



# ALPI SUPPLIERS CODE OF CONDUCT



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## **1. Introduction**

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### **1.1 Context**

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The present Code of Conduct for ALPI Suppliers is subordinate to the "Fundamental Labour Rights Policy Statement" and the "Code of Ethics" (CoE), both redacted by ALPI.

The present Code of Conduct for ALPI Suppliers elaborates upon the CoE. Therefore it does not change or override the CoE, nor does it change or override any agreements, understandings or contracts that are in force with suppliers.

Subscription to the present Code of Conduct for ALPI Suppliers is followed by a process of due diligence on behalf of ALPI. This may include requests for self-certification, online evaluation, evaluation of risk and impact, data gathering, and internal or third-party audits. It may require that Suppliers show ALPI certifications, accreditations and documents that prove adherence to the CoE and the present Code of Conduct. At any future time, ALPI may require suppliers to adhere to new policies given by the company's will to remain abreast of changes in laws and corporate culture, and environmental and health-related findings.

### **1.2 Scope and content**

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The present Code of Conduct applies to all Suppliers, sellers and dealers who produce, trade in, sell, rent or supply goods or services that are part of the ALPI supply chain and have a direct commercial relationship with ALPI.

The present Code of Conduct is built on three key points:

- 1) Human rights and social practices
- 2) Environmental protection and sustainability
- 3) Business transparency.

Each of the areas defined in the present Code of Conduct requires Suppliers to carry out numerous initiatives on a continuous basis. ALPI recognises the need to collaborate with Suppliers on each of these initiatives to define objectives, fundamental goals and specific, feasible projects in each of these areas. The implementation of the objectives will be adapted to the size and risks of each Supplier's business.

## **2. Labour practices and norms**

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### **2.1 The prevention of child labour**

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No child may be employed under the age of 16 years. In countries where the law gives a higher age for child labour, or an age above 16 for the completion of compulsory schooling, the higher age will be respected. Employees under 18 may not work overtime or at night, nor may they perform hazardous jobs. Suppliers can make use of lawful, well-managed apprenticeship programmes for on-the-job training such as school internships.

### **2.2 The prevention of forced labour and people trafficking**

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ALPI will not tolerate any form of unjust or illegal labour practice in its supply chain. The company condemns forced labour and human trafficking. It is severely forbidden for suppliers to be involved in forced labour, slavery, debt bondage or people trafficking. Suppliers may not seize employees' identity documents, deny work permits, request security deposits from employees or apply any other type of constraint. All employees must be free to accept or leave their job. Suppliers must respect employees' right to circulate freely. Suppliers may not ask employees to work in exchange for settling a debt they have run up with said Suppliers or with a third party.

### **2.3 The prevention of illegal, clandestine and undeclared labour**

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Suppliers must abide by all applicable norms to impede illegal, clandestine and undeclared labour.

### **2.4 The prevention of harassment and abuse**

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Suppliers must treat their employees with respect and dignity. Suppliers must avoid and prohibit all behaviour and practices that imply corporeal punishment, any type of physical, sexual, verbal or psychological harassment, and all other forms of abuse.

### **2.5 The prevention of discrimination**

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Suppliers must treat all employees fairly and properly. Suppliers may not engage in any type of discrimination regarding pay, hiring, access to training, job promotion, maternity leave, job termination – based on sex, race, ethnicity, religion, age, disability, sexual orientation, political affiliation, union membership, nationality, gender identity, ancestry or social background.

### **2.6 Equitable salaries and benefits**

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Suppliers must pay pre-established salaries in legal tender, within a reasonable delay, at least once per month. Suppliers must pay overtime in accordance with the legal rate and give employees all benefits required by law. In countries where a legal minimum salary or overtime rate does not exist, Suppliers must pay salaries that are at least equal to the average salary in the same industry sector, and overtime pay must be at least equal to the basic hourly wage. Salaries must be sufficient to satisfy employees' primary needs and give them discretionary income. Salary deductions must not be used as disciplinary measures. Suppliers must inform all employees as to how compensation is structured and to which period each salary refers. ALPI requires that all suppliers extend to employees the benefits required by law, by collective contracts, company agreements, and other agreements negotiated individually or collectively.

## **2.7 Working hours**

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Suppliers must adhere to all laws and applicable local regulations regarding working hours. In no event must hours exceed the maximum limit established by internationally recognised standards such as those determined by the International Labour Organization. Suppliers may not impose an excessive amount of overtime hours. The total number of weekly hours including overtime may not exceed the legal limits and, in any case, may not exceed 60 hours per week including overtime. Employees have the right to a certain number of days of rest, established by law, and in any case must receive a minimum of 24 hours uninterrupted rest over a 7-day period.

## **2.8 Health and safety**

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Suppliers must offer employees safe and salubrious work surroundings to avoid accidents, bodily harm and exposure to danger that can be caused by, related to, or the result of the employees' work. This includes the use of tools and chemical products, and work during assigned trips. Suppliers must establish procedures and organise training in order to pinpoint, avoid and reduce as much as possible all danger that is a risk to the health, hygiene and safety of employees. Suppliers must at the very least respect the local regulations and laws and applicable international laws regarding health and safety. Instructions about health and safety must be introduced and duly communicated. Employee compliance with these instructions must be evaluated regularly. Employees must be equipped with adequate protection materials suited to their job.

## **2.9 The protection of local communities**

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Acknowledging its responsibility as a corporation that conducts business all over the world, ALPI is committed to exercising a positive influence on society and on the communities in whose vicinity it operates. The company aims to prevent any damage to the local communities. ALPI asks its suppliers to adhere to the same ethos. Suppliers who work with Indigenous peoples must seek free, prior and informed consent (FPIC), which respects human rights, aligns with their self-determination, and is recognised in the United Nations Declaration on the Rights of Indigenous Peoples.

### 3. Environmental Policy

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#### 3.1 The prevention of deforestation and the protection of peat-land

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Suppliers will take the necessary measures to ensure that their actions do not have a negative impact on forests, peatbogs and other protected ecosystems of any kind. Suppliers must not expand operations toward forests that sequester large amounts of carbon, toward areas with high conservation value (a Forest Stewardship Council® designation), or toward protected areas. Suppliers will obtain all authorisations and permits required by law when embarking on new operations or expanding existing ones. Suppliers will conserve the certification documents related to the chronological use of the land and share them with ALPI upon request.

#### 3.2 Raw materials, components and products

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Suppliers will contribute to continuous improvements to the environmental friendliness of the entire life cycle of ALPI products. For instance, Suppliers are required to inform the company of ALPI group with which they maintain a business relationship of any feasible options that are better, such as certified materials, recycled materials or materials obtained through regenerative agriculture.

Suppliers will embrace:

- Measures aimed at the safe management of chemicals, the chemical compliance of products and raw materials with national and international norms and with the best professional standards, including REACH, a European regulation for the Registration, Evaluation, Authorisation and Restriction of Chemicals.
- Measures aimed at the preservation of biodiversity and in compliance with international standards and norms regarding the environment, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- Measures aimed at zero illegal deforestation and zero deforestation of high-risk areas.
- Measures aimed at traceability, the sharing of information regarding the origin of raw materials and the legal compliance of raw materials and other substances employed. This includes exercising due diligence when purchasing minerals from conflict-affected and high-risk areas. See the guidelines provided by the Organisation for Economic Co-operation and Development (OECD).
- Measures deployed throughout the production chain to protect animal rights.

ALPI requires its Suppliers to practice exemplary integrity in conducting their business in compliance with the "ALPI Environmental Policy".

#### 3.3 Biodiversity

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Suppliers will take the necessary measures in all its operations and in the entire supply chain to preserve biodiversity. When embarking on new operations or expanding existing ones, Suppliers will take the necessary measures to protect areas with high conservation value and promote biodiversity. Suppliers will conserve the certification documents related to the chronological use of the land and share them with ALPI upon request.

#### 3.4 Air quality and carbon footprint

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Suppliers will adopt as many measures as possible to reduce emissions and air pollution. They will monitor and reduce their carbon footprint and share proof of this with ALPI upon request.

### **3.5 Water savings and water management**

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Suppliers will adopt as many measures as possible to decrease impact on water resources by reducing water consumption, maintaining or improving the quality of aquifers, and promoting water savings.

Suppliers will share proof of their water footprint with ALPI upon request.

### **3.6 Waste management**

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Suppliers will take the necessary measures to reduce waste and the consumption of natural resources. Suppliers will adopt good practices of waste management by reducing their footprint and favouring the reuse of waste above its disposal.

### **3.7 Chemical management**

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Suppliers must commit themselves to reducing to a minimum the use of chemicals considered dangerous to the environment and people. Whenever possible, they will substitute them with less noxious products. Suppliers who purchase agricultural products must favour those grown with limited use of chemical products and fertilizer, endorsing farmers who actively take such measures. Suppliers must define and adopt procedures for chemical management throughout the supply chain. Suppliers will share certification documents of their use and management of chemicals with ALPI upon request.

## **4. Ethics**

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### **4.1 The prevention of corruption**

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ALPI follows a policy of zero tolerance for corruption and influence-peddling. The company expects its Suppliers to adopt measures to prevent, reveal and punish all forms of direct and indirect corruption and influence-peddling in their operations. This includes zero tolerance for facilitation payments and other benefits offered to public administrators for ordinary, non-discretionary operations.

### **4.2 Information transparency**

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Suppliers must give clear and accurate information regarding the methods and resources they use, the production sites, and the characteristics of their products or services. Suppliers must not release misleading statements.

## 5. Wood-Based Products

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Being a manufacturer of semifinished products made of wood, ALPI uses materials from correctly managed forests and controlled sources. The company offers customers the possibility to acquire products certified by the Forest Stewardship Council® (FSC-C004666). ALPI group manages multiple sites with FSC® Chain of Custody Certification. The Forest Stewardship Council® is an independent, non-governmental, not-for-profit organisation that promotes and certifies the responsible management of forests and plantations worldwide. Responsible management is respectful of the environment, socially useful and economically sustainable. The FSC® vision is for the world's forests to meet the social, ecological and economic rights and needs of present generations without compromising those of future generations. Illegal logging is a problem of international scope. ALPI Suppliers must verify their supply chain to guarantee that the products they sell to ALPI contain only legally sourced wood. They must cooperate in the gathering of the following information, to be shared with ALPI upon request:

- The names of the companies in their supply chain.
- The names of the species and the country of origin of the trees contained in suppliers' products.
- Documents pertaining to the logging rights within officially recognised territorial boundaries.
- Payments made relating to logging rights, including logging taxes.
- Documents related to the transportation of the products, the processing of the wood, sales and customs clearance.

All information received from Suppliers will remain confidential, to be shared only with the competent authorities for inspections and reviews.

## 6. Audits

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ALPI reserves the right to verify Suppliers' conformity to the principles stated in the present Code of Conduct. ALPI may conduct compliance audits, even with short notice. Suppliers must answer transparently to any questionnaires or surveys of interest to ALPI. Suppliers must give access to ALPI representatives and commit themselves to improvements and the correction of problems or irregularities that are identified.

### ACCESS TO INFORMATION

Suppliers must conserve documentation that proves conformity to the present Code of Conduct and provide ALPI representatives with access to complete, original and accurate files, except when protected by the General Data Protection Regulation, a European Union regulation on information privacy.

### COMPLAINTS REGARDING WORKPLACE MISCONDUCT

Suppliers must have in place a documented procedure – publicised and communicated to employees – for the filing of complaints and the reporting of wrongdoing related to discrimination, harassment and abuse. The protocol must make it easy and safe for employees – including independent contractors and subcontractors – to lodge complaints directly with Suppliers.

Suppliers must inform ALPI whenever the violations are closely connected to the manufacturing of products for ALPI group, and whenever the violations could be a source of reputational damage. Please send a prompt notice to [alpi@alpi.it](mailto:alpi@alpi.it).