

Sustainable Procurement Policy

April 2020

In Coster we aim to embed sustainability in the economic, environmental and social aspects as our business mindset because we believe that business success and sustainability are mutually beneficial.

We in Coster incorporate the Sustainable Procurement definition as given by the UN Global Compact and strive to assume responsibility for our supply chain in the whole process of:

identifying all risks associated to sustainability starting from the legal requirements, understanding stakeholders expectations, decision taking, monitoring and improving relevant suppliers' performances, building strong relationships that create long-term value

This policy lays the ground, interconnects and guides the implementation of the following master documents and certifications in place at Coster, which turn our sustainable procurement approach into reality:

- ISO20400 and ISO26000
- ISO9001-22716-15378, ISO14001, ISO50001, ISO45001
- Supplier Code of Conduct
- Coster Ethical Code
- Company Governance Model 231 (ex Italian Decree 231/01)
- Sustainable procurement roadmap
- Group Sustainability Report

Also, this policy applies to all purchases made by Coster Group for the provision of production and non production items and services. It is addressed to suppliers and third-party manufacturers who are also responsible for their own supply chain.

Coster therefore commits to:

- Be ethical, fair and transparent in all business operations dealing with the supply chain
- Engage suppliers as stakeholders, understand their needs and expectations, collect the criticals-to-suppliers, map context-risks-factors impacting on products and business
- Develop business with suppliers who adhere to Coster's values and collaborate to the achievement of programs, initiatives and goals. Engage suppliers to develop a proactive approach to sustainability issues and deliver sustainable solutions, possibly aligned with Coster's most material issues
- Establish strategic partnerships to build collective future, develop joint competencies and share common objectives in a roadmap to mutual benefits
- Implement the necessary means to put values into practice, like contracts, purchasing agreements and development documents with sustainable clauses
- Implement suppliers' qualification process, CSR audit and assessment systems based on objective and transparent criteria which also embed sustainability
- Disseminate and watch over the adoption of all the fair labour, ethical and social practices in the supply chain, push to zero safety incidents achievements

- Work in teams with all internal functions to reduce consumptions, manage stock, optimize planning and limit wastes; evaluate whole-life-costs prior to purchase where appropriate
- Promote the highest environmental respectfulness: look to minimize natural resources consumptions, responsibly sourcing electric energy also aspiring to source renewable energy wherever it is offered and available, endorse practices that enable significant GHG emission reductions
- Responsibly sourcing materials with reduced impacts on environment and certified origin, with a focus on cardboard, office paper and stationery; promote reuse model for pallets
- Contribute to circular economy working with suppliers to identify opportunities of post-consumer-recycled plastics responding to our business requirements. Foster design for recycling, reuse-reduce-replace models. Work with partners towards the reduction of chemicals, hazardous or disruptive to recycling materials. Push to the adoption of the most virtuous disposal practices for wastes
- Stimulate suppliers to researching and innovating products and processes. Collaborate with institutions and associations to develop sustainable innovations
- Work with suppliers to arrange transport systems reducing environmental footprint, redesigning stocks, routes, logistic partners and networks, haulage solutions
- Use our scale to bring positive economic and social impact. Utilize local and regional suppliers whenever possible, leverage our global footprint remaining locally connected with the territory where we operate. Enable small sized enterprises to be part of our supply chain
- Raise awareness for local and small business partners by sharing best practices on sustainable issues
- Support social inclusion and solidarity sourcing where adequate solutions should arise
- Address initiatives to local communities, contribute to education and work with schools with academy and training programs

The KPIs, targets and modality to put this policy into effect are defined in the referred master documents and communicated through the supply chain.

The responsibility for the application of this policy lies with the Group Procurement Director, within the Executive Committee, who relies on an organizational structure and on a team of sustainable champions. This policy and Coster's responsive performance will be monitored and reviewed on a regular basis and/or whenever the need arises.



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