



# SUPPLIER CODE OF CONDUCT

2025



# Supplier Code of Conduct

## Purpose of the Supplier Code of Conduct

LCM is proud to foster this Supplier Code of Conduct. We strongly believe that partnerships and collaboration with our suppliers are a mutually advantageous and inclusive approach to **promoting responsible sourcing across our supply chain**.

We are committed to a path of continuous improvement with our suppliers, firmly convinced that it will yield shared benefits for all parties involved, and the **communities** in which we operate.

This Supplier Code of Conduct has been created for the purpose of ensuring that our Suppliers follow the **LCM Group Code of Ethics and Conduct**, provide **safe working conditions** for their employees and treat them with respect. Their production processes should be **responsible** and **environmentally friendly**.

The Supplier Code of Conduct reflects internationally accepted standards of social and environmental responsibility in addition to our company's high expectations for ethical business behaviour. We relied on a variety of sources to develop our Supplier Code of Conduct, including the Universal Declaration of Human Rights, the UN Global Compact, the International Labour Organization, ISO 14001.

This Supplier Code is a tool to engage our Suppliers and guarantee a supply chain characterized by **fairness**, sustainability, and transparency and in compliance with any applicable legal requirements

This Supplier Code applies to all Supplier(s), including its employees and their subcontractors. It is under the Supplier responsibility to make such Code enforceable with its subcontractors.

# Our Commitment to Suppliers

LCM Group seeks to engage in relationships with Suppliers that are socially responsible, behave with integrity and focus on sustainable development.

Our objective is to partner with Suppliers who demonstrate **sustainable and ethical business practices**. This Code focuses on the following 5 areas.

## Our Expectation of Suppliers

### 1) BUSINESS INTEGRITY & STANDARDS

#### **Laws, regulations and trade control**

Our Suppliers must comply to all applicable laws and regulations in the countries in which the Supplier operates, including all applicable international laws and regulation related, but not limited, to international trade (such as those relating to sanctions, export controls and reporting obligations) and data protection.

#### **Competition and anti-trust laws**

We expect our Suppliers to respect anti-trust laws and refuse any agreement concerning matter that could affect competition, like price-fixing or unethical trade practices.

#### **Bribery and Corruption**

We expect our Suppliers to understand that offering, giving, receiving or soliciting something of value to unfairly influence a business action or decision is considered as a bribery.

Each Supplier cannot carry out any form of corruption, extortion or embezzlement and shall make sure that there are adequate procedures in place to prevent bribery in all commercial dealings.

#### **Conflicts of interest**

Conflicts of interest may involve, among other things, an acceptance of personal benefits, from a person or organisation dealing, or expecting to deal, with LCM Group in any type of business transaction. The decisions our Suppliers make must not be influenced, or perceived to be influenced, by any personal or private opportunities or relationships, potential financial gain or other benefit.

#### **Gifts, hospitality and entertainment**

We expect our Suppliers to respect that gifts and entertainment given and received as a reward or encouragement for preferential treatment are not allowed. In certain circumstances, the giving and receiving of modest gifts and entertainment is acceptable.

Each Supplier is aware that any gift, hospitality or business entertainment is not allowed by LCM Group into the extent that this is a form of bribe and/or aimed to take improper advantage.

### **Financial records, money laundering and insider trading**

Each Supplier is aware that all business and commercial dealings are transparently performed and accurately recorded in the Supplier's book and records. There is no actual or attempted participation in money laundering. No confidential information in the Supplier's possession regarding LCM Group is used to either engage in or support insider trading.

### **Business records and safeguarding confidential information**

We expect Suppliers to keep accurate and up-to-date records of matters related to their business with LCM Group, and to demonstrate compliance with applicable laws and regulations.

LCM Group believes its proprietary information, know-how and intellectual property are important assets in the operations of its business and prohibits the unauthorized use or disclosure of this information.

All information provided by LCM Group that is not in the public domain is deemed confidential and it is only used for its intended and designed purpose.

### **Heritage, company image and brand**

The Supplier respect the good image of LCM Group. We expect suppliers to not take part in any action or practice that would actively damage the image of LCM Group. The supplier must avoid any inappropriate use of the company's tangible or intangible assets.

### **Sustainability reporting**

Suppliers are *encouraged* to draft and issue an Annual Sustainability Report that contains the performance disclosure around key impact areas and topics, based on the most recent editions of the most recognized international standards for disclosing ESG performance and strategy.

## **2) HUMAN RIGHTS AND LABOUR STANDARD**

Suppliers must commit to upholding the **human rights** of workers and to treating them with dignity and respect.

Standards are set for working hours, wages and benefits, and freedom of association.

### **Child protection and no child labour**

LCM Group recognizes the rights of every child to be protected from economic exploitation and complies with the laws of each country in which it operates regarding the minimum hiring age for employees.

### **No forced, bonded and compulsory labour**

Suppliers shall not use work that is performed involuntarily under the threat of penalty, dismissal denunciation to authorities or as a disciplinary measure or for failure to meet production quotas.

### **Freedom of association and collective bargaining**

Suppliers shall not interfere with employees' freedom of association and collective bargaining that are in accordance with applicable laws and regulations.

## **Diversity and inclusion, no discrimination, abuse and harassment**

LCM Group does not discriminate against anyone on the basis of any characteristic protected by applicable law, but shall always, where such action is not addressed or foreseen otherwise by applicable laws, ensure that no discrimination occurs based on race, creed, disability, gender, marital or maternity status, religious or political beliefs, age or sexual orientation. We expect our Suppliers to share this policy. Suppliers must strictly prohibit any kind of harassment, intimidation, bullying or abuse of any employee, including through the threat of physical punishment or disciplinary action, or physically, sexually, racially, psychologically, or verbally.

## **Wages and benefits**

LCM Group complies with applicable employment laws, regulations and industry standards in each country in which it provides employment. Suppliers shall ensure employees are paid a fair wage according to at least the legal minimum standards.

## **Working hours**

We expect our Suppliers to ensure employees do not work excessive hours, in accordance with national laws, collective agreements and the provisions of the relevant local standards on working time.

The Supplier shall support ILO Conventions on working hours and weekly rest.

## **Health & safety standards principles**

Suppliers shall provide their employees with access to sanitation and promote hygiene practices.

# **3) ENVIRONMENTAL PROTECTION AND SUSTAINABILITY**

Suppliers are expected to demonstrate **environmental responsibility** by minimizing any adverse effects from their operations on the community, environment and natural resources. All required permits, registrations and reporting are to be obtained, maintained and kept current.

## **Environmental impact**

LCM Group supports adhering to worldwide initiatives and standards for establishing emission reduction goals in accordance with scientific findings.

Suppliers are required to be dedicated to acting honestly and with integrity toward their stakeholders and to comply with all applicable local laws and regulations.

We aspire to contribute to the preservation of the environment as a **key community asset**.

## **Conflict minerals**

Suppliers must comply with all applicable conflict mineral laws and use reasonable endeavours to ensure that any goods supplied to LCM Group do not contain any "conflict minerals" (including, but not limited to, tin, tantalum, gold and tungsten) which are sourced directly or indirectly from any country that is subject to restrictions pursuant to conflict mineral laws or equivalent.



## **Biodiversity**

Each Supplier shall take appropriate steps to ensure throughout their operations and their entire supply chain, that biodiversity is preserved. When establishing new operations or expanding existing ones, the Supplier shall take appropriate steps to foster biodiversity.

## **Air quality and carbon footprint**

Each Supplier shall take appropriate steps to minimize greenhouse gases emissions and impact on air quality, as far as possible and put in place practices to assess and reduce their carbon footprint and provide documentary evidence if requested.

Suppliers are expected to measure and publicly disclose their GHG emissions according to the most recognized international methodologies and frameworks.

## **No deforestation**

Each Supplier shall take appropriate steps to ensure their actions do not have any negative impact on forests and other protected territories of any depth. It's elemental to ensure the commitment to source from land that was not subject to deforestation after 31 December 2020 and produced in accordance with the Relevant Legislation of the Country of Production.

## **Water management and conservation**

Each Supplier shall take appropriate steps to minimize its impact on water by reducing their water consumption and ensuring groundwater quality is maintained or improved, as far as possible, supporting water conservation.

## **Waste management**

Each Supplier shall take appropriate steps to minimize the production of waste and the consumption of natural resources. The Supplier shall put in place practices on waste management, reducing their waste footprint and promoting *circular economy*.

## **Energy efficiency**

Each Supplier shall take appropriate steps to minimize the consumption of energy, as well as put in place energy saving strategies (i.e. use of renewable sources and fuels, fuel-efficient logistics operations).

Suppliers should implement a system to monitor and report on energy consumption and define a strategy aimed at promoting an efficient use of energy.

## **Respect of Animal**

Each Supplier shall take appropriate steps to ensure the protection of animals and the respect of animal, seeking a constant progressive improvement of needs of animals eventually involved in the production and comply with all applicable national laws and the guidelines of the World Organization for Animal Health (OIE).

## **Sustainable packaging**

Each Supplier shall take appropriate steps to minimize the environmental impact of packaging. The Supplier shall continuously improve its processes with the aim of removing unnecessary packaging, selecting recycled materials whenever possible, reducing the amount of materials, particularly if coming from non-renewable sources and facilitating future packaging *reuse or recycling*.

## 4) HEALTH AND SAFETY POLICY

Suppliers shall have a clear, available health and safety policy statement in place, be committed to developing and applying appropriate health and safety management systems and to monitor and report corrective actions against incidents.

### **Safe working environment**

Suppliers will maintain a safe, healthy, clean work environment, including appropriate and adequate facilities and protection from hazardous materials or conditions.

The Supplier undertakes to promote a culture of safety in the workplace across all levels of its supply chain and engages to foster the health of workers not only in terms of absence of diseases but also in terms of physical, psychological and social well-being by adopting adequate organizational and management measures to prevent any occupation injury and illness.

All employees must be adequately trained on job-specific health and safety topics, and they must be provided with training to operate machinery safely. All mandatory health and safety training must be periodically updated in accordance with national regulations. Suppliers must ensure that all machinery and equipment are regularly inspected to assess their safety and functionality.

All employees must be free to report incidents and unsafe work conditions.

## 5) DUE DILIGENCE AND DATA MANAGEMENT

Each Supplier shall trace where its commodities originate from, retain critical records and report and manage the information as per agreed data set, when requested.

The Supplier shall adopt a due diligence-based approach to the areas identified herein and shall take appropriate steps to have management systems in place, including policies, objectives and procedures.

The Supplier shall provide trainings to workers and/or employees, ensuring all the topics of this Supplier Code are understood and addressed consistently.

## AUDIT - INSPECTION AND FAILURE TO COMPLY

Each Supplier should conduct audits and inspections to ensure its compliance with this Supplier Code and applicable legal and contractual standards.

In addition to any contractual rights of LCM Group the Supplier's failure to observe the Supplier Code of Conduct may engage disciplinary actions, which could include termination of the business relationship.

LCM Group reserves the right, as a condition of continuation of approval, to conduct (or have its designee conduct) periodic inspections of Supplier facilities and to require information concerning the Supplier's supply chain.

Each Supplier shall report any failure to comply with this Supplier Code to LCM Group as soon as possible.

If remediation is required, the Supplier will devise and inform LCM Group of their corrective action and implementation plans and timeline to effectively and promptly resolve the breach.

Each of the above key areas requires the development and deployment of multiple initiatives on an ongoing basis.

We are aware that the implementation process of such initiatives will require tailored initiatives associated with the risks of the Supplier's operations along the Supplier's supply chain.

In implementing this Supplier Code, each Supplier is expected to apply a **due diligence-based approach**, which includes, for instance, risk and impact assessments, data collection, internal or third-party audits, self-declaration, as well as providing certifications and accreditations.

This assumes establishing effective management systems, implementing policies and mechanisms for due diligence, grievance reporting, and remediation, as well as ensuring compliance with all applicable laws and regulations in the Countries of operation.



## SUPPLIER DECLARATION

We set high ethical standards for our suppliers consistent with our company's culture and values.

We expect our Suppliers to raise any concerns about our business conduct, or a potential breach of this Supplier Code of Conduct or our LCM Group Code of Ethics and Conduct, directly with their contact in LCM Group.

Contact details for Ethics Point are as follows:  
<https://www.lcm-group.it/en/the-governance/>

***By acknowledging the Supplier Code of Conduct, the Supplier agrees on the content of this entire document.***



[www.lcm-group.it](http://www.lcm-group.it)



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