



POLICY ON QUALITY, THE ENVIRONMENT, SUPPLIERS AND SOCIAL RESPONSIBILITY

The Board of Directors (C.d.A.) of Eliche Radice S.p.A. recognises, as a strategic objective within the Company's Quality and Environmental Policy, the overriding need to adapt the COMPANY MANAGEMENT SYSTEM whenever the policy is considered inadequate in light of changing requirements, in order to provide Customers with products of the expected quality and reliability within the framework of overall operational efficiency.

To achieve the above, a function named COMPANY MANAGEMENT SYSTEM has been established, as described in the COMPANY MANAGEMENT MANUAL.

The Quality Manager reports to the Management Representative for Quality, who authorises the Quality Manager, with full delegated authority and autonomy, to take the measures necessary to implement and maintain over time the established Company Management System.

Management Representative for Quality also verifies the correct application of the System by each relevant company function and reports to the Board of Directors on the performance of the adopted the COMPANY MANAGEMENT MANUAL.

All company levels must therefore be committed to pursuing the policy established by Management and ensuring its effective communication, in order to achieve the following objectives:

QUALITY

- Achieve operational efficiency enabling the production of a good-quality product at a controlled cost, including an adequate level of safety;
- Customer satisfaction through receipt of the product as requested and after-sales support at a competitive price;
- Satisfaction of the Board of Directors and Employees of Eliche Radice through adherence to an efficient process and achievement of the expected profits, sufficient to allow the continuous updating of the production process, machinery and inspection equipment used, in an environment compliant with applicable regulations;
- Alignment of the production process and the products themselves with national and EU regulatory requirements, while maintaining a level of safety that safeguards the health of Employees, Customers and the community in which E.R. operates.

ENVIRONMENT

- Suitability of both the environment outside the plant and the internal workplace environment in terms of working conditions, health and safety;
- Continuous compliance with statutory requirements and any amendments thereto;
- Definition of a medium-term environmental programme, continuously updated in line with technological development, new operating methods and lessons learned, designed to improve every environmental aspect;
- Conducting all activities in a manner designed to protect the environment, conserve energy and preserve the natural resources used, through prevention and continual improvement;
- Systematic assessment of environmental aspects whenever any decision is made regarding potential process and/or product changes;
- Maintain and promote proper and open collaborative relationships with local communities, environmental authorities and neighbouring communities;
- The Company remains open to the aforementioned authorities and the public, providing the necessary information on company activities and their effects on the environment;
- Provide suitable working conditions for all employees, who are appropriately informed and prepared to implement the environmental policy in their daily activities;
- Periodic verification of the degree of application of the principles described in this document, together with its updating;
- Ongoing external communication (Customers, suppliers and third-party bodies) regarding the development and updating of the Company Management Manual.

SUPPLIERS

Our challenge is to identify prospective suppliers capable of providing products and services that support our commitment to quality, customer satisfaction and environmental sustainability. The criteria and methods of interaction adopted with Suppliers are intended to ensure adequate levels of quality and reliability for purchased components, while also ensuring the proper management of environmental matters involving Suppliers.

Eliche Radice S.p.A.'s supplier policy is intended to:

- Establish relationships with Suppliers offering the best capabilities in terms of innovation, on-time delivery, cost, service and quality (the "zero defects" objective), in order to ensure maximum Customer satisfaction;
- Concentrate purchasing among a limited number of excellent Suppliers;
- Seek the lowest total cost of supply, taking into account not only price, but also the cost of quality, innovation and service, in relation to the performance required of the purchased product;
- Involve Suppliers in its Company Management System in order to reduce the environmental impact of all work activities carried out at its industrial sites;
- Primarily engage with Suppliers holding ISO:9001 Quality Management System certification issued by an accredited certification body;
- Give preference in Supplier evaluations to those with an ISO:1400;
- Ensure that relationships between Eliche Radice and Suppliers are always based on integrity and rigour on both sides.



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SOCIAL RESPONSIBILITY

- Communicate to employees its environmental policy concerning social responsibility and working conditions;
- Comply with all requirements of this standard;
- Comply with national legislation, international instruments and other applicable regulations;
- Define and establish procedures for continual improvement;
- Communicate externally (Customers, suppliers and third-party bodies) the policy as updated.

Therefore, in accordance with the new strategies applied under the new Company Management Manual, the ongoing adaptation of the Company Policy is continuously defined and kept under control through the development of objectives and the related targets monitored in the Process Monitoring Tables.

N.B. To avoid unnecessary bureaucracy, this form does not require new revisions of the manual, as it constitutes a simple new issue.

The Board of Directors

October 2019

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