



SUPPLIER CODE  
OF CONDUCT

**Approval date 27<sup>th</sup> June, 2025**

# CODE OF CONDUCT FOR SUPPLIERS

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# FOREWORD

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Forgital Group (which comprises the parent company Forgital Italy S.p.A and its subsidiaries Fly, RTM Breda, Forgital Dembiermont, Forgital FMDL, Forgital USA, hereinafter also referred to as the "Company") specialises in the production, heat treatment and processing of hot-rolled rings in a wide range of materials, including carbon steel, alloy steel, stainless steel, aluminium, nickel, cobalt, copper and titanium alloys.

Forgital operates mainly in the industrial (Transmissions, Oil and Gas, General Mechanics and Power Generation) and aerospace markets. The company also specialises in processing, finishing and assembling components for the aerospace industry, as well as conducting material analysis and engineering tests.

The Company is committed to providing high-quality products and services that comply with all relevant regulations on the environment and the health and safety of Workers and the general public.

The Company implements a business management approach based on sustainability, environmental responsibility, social responsibility and ethics, extending these principles to the entire supply chain.

The Code of Conduct for Suppliers, prepared by Forgital Group (hereinafter also referred to as the "Code"), therefore establishes the requirements and fundamental principles that all Suppliers of goods and services, contractors and consultants (hereinafter collectively referred to as "Suppliers") are required to adhere to. Forgital Group has created this Code to engage all its Suppliers in promoting a sustainable supply chain from social, environmental and economic perspectives.

This document must therefore serve as a constant reference for all those working with or on behalf of Forgital Group. Specifically, it must guide all activities relating to the Company's dealings with its suppliers.

Suppliers are encouraged to implement mechanisms to identify, assess and manage risks in the areas covered by this Code, while complying with all applicable legislative requirements and taking into account national, EU and international laws, as well as local regulations.

Suppliers should also continuously improve the suitability, appropriateness and effectiveness of their corporate and sustainability policies by taking appropriate measures.

Forgital Group reserves the right to carry out audits relating to the implementation of the principles set out in this Code, subject to prior notification. Therefore, the Supplier is obliged to prepare and maintain up-to-date documentation demonstrating the implementation of these principles and values. This documentation must be made available to Forgital Group upon request.

## Compliance with the Code

Compliance with the provisions of this Code is an essential contractual obligation for all Suppliers.

If any Supplier fails to comply with the provisions of this Code, Forgital Group reserves the right to request that the Supplier implement corrective measures. The Company is willing to collaborate with the Supplier to identify and implement measures to improve and resolve any non-conformities that have been identified.

Failure to implement corrective measures, as well as any serious or repeated violations of this Code, will be considered a breach of contract. Forgital Group may then take proportionate action, including:

- a formal warning to comply with the principles of the Code by a set deadline;
- the temporary suspension of the business relationship;
- termination for breach of contract pursuant to Art. 1456 of the Italian Civil Code (express termination clause);
- claim for any damages resulting from the breach.

## Disclosure, audits and measures

The Code of Conduct for Forgital Group Suppliers is published on the Company's website and Intranet.

Forgital Group undertakes to ensure the full dissemination of this Code among its Suppliers.

The Company will conduct audits in response to reports of alleged violations of this Code, taking proportionate sanctions in accordance with current legislation.

## Reporting process

Suppliers must report to Forgital Group any circumstance or conduct that is contrary to the principles of this Code, or that they consider to be at risk of violating these principles. This can be done anonymously and without fear of retaliation, through specific reporting channels.

## Reporting channels

Forgital Group will handle reports received in accordance with company procedures, ensuring that no retaliation, discrimination or penalties are incurred for reporting and guaranteeing the anonymity and confidentiality of the reported information. Forgital Group makes the "My Governance" web application available at the following link:

<https://private.mygovernance.it/mywhistleblowing/forgital/14809/report> to ensure the confidentiality of the reporter's identity by computer means.

Similarly, in recognising the importance of maintaining a transparent and safe working environment, Suppliers are committed to providing their Employees and collaborators with the necessary means and tools – including those relating to information technology – to enable them to report any suspected irregularities or unlawful conduct.

Suppliers must treat reports with the utmost seriousness and confidentiality, ensuring that no Employee is subject to retaliation for reporting in good faith.

## REGULATORY REFERENCES

- Universal Declaration of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- ILO Tripartite declaration of principles concerning multinational enterprises and social policy (ILO MNE Declaration)
- ILO International Labour Standards on Occupational Safety and Health
- ILO Centenary Declaration for the Future of Work
- Rio Declaration on Environment and Development
- 2030 Agenda for Sustainable Development
- UN Global Compact Ten Principles
- UN Guiding Principles on Business and Human Rights
- Women's Empowerment Principles
- Children's Rights and Business Principles
- OECD Guidelines for Multinational Enterprises
- United Nations Convention Against Corruption
- International Covenants on Civil and Political and Economic, Social and Cultural Rights
- ISO 14001
- ISO 50001
- ISO 45001
- ISO 9001
- Legislation from the European Union and national legislation covering human rights, labour rights, environmental protection, occupational health and safety, gender equality, the administrative responsibility of institutions, privacy, etc.

# SOCIAL SPHERE

# **SOCIAL SPHERE**

## **1.1 Human rights**

Forgital Group is committed to respecting human rights, in turn asking Suppliers to:

- ensure compliance with nationally, regionally and internationally recognised minimum standards and local regulations.
- protect the cultural, religious, economic and social rights of local communities, minorities, indigenous peoples and other vulnerable groups, taking into account the specifics of the operating environment and activities carried out;
- prohibit all forms of forced, irregular and compulsory labour, modern slavery and human trafficking, taking all necessary measures to prevent these practices;
- refrain from any form of physical or humiliating punishment, or any act of violence or abuse.

## **1.2 Workers' rights**

Forgital Group is committed to ensuring respect for human rights and to fostering fair working conditions. Forgital Group Suppliers are required to:

- comply with all applicable laws and regulations regarding Workers' rights;
- provide fair wages and fair working conditions in accordance with applicable regulations and international standards;
- compensate employees appropriately for overtime, in accordance with national, international, regional and/or local laws and regulations;
- comply with minimum standards concerning the limitation of working time and the granting of rest periods, breaks and holidays, as set out in any applicable laws and regulations;
- ensure the right to sick leave, parental leave, holidays and any other paid or unpaid leave as defined by national, international, regional and/or local laws and regulations;
- prevent any form of child labour and only employ workers who are over the minimum legal age;
- provide all Employees with clear, written employment contracts drafted in easily understandable language that specify wages, benefits and conditions. Provide a detailed payslip;
- ensure respect for Workers' rights and trade union freedoms, including freedom of association and the right to collective bargaining, making sure that Workers can choose their representatives, and that these representatives have adequate access to the workplace to carry out their duties;
- not withhold or destroy Employees' passports and identity documents, nor restrict their movement;
- conduct human and labour rights *due diligence* to identify and assess negative impacts in supply chains and plan mitigation and remediation actions;
- ensure that complaint mechanisms are in place to protect complainants and prevent retaliation.

## **1.3 Health and safety**

Forgital Group takes the utmost care to protect the health and safety of Workers in the workplace. Suppliers are therefore required to:

- comply with all applicable national, international, regional and/or local health and safety regulations, and implement an effective, certified management system;
- ensure a safe and healthy working environment to protect the health and safety of Employees;
- protect Third parties and prevent accidents at work and occupational diseases;
- train their Employees appropriately and in a language they understand on all matters relating to occupational health and safety;
- Identify, assess and manage health and safety risks to prevent accidents and occupational diseases;
- provide the necessary checks, safe work procedures, proper maintenance, and prevention and protection tools to reduce occupational health and safety risks;

- develop, implement and test appropriate emergency management programs to prevent accidents and protect people from harm;
- ensure the commitment of management to occupational health and safety, and raise awareness among workers to encourage them to adopt behaviour that respects health and safety at work;
- report any situation that may present a danger to avoid illegal or dangerous behaviour;
- pursue continuous improvement in occupational health and safety, collaborating with the Company in areas such as monitoring specific indicators and applying good practices.

## 1.4 Equality and diversity

For Forgital Group, compliance with the principles of equality and diversity is fundamental. Therefore, Suppliers are called upon to:

- avoid discrimination on the basis of age, gender, skin colour, ethnic or social origin, sexual orientation, disability, religion or political opinion;
- ensure fair treatment of Employees, basing evaluations solely on skills, experience, professional potential, and results achieved;
- promote gender equality and diversity in the workplace.

## 1.5 Social responsibility

Forgital Group recognises the importance of social responsibility and is committed to conducting its activities in an ethical and responsible manner. To this end, the Company requests that its Suppliers:

- conduct their activities in compliance with social obligations, striving to contribute to the economic, intellectual and social growth of the local communities in which they operate.

## 1.6 Minerals originating from conflict-affected areas

Forgital Group is committed to complying with Regulation (EU) 2017/821 of 17 May 2017, in accordance with the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act. In order to meet this requirement, Forgital Group expects that each Suppliers in its supply chain will:

- provide all relevant information on Minerals originating from conflict-affected areas present in products supplied to Forgital Group by completing the Conflict Minerals Reporting Template (CMRT) for the previous business year. The completed CMTR must be sent to [con.min@forgital.com](mailto:con.min@forgital.com) by the end of the first month of each year.

# ENVIRONMENT SPHERE

# ENVIRONMENT SPHERE

## 2.1 Protection of the environment

Forgital Group is committed to promoting sustainable practices and reducing the environmental impact of its activities. Suppliers are required to implement all appropriate measures to limit the negative environmental impact of their activities. In particular, they must:

- comply with national and international environmental regulations and standards; implement an effective and certified environmental management system;
- adopt practices to minimise environmental impact and optimise the use of energy and natural resources, developing and implementing improvement plans and performance indicators to monitor progress;
- actively participate in the risk assessment and environmental protection processes, adhering to the principles of precaution, prevention, protection and continuous improvement;
- prevent, reduce and mitigate environmental pollution (of air, water, soil and groundwater) and environmental accidents, going beyond legal requirements, and promptly repairing any damage in the event of an accident;
- identify, track and monitor environmental aspects (e.g. greenhouse gas emissions from products/services, water usage, soil usage and other resource usage, waste production), calculated according to recognised international standards, and share this information with Forgital Group if requested;
- actively contribute to the protection of natural ecosystems, biodiversity and ecosystem services; prevent the overexploitation of natural resources and promote ecosystem restoration; stop contributing to deforestation, forest degradation and/or conversion;
- Implement waste management practices that promote recycling and reuse with a view to achieving a circular economy;
- preserve and manage water resources responsibly;
- adopt solutions for the reuse of wastewater, including through dedicated treatment processes;
- implement appropriate management of hazardous substances in the supply chain and continuously work to reduce the presence of such substances in their products;
- comply with all applicable laws and regulations regarding formal obligations on commercial products supplied to the Forgital Group; adopt best manufacturing practices and address potential environmental, health and safety issues in accordance with the highest internationally recognised standards and regulations;
- commit to eliminating single-use plastics from supplies and, upon request, share their roadmaps and objectives for achieving this with Forgital Group;
- integrate environmental sustainability principles into their supply chain, supporting Forgital Group in its sustainability journey and goals;
- undertake environmental *due diligence* processes to identify and assess any actual or potential negative impacts within your supply chains. This should include countermeasures and remedial measures.

## 2.2 Reduction of greenhouse gas emissions

In order to actively collaborate with Forgital Group to continuously improve environmental performance, Suppliers are required to:

- commit to measuring and reporting their GHG emissions in accordance with the main international standards (GHG Protocol, ISO 14064, ISO 14067, etc.);
- adopt measures to reduce greenhouse gas emissions and pollution by setting specific and measurable decarbonisation targets;
- provide Forgital Group with transparent data on emissions from their operations and upstream activities.
- use natural resources efficiently and sustainably, constantly seeking to improve their energy efficiency;
- promote the use of renewable energies and technologies with a low environmental impact;
- upon request from Forgital Group, provide products and services that are made using renewable energy, as well as proof of the origin of the renewable energy assigned to the Company's supply.

# GOVERNANCE SPHERE

## **3.1 Legal compliance and business ethics**

Our organisation is committed to promoting the highest standards of ethics, legality and transparency in all its business activities and relationships. In this context, we expect all Suppliers to:

- comply with all applicable laws and regulations at local, regional, national, EU and international levels, taking into account the most relevant international standards relating to the principles set out in the Code;
- act with integrity, fairness, honesty, transparency and responsibility in all business activities and relations with partners and third parties (both private and public);
- avoid any fraudulent practice, embezzlement, extortion, fraudulent insolvency, illegal payment or other unlawful action.

## **3.2 Conflict of interest**

Suppliers must avoid any situation that could lead to a conflict of interest with Forgital Group, in order to preserve the transparency and fairness of the business relationship. In particular, they must:

- avoid gaining an unfair advantage or influencing Forgital Group employees' ability to make sound, impartial and objective decisions on behalf of the Company;
- refrain from interfering with the decision-making process relating to qualifications, contract awards or subcontracting authorisations. This includes requesting confidential information or information that is not shared via the dedicated communication channels;
- privilege the direct relationship with the Company by avoiding intermediaries and clearly stating any potential conflicts of interest before entering into a relationship with Forgital Group;
- ensure the greatest possible transparency regarding the information required for *procurement* processes, including information relating to corporate structure and control, the clarity and sustainability of offers, including operational capabilities, refraining from providing false or misleading information or omitting relevant information that could influence decisions relating to qualification, contract awards or subcontracting authorisation;
- refrain from situations which, to the best of their knowledge, could appear to be potential conflicts of interest;
- promptly communicate any situation that conflicts with, or may appear to conflict with, the interests of Forgital Group.

## **3.3 Fair and equitable competition**

In order to comply with all competition and antitrust regulations, Forgital Group requires its Suppliers to:

- comply with national, EU, international, regional and/or local competition laws and regulations, especially antitrust laws, to protect and promote fair and free competition;
- avoid engaging in practices or entering into agreements or arrangements with competitors, suppliers, customers or other third parties that restrict or could potentially restrict fair and free competition. This includes unlawful pricing, the exchange of sensitive information, market sharing, the distribution of customers and any other illegal or improper practice at any level of the production or distribution chain;
- refrain from abusing a dominant market position;
- behave fairly and equitably towards competitors.

## **3.4 Money laundering ban**

Forgital Group is committed to fighting money laundering. Therefore, Suppliers are also required to take appropriate measures to ensure compliance with national, EU, international, regional and/or local anti-money laundering, anti self-laundering, and handling of stolen money and/or goods laws and regulations.

### 3.5 Fight against bribery and corruption

Forgital Group is committed to adopting a zero-tolerance policy towards any form of bribery or corruption, whether active or passive, direct or indirect, in any context. To this end, Forgital Group requests that its Suppliers act in the following way when dealing with the Company, public officials or third parties:

- reject and prevent any form of active and/or passive corruption, whether carried out directly or indirectly, in any context, form or manner, in any relevant jurisdiction, even where such activity is accepted in practice or not prosecuted;
- prohibit the acceptance, offering or granting of any benefit, whether material or intangible, that may influence business procedures dishonestly or appear to do so;
- prohibit the offering or acceptance of unauthorised gifts, benefits or other perks, except for modest gifts directly related to normal business courtesy;
- implement procedures to monitor compliance with anti-corruption laws.

### 3.6 Monitoring of imports and exports

Forgital Group requires all Suppliers to operate in full compliance with national, EU, international, regional and/or local trade regulations. In particular, they must:

- comply with all applicable export control regulations, sanctions and customs laws, including trade restrictions, embargoes and other restrictions on the import and export of goods, services and information;
- monitor the evolution of national, EU and international laws and regulations concerning export bans and inspections, restrictions on the trade of raw materials, financial and banking constraints, and embargoes on weapons, repression and dual-use equipment;
- undertake to ensure that they, their beneficial owners, representatives and subcontractors are not included on any list of sanctioned companies and/or individuals.

### 3.7 Protection of trade secrets

The Company requests that its Suppliers:

- treat all business information, particularly technical, financial or competitive information, as confidential and in accordance with any non-disclosure or confidentiality agreements;
- take all appropriate precautions to protect such information.

### 3.8 Protection of personal data and Privacy

Forgital Group is committed to protecting personal data and ensuring that it is processed in compliance with current legislation. Suppliers are required to:

- comply with all applicable national, EU, international, regional and/or local laws and regulations on the protection of personal data;
- protect the right to privacy of their interlocutors by using the personal data collected for legitimate, defined, appropriate and relevant purposes only, and by storing such data for the shortest possible time necessary to achieve these purposes;
- take appropriate security measures to protect personal data from unauthorised access, loss or disclosure;
- process personal data only for legitimate purposes and in accordance with Forgital Group's instructions;
- ensure that the personnel authorised to process personal data is suitably trained and aware of their responsibilities;
- work with Forgital Group to ensure compliance with data protection regulations, responding promptly to any requests or incidents relating to data protection;
- promptly and fully inform Forgital Group of any breach of information security involving the accidental or unlawful loss of, unauthorised access to, or alteration, destruction or disclosure of personal information transmitted, stored or otherwise processed by the Supplier.

### 3.9 Protection of intellectual property

Suppliers are required to:

- respect the intellectual property rights of Forgital Group and third parties diligently and conscientiously, and prohibit the use of counterfeit parts at every stage of the production chain. Suppliers shall be held liable for any infringement of patents, trademarks or other intellectual property rights relating to materials, machinery or working methods used in their business activities;
- not disclose any technical or confidential information (such as drawings, specifications or other technical documents) made available by companies in the Forgital Group to third parties in any way or for any reason not directly related to the fulfilment of the contract. This information remains the property of the Company and may only be used for the purpose of fulfilling the contractual agreement.

### 3.10 Economic responsibility and fighting tax evasion

Suppliers must comply with all applicable national, EU and international accounting, tax and transparency legislation. They must also avoid any form of tax evasion, avoidance or money laundering, as well as any other illegal behaviour.

### 3.11 Governance and compliance

Forgital Group has adopted a governance and compliance system comprising policies, procedures, management practices, risk assessments and internal inspections. This system aims to ensure transparency and accountability, compliance with laws and regulations and the requirements of business partners, as well as the prevention of any form of fraud, illegal or improper activity. Suppliers are therefore required to:

- obtain the necessary permits and licences to carry out their activities in accordance with national, EU, international, regional and/or local laws and regulations;
- keep adequate records of their business and administrative activities, particularly accounting records, to ensure compliance with national, EU, international, regional and/or local laws and regulations, as well as generally accepted business practices;
- adopt *whistleblowing* and/or complaint mechanisms that allow complaints and comments from internal and external stakeholders to be submitted anonymously, without fear of retaliation, and take appropriate action to resolve any identified problems;
- require their Suppliers to adopt the same principles.

### 3.12 Risk management

Forgital Group recognises the importance of managing risks to guarantee the continuity of their operations and the sustainability of their activities. Suppliers are required to:

- identify, assess and manage the risks associated with their activities, including those relating to safety, the environment, quality and regulatory compliance;
- implement preventive and corrective measures to mitigate identified risks.
- regularly monitor and review risk management processes to ensure the effectiveness of the measures taken;
- share with Forgital Group risk information and the best practices adopted to manage such risks;
- ensure that staff are trained and aware of risk management, including product-related risks (FOD, Counterfeit, Product Safety) and of their personal contribution to product and process compliance (Human Factor).

## Acceptance of the Code of Conduct for Suppliers

Suppliers confirm that they have received Forgital Group's Code of Conduct for Suppliers and undertake to comply with its principles and requirements, as set out in the "Engagement Letter" attached to the Code and signed by them.



Via G. Spezzapria, 1  
36010 Velo d'Astico  
località Seghe (VI), Italy

Tel +39 0445 731 313  
Fax +39 0445 731 490

[forgital@forgital.com](mailto:forgital@forgital.com)

