alternative, chooses an option with a low environmental impact, deciding to minimize the negative effects of the production and distribution processes on the environment.

Under 'environment' we mean not just the territorial context in which ACTUATECH operates, but also the places where our products are transported, stored, installed, used and disposed of at the end of their use.

ACTUATECH's commitment to environmental issues leads us to expect responsible behavior from our suppliers as well : we will evaluate this rewardingly, with particular reference to the choice of production materials (i), product or process certifications (ii) and compensation of emissions resulting from their distribution (iii).

Therefore we ask as follows to our suppliers:

1. To quantify their consumption of resources (materials, fuels, energy and water) in the perspective of energy efficiency;
2. To increase the use of technical, organizational or logistical solutions in order to improve the environmental sustainability;
3. To manage the potentially environmentally harmful emissions at workplace- (eg: waste management), preferably through the achievement of the Environmental Management System Certification, in order to prevent possible local pollution risks;
4. To reduce waste production, favoring recovery and/ or recycling as alternatives to waste disposal.



ETHICS

Social and professional responsibility must characterise the work of ACTUATECH suppliers, according to the following indications:

• PROHIBITION OF CORRUPTION

ACTUATECH suppliers will reject all forms of corruption even if they are understood to be the practice or instrument which facilitate business relations.

In the same way, ACTUATECH suppliers are required to comply with fiscal regulations in force in the country of origin and the countries where the products are sold or services are rendered.

• TRANSPARENT RELATIONS

ACTUATECH suppliers undertake to uphold a relationship of firm trust with the company and to avoid undertaking business relations which could appear to be potentially in conflict of interests. In the case of situations of apparent or evident conflict of interests, the ACTUATECH supplier must inform the company as soon as possible. The supplier is prohibited from taking advantage of personal relationships with ACTUATECH employees in order to improve his own business position and/or obtain confidential or strategic information for business purposes.

• PRIVACY AND INTELLECTUAL PROPERTY

Suppliers will undertake to protect and use in a suitable way, the information that they have received during the business relationship with ACTUATECH. In the same way ACTUATECH suppliers must ensure that the intellectual property of products and services from ACTUATECH is protected in its entirety.

• BUSINESS INTEGRITY

1. Independence

ACTUATECH suppliers must acknowledge that they are independent business entities, free to establish their own market strategies and to sign or not, a business agreement.

2. Respect for the competition

ACTUATECH respects all the competition and antitrust laws in force in the individual countries. In the same way, it expects its suppliers to do the same.

3. Respectful trade

ACTUATECH expects that all its business partners along the entire production line will act in good faith, avoiding unfair forms of business such as exploitation of positions of dominance to the detriment of smaller business partners.



ACTIVE RESPONSABILITY

For ACTUATECH it is fundamental that its suppliers and subcontractors comply with the following universal principles of maturity and responsibility towards its employees, the environment and the community in general:

- **RESPECT FOR THE HUMAN RIGHTS**

The ACTUATECH supplier must directly and indirectly protect human rights as stated in the **Universal Declaration of Human Rights** ¹.

- **FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING**

The ACTUATECH supplier must guarantee freedom of association and the right to collective bargaining.

- **ELIMINATION OF FORCED LABOUR/ EMPLOYMENT OF MINORS**

The ACTUATECH supplier will in no way, whether directly or indirectly (through the subcontractor), be involved in forms of forced labour and/or employment of minors.

- **ELIMINATION OF DISCRIMINATION IN THE WORK PLACE**

The ACTUATECH supplier is explicitly requested to eliminate all forms of discrimination in the work place, be this intentional or caused by third parties.

- **COMPLIANCE WITH THE LAWS PROTECTING THE ENVIRONMENT AT A NATIONAL AND INTERNATIONAL LEVEL IN THE COUNTRIES OF PRODUCTION AND DELIVERY**

The ACTUATECH supplier must ensure that his own product/service does not violate the environmental regulations in force, and must have a mechanism for the management of risks and active information for all its employees and subcontractors. At the same time, the ACTUATECH supplier must manage its own waste and production scraps in a responsible and sustainable manner, including emissions into the atmosphere, implementing all the measures possible to protect the natural resources and raw materials. Lastly, the ACTUATECH supplier must encourage innovative ecological systems that reduce the environmental impact of its products and services, adopting all the measures necessary to optimise the use of resources, soil management, and energy requirements for production.

¹http://www.ohchr.org/EN/UDHR/Documents/UDHR_Translations/itn.pdf



ADDITIONAL BUSINESS PRINCIPLES

The following principles accompany what have been stated above:

- **RECIPROCITY**

Each business partner must contribute to the business relationship to derive mutual benefits.

- **DOCUMENTATION**

Suppliers must draw up the information necessary to show they are sharing and implementing the principles stated in this code of conduct, where required.

- **WRITTEN AGREEMENTS**

The conditions of each agreement drawn up by ACTUATECH with its own suppliers must be stated in writing and there must be no differentiation between formal and informal agreements. Written agreements must be precise and complete, in full compliance with the laws in force. Business agreements must be signed by both parties.



INNOVATION

ACTUATECH will encourage suppliers who intend to participate in ongoing updating and improvement programmes for its own operations, as regards innovation of its products or processes. ACTUATECH approves, and favourably assesses the choice of suppliers to participate in innovation, cooperation, study and/or research projects aimed at creating new knowledge or more efficient sector-specific relations.

Furthermore, ACTUATECH encourages its suppliers to invest in training and new forms of planning and consultation aimed at anticipating changes in the market and consumption trends.



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