



# ANDRIANI

*Natural innovators for conscious food*



SUPPLIER  
CODE OF CONDUCT  
**2022**

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# 1 Introduction

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## 1.1 What is the Code of Conduct

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Welcome to the Supplier Code of Conduct, the manifesto aimed at all of the Andriani Group's suppliers to share our vision on how to meet the goal of more **re-sponsible and sustainable** operations.

The expression **“Natural Innovators for Conscious Food”** underlines our awareness that the natural and social ecosystems of our world are increasingly fragile, something that in large part directly depends on our daily activities. We are convinced that, as **“agents of change”**, we must share a simple idea with all those we meet on our path. Namely that every person's com-

mitment is indispensable, since we are all responsible for our actions towards others and towards future generations.

The Code of Conduct is the result of the need to involve our suppliers in those topics of vital importance for Andriani and is intended to help create a shared commitment. We ask our suppliers to adhere to this document and to the values it transmits, which are in line with our Code of Ethics.

## 1.2 Andriani's mission and values

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Andriani has adopted the status of Benefit Corporation. This means that our goal, besides economic milestones, is also to generate positive effects on the environment and society. More precisely, our goals involve 5 areas of impact:

1. Sustainable agriculture and production chain;
2. Consumer health and wellbeing;
3. Development and enhancement of the area;
4. Climate change and the circular economy;
5. Value of the people and group identity

By virtue of these goals, and to amplify their beneficial effects, we feel it is also necessary to take action with respect to our supply chain. Our mission is to establish a fair working relationship with all of our partners to ensure that together, we are promoting respect for the

environment, the community, and the consumers. The principles Andriani applies to pursue its mission are based on:

- **continuous innovation**, because the only limits to the good we can do are those we set ourselves;
- **collaboration**, because we know that true change is only possible if we act together and not as individuals;
- **sustainability**, because our wellbeing depends on the welfare of the planet and not vice versa.

With these principles as a benchmark, Andriani is seeking to improve its impact profile on the supply chain according to the highest international sustainability standards, through co-evolution and mutual learning as well as solid and transparent reporting.



## 1.3 Global movements and principles for a sustainable future

To ensure good results, comparison with already available and internationally recognised guidelines is useful. Here are the reference models we decided to take inspiration from and some of the related tools available online:



The global movement of the **B Corp** made up of companies whose goal is to share a more evolved business paradigm.



[www.bcorporation.net](http://www.bcorporation.net)



The **2030 Agenda** of the United Nations – the global action plan for Prosperity, People, and the Planet.

[un.org/sustainabledevelopment](http://un.org/sustainabledevelopment)



Organizzazione Internazionale del Lavoro

The **International Labour Organization** (ILO), the agency specializing in labour and social justice through defining international standards.

[www.ilo.org](http://www.ilo.org)



UNITED NATIONS HUMAN RIGHTS OFFICE OF THE HIGH COMMISSIONER

The **Office of the High Commissioner for Human Rights**, the primary United Nations entity for human rights.

[www.ohchr.org](http://www.ohchr.org)



The **B Impact Assessment** is considered to be the internationally recognised standard to measure a company's impact on society and the environment.



[bimpactassessment.net](http://bimpactassessment.net)



**Sedex**, the non-profit organisation that supplied one of the leading online platforms in the world to improve labour conditions and ethical and social standards.

[www.sedex.com](http://www.sedex.com)



The **SDG Action Manager** open source platform that allows companies to measure their business's contribution to achieving the goals of the 2030 Agenda.

[www.unglobalcompact.org/take-action/sdg-action-manager](http://www.unglobalcompact.org/take-action/sdg-action-manager)



## 1.4 Reading and application guide

Choosing the material topics, which are the topics considered relevant by both Andriani and its stakeholders, has become one of the key activities for guiding the company's strategy. Consequently, the Code of Conduct was drafted based on these same issues.

Andriani's operations and those of our suppliers must always comply with national and local regulations.

Our ambition, however, is to surpass the legal requirements. Therefore, the recipients of this Code of Conduct, **including Andriani**, are encouraged to always do their best.

In line with this principle, the Code of Conduct is divided into two levels:

- **mandatory requirements** that represent the minimum level to which all the recipients of this document must adhere;
- **suggestions**, guidelines for suppliers who chose to go beyond the minimum level.

Whenever the contents of the Code of Conduct deviate from the national legislation, the suppliers agree to communicate this in order to identify appropriate actions.

**Although all material topics apply to all suppliers, some topics bear special importance for certain categories in particular** (recognisable by the symbols in the following legend).

### Supplier Key ↓



**Food Raw Materials**



**Packaging**



**Transport**



**Services**



**Consumables**



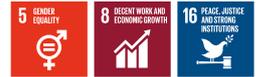
**Equipment and maintenance**



**Software**

# 2 Material Topics

## 2.1 Transparent governance



Andriani promotes its commitment through sustainably strengthening governance in the perspective of greater transparency and participation.

### Legal & customer requirements



Mandatory

- Operate in full compliance with all relevant laws, regulations, standards and requirements.
- Be available for external audits by Andriani or third parties acting on behalf of Andriani, conducted for the purpose of verifying compliance with the requirements of this document and their practical application. Commit to clear, shared procedures and practically applicable guidelines.
- Train employees regarding the legal requirements for our industry.
- Inform Andriani whenever any difficulties applying this Code are encountered.



Suggestions

- Develop monitoring procedures to verify compliance with legal obligations and any other relevant requirements.
- Create procedures and mechanisms that allow any notifications to be received from employees or the community regarding non-compliance with internal and external commitments and that allow them to act promptly.

### Security, privacy and data protection



Mandatory

- Protect the privacy of all those who interact with the company, safeguarding all confidential information.
- When necessary, update the procedures that ensure compliance with the obligations regarding privacy and confidential information.
- Only share sensitive information with legally authorised individuals instructed in how to process the data with respect for privacy.

### Report on social and environmental KPI



Mandatory

- Adopt tools for monitoring environmental impact by identifying specific KPI to define the targets within concrete plans for improvement.
- Adhere to the SEDEX platform network, regularly scheduling SMETA audits to assess ethical and social performance.



Suggestions

- Begin measurements using the B Impact Assessment or with the SDG Action Manager and share the performance achieved.

## 2.2 Anti-corruption



Andriani is committed to the fight against active and passive corruption. The Organisational Model 231/01 and the Code of Ethics are central to this approach. Andriani reviews these governance tools periodically, integrating specific protocols aimed at countering this phenomena.

### Corporate integrity: corruption and reporting policy



Mandatory

- Prohibit any type of corruption, extortion, and undue appropriation. Do not pay or accept bribes or use illegal incentives in business or government dealings to obtain undue or improper advantage. The same applies to receiving expensive gifts or financial benefits aimed at influencing corporate and business decisions or obtaining improper advantage.



Suggestions

- Implement mechanisms that allow workers to communicate openly and interact with corporate management to report problems or illegal activities in the workplace while ensuring that their identity and safety are respected (whistle-blowing).

### Fair competition between suppliers



Mandatory

- Conduct business in compliance with the principles of fair competition and relevant antitrust laws, striving to establish policies aimed at fostering fair and equitable competition among suppliers at the local level.

## 2.3 Human rights



At Andriani, we expect our suppliers to act with due diligence to avoid and effectively counter any type of human rights violation.

### Freedom of association



Mandatory

- Where not required by law, respect the workers' right to associate freely or join trade unions, to be represented and join workers' councils. Where limited by the law, encourage and facilitate workers in evaluating alternative forms of free association.
- All workers who exercise or have exercised the right to association in any form must not be subjected to threats, penalties, discrimination, disciplinary retaliation, or coercion.



Suggestions

- Encourage open communication with workers and inform them of their rights and responsibilities.

### Fair working conditions and working hours, fair vacation, leave and benefits, and decent pay



Mandatory

- Treat all workers and individuals involved in the operations with full dignity and respect.
- Ensure that workers not only have a break during the day, but have at least one day off per week. Ensure a minimum number to paid holidays during the year that do not take into consideration state holidays.
- Workers may be absent with pay due to illness or occupational injuries with the proper certification.



Mandatory

- Workers are also entitled to leave for serious family reasons, upon presentation of the proper certification, and even then must be paid as provided by national law and the employment contract.



Suggestions

- All overtime must be agreed upon in advance and records must be kept.
- Monitor and act accordingly to excessive overtime, accidents, and injuries. Identify potentially irregular and unusual employment practices.
- Ensure that employees have the appropriate skills for their job and that the workforce is properly sized to perform the daily operations.

## Child labour and youth workers, inhumane treatment and slavery prohibition



Mandatory

- Operate in full compliance with all applicable laws and regulations regarding the prohibition of child labour and the protection of young workers. Workers over the legal age required to work in their own country or the age established for the completion of compulsory education (whichever is greater) must not engage in activities that may impede education or be harmful due to performing prolonged heavy physical labour.
- Periodically verify the age of workers and, upon request, clearly communicate regulations and policies regarding child labour.
- Examine all workers' official identification documents (e.g., ID cards, birth certificates, or passports) in order to verify their age.



Suggestions

- Cooperate with internationally recognised organisations for the protection of the rights of youth workers and the prevention of child labour or any other form of abuse.
- Follow the ILO and OHCR guidelines regarding the minimum requirements to respect the human rights that must be recognised.

## 2.4 Safety and wellbeing in the workplace



Italian law regarding safety (Italian Legislative Decree 81/2008) requires companies to perform a risk analysis for the workers' health and safety. A healthy work environment, however, must also be able to ensure the satisfaction and the physical and psychological wellbeing of those who use it.

### Health and safety in the workplace



Mandatory

- Ensure a safe and healthy workplace from the physical, psychological, and social points of view, protection the workers from physically risky tasks in all workplaces (with documentation, signs, etc.).
- Promptly identify emergency situations and adopt effective countermeasures.
- Develop training programmes for all workers related to health, safety, and emergency situations.

### Personal satisfaction



Mandatory

- Check the workers' level of satisfaction, identifying strategies aimed at improving the overall conditions.



Suggestions

- Introduce advanced corporate welfare measures (company bikes, dedicated break areas, etc.).

## 2.5 Quality, safety, and traceability



Safeguarding the consumer's wellbeing means paying the utmost attention to product safety and traceability as being diligent to ensure responsible labeling.

### National quality standards



Mandatory

- Ensure full compliance with all applicable national laws and industry best practices related to quality aspects that apply to our operations.

### Product labelling and traceability



Mandatory

- Comply with Andriani's quality requirements and be able to share documentation supporting the audits aimed at compliance with those requirements.
- Have formal processes and mechanisms to minimise the risks of product contamination during processing and storage.
- Have formal processes and mechanisms in place to ensure that the company's internal environments aimed at processing products meet sanitary and hygiene standards.
- Be willing to welcome Andriani for possible internal audits aimed at checking the quality of the products and processes.
- Monitor and report the use of raw materials that are scarce in nature or have high environmental and social impacts. References:
  - [CITES Database](#)
  - [OECD directives](#)
  - [List of critical raw materials](#)



Suggestions

- Help partners improve their environmental and social profile through the creation of improvement plans based on specific targets and the sharing of resources and knowledge.
- Before collaborating with other companies, evaluate their environmental and social profile through proper requests and considerations.

## 2.6 Energy, emissions, and mitigation of climate risks



Climate change and its effects represent a serious threat to everyone, particularly for operators in the food industry. Andriani intends to actively promote policies aimed at mitigating those risks.

### Energy efficiency



Mandatory

- Progressively reduce the use of energy from non-renewable sources, with interim goals and constant monitoring of results, giving preference to purchasing certified renewable energy (from low impact sources) or self-production.
- Measure and monitor energy consumption and share the related data with Andriani when requested.

### Emissions and waste



Mandatory

- Reduce the carbon footprint, possibly adhering to internationally recognised standards (such as the *Science-Based Target Initiative*).



Mandatory

- Put systems in place to map, monitor, and manage scope 1 and 2 emissions transparently and that meet international standards.
- Adopt waste disposal processes that do not damage the environment, minimising pollution of the water, air, and soil in all phases of the cycle (handling, moving, storage, disposal, recycling, reuse).



Suggestions

- Prepare a carbon neutrality plan, paying particular attention to the areas most relevant to the company in this field.
- Compensation for emissions must only be part of the carbon neutrality strategy as a last resource for emissions that cannot be minimised. In order to do so, use internationally recognised projects and standards that provide certified carbon credits (The Gold Standard).
- Monitor indirect emissions (scope 3), sharing the information collected.
- Draft and update a waste management policy with emphasis on prevention, reduction at the source, recycle and recovery of material, and disposal as the last resort.
- Introduce good waste reduction practices among workers in all phases of the operation.

## Safety of the processes



Mandatory

- Have plans in place to prevent/reduce harmful chemical emissions during production-related work.
- Put auditing mechanisms in place (internal or external) to verify process security. In the event of a risk to local communities or the environment, contact the local authorities and the local community to respond effectively to emergencies.

## 2.7 Sustainable mobility



Mandatory

- Where possible, opt for transport vehicles with the least possible emissions for all company activities.



Suggestions

- Adopt guidelines for a policy on corporate mobility with reduced emissions.
- Gradually introduce vehicles without fossil fuel-based motors (electrical and/or plug-in vehicles).

## 2.8 Circular economy



Promoting the circular economy involves actions aimed at a rational use of the various natural resources with particular attention to the entire life cycle of products and services as well as all opportunities related to their reuse, recycling, and recovery.

### Efficient management of natural resources



Mandatory

- Limit the use of non-renewable resources such as oil, coal, rare earths, and dwindling natural resources (clean water, wood) as much as possible.
- Operate responsibly and efficiently to minimise the negative effects on the environment, also avoiding the use of hazardous materials.



Suggestions

- Design products and services according to circular economy principles, expanding the approach to components or packaging choices as well.
- If required, explore alternative materials or processes, considering their entire life cycle, from raw material to the end-of-life.

## Water treatment



Mandatory

- Ensure the proper management, measurement, control, and treatment of all types of wastewater, with emphasis on the use phases linked to the emission of water that could have negative effects on human health or the environment.



Suggestions

- Invest in technology aimed at decreasing the use of clean water and at recycling wastewater.

## 2.9 Biodiversity



The loss of biodiversity (the set of animals, plants, and microorganisms that inhabit a system) is a direct result of unsustainable land use, habitat degradation, and climate change. All activities that depend highly on natural resources, especially those in the food and agricultural industry, are more exposed to risks linked to this phenomenon.



Suggestions

- Commit to contributing to the preservation of natural ecosystems through targeted initiatives (e.g., working with NGOs and institutions on specific projects such as planting, reforestation, actions with active community participation, etc.).
- Commit, where possible to implementing ecological infrastructures and ecosystem services (implementation and care for the company green areas, flower gardens for pollinating insects, etc.).
- Learn about the impact of activities, products, and services on biodiversity and consider appropriate actions for mitigation over time.

## 2.10 D&I and development of human resources



For Andriani, respect for the diversity of its contract workers is fundamental for a positive and inclusive corporate climate that is watchful for any type of discrimination. Constantly leveraging individual skills and potential is another important success factor.

### Diversity and Inclusion (D&I)



Mandatory

- Consider collaboration proposals from Andriani on D&I topics considered to be of interest for our company.



Suggestions

- Create training programmes aimed at sharing diversity, inclusion, and non-discrimination topics.
- Measure the degree of diversity within the company, monitoring it over time and setting goals in the event of critical issues.
- Support diversity and inclusion policies and practices aimed at raising the responsibility of all people belonging to disadvantaged groups or those at risks of being marginalised, also reinforcing their presence among the workers.
- Promote internal programmes aimed at encouraging inclusion in the workplace of groups belonging to disadvantaged categories.

### Equal opportunity and non-discrimination, policy against violence and harassment



Mandatory

- Guarantee, in any workplace, the total absence of discrimination based on race, colour, age, gender, caste, sexual orientation, ethnicity, national origin, disability, religion, political affiliation, union membership, pregnancy, or marital status.



Mandatory

- Prevent and combat harassment or acts of violence in the workplace.
- Also ensure equal opportunity and the absence of discrimination in all stages of the selection process and regarding other work conditions such as wages and salaries, professional development, promotions, firing, and problem reporting. Decisions regarding the employee's professional status must be based on merit, ability, and performance.



Suggestions

- Train supervisors to monitor and apply diversity, equal opportunity, and non-discrimination policies.

## Training



Mandatory

- Recognise the importance of training as an essential tool for socially responsible conduct aimed at achieving the goals in this Code of Conduct.
- Training programmes must generate new knowledge and skills among the staff in order to adequately address Code of Conduct issues.



Suggestions

- Identify an individual responsible for creating and implementing training programmes aimed at increasing the desired performance.
- Periodically review the effectiveness of the training programmes that were implemented.

## 2.11 Open Innovation & shared value



Open innovation means taking a different corporate stance towards stakeholders such as institutions, universities, and research institutions, and start-ups. Open dialogue and collaboration with these stakeholders are an opportunity to innovate products, services, and technologies to reach new markets or lower environmental impact in unexpected ways.

## Continuous improvement, technology, scientific research



Mandatory

- Continuously improve the activities through plans based on clear objectives.
- Take in consideration Andriani's collaboration proposals with academic and scientific bodies in relation to topics of interest to our company or those deemed useful for the effective application of the Code of Conduct.



Suggestions

- Support scientific research, training, and international cooperation projects that are pertinent to our business.
- Promote the development of technological capabilities in our ecosystem, with the goal being to meet or exceed the technological developments in our industry.
- Include continuous improvement goals inside the managers' performance goals.
- Include a regular external comparative analysis process with the competition based on continuous improvement criteria, goals, and methodologies.

## Interdependency Note

Andriani has embraced the concept of interdependence, which indicates the enduring link between safeguarding the planet and protecting the economy. There can be no lasting balance if the development of one of these three dimensions takes place to the detriment of the others. The threat of climate change, the need to rethink our economy from a circular perspective and the increasing scarcity of resources essential to our survival all stem from a development model that has ignored this balance for far too long. For this reason, Andriani has undertaken this path that leads towards a responsible economy based on regenerating resources and not merely their use for profit.

**SCoC accepted**

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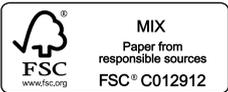
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Company:

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Signature:

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