



Flamma Sustainable Procurement Policy POL-017.00

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Supersedes	None	Next Review Date	1/10/2027	Issue n°	1
Contact Officer	Anne-Lise Kopp, ESG Corporate Director				

1. Introduction

1.1. Purpose

At Flamma, our purpose is clear: "We embrace challenges to benefit people's lives, pursuing science with a human touch." This commitment extends to our partnerships across the supply chain. As Business to Business (B2B) companies, we recognize our collective responsibility to support our final customers and governments in achieving the Sustainable Development Goals (SDGs). Our approach is collaborative, focusing on shared values and mutual growth rather than imposing mandates.

1.2. Material and Legal Scope

Flamma group (Flamma) adhere to relevant laws and regulations, including key EU directives and other ESG guidelines applicable to our operations.

Our policy aligns with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

1.3. Applicability

This policy applies to all entities within Flamma, including all our subsidiaries. It covers all full-time and part-time employees, interns, contractors, and subcontractors across all locations.

1.4. Roles & Responsibilities

- Sustainability is everyone's responsibility at Flamma. Every employee is encouraged to identify and suggest improvements.
- Employees: Responsible for understanding and following this policy.
- Management: Tasked with promoting and ensuring adherence to sustainable procurement practices.
- ESG Director: Oversees the implementation and monitoring of this policy in collaboration with the Quality Corporate Director, HSE Corporate Director, Supply Chain Corporate Director, and procurement managers.

2. Material Topics

Partnering with our suppliers is crucial for achieving our sustainability goals. By fostering strong, collaborative relationships, we can ensure responsible sourcing practices that align with our commitment to environmental stewardship, social responsibility, and ethical business conduct. Our suppliers play a vital role in helping us minimize our environmental footprint, enhance resource efficiency, and maintain high standards of labor and human rights. Working together, we can drive innovation, improve transparency, and ensure that our entire supply chain operates in a sustainable and ethical manner. This collaborative approach not only supports our business objectives but also contributes to the broader global efforts to achieve the Sustainable Development Goals (SDGs).

2.1. Objectives

- **Promote Responsible Sourcing:** We strive to partner with our suppliers and pursue ethical, social, and environmental standards.
- **Reduce Environmental Impact:** We collaborate with suppliers to minimize the carbon footprint and encourage sustainable practices driving towards net-zero emissions.

- **Foster Transparency and Accountability:** We maintain open communication and accountability with suppliers, ensuring compliance with our sustainability criteria.

2.2. Implementation

- Develop a Sustainable Procurement Management System by 2026, to monitor and evaluate supplier practices.
- Code of Partnership Conduct: Introduce and enforce a code that includes standards for ethics, labor rights, human rights, and environmental practices by 2024.
- Supplier Evaluation:
 - Qualification: Insert Sustainability KPIs in the qualification process by 2024.
 - Request SAQ: To all suppliers representing 80% of our purchase to make evaluations versus sustainability standards by 2025.
 - Start Physical Audits: To the most strategic suppliers in 2025.
- Collaborative Initiatives & Training and Awareness: Following audits on sites, partner with suppliers to innovate and implement sustainable practices across the supply chain (2026 onwards).

2.3. Key Performance Indicators

Metric (KPI)	Description	Owner	Purpose
Lost Time Incidents (LTI) by Suppliers	Tracks the number of lost time incidents among suppliers.	HSE Department	Ensure workplace safety among suppliers.
Supplier Incidents on HR + Labor Rights	Tracks the number of incidents reported related to human rights and labor violations by suppliers.	HR Department	Ensure suppliers comply with human rights and labor standards.
Percentage of Women in Leadership (Suppliers)	Measures the representation of women in leadership roles within suppliers.	HR Department	Promote gender diversity and inclusivity in leadership roles within the supply chain.
Waste Reduction and Recycling by Suppliers	Monitors the percentage of waste reduced and recycled by suppliers.	ESG Department	Improve waste management practices in the supply chain.
Carbon Footprint Reduction (Scope 1&2)	Measures the total greenhouse gas (GHG) emissions from suppliers, in CO2 equivalent.	ESG Department	Track and reduce the carbon footprint across the supply chain.
Water Usage	Monitors total water consumption across operations.	HSE Department	Ensure sustainable water use practices and reduce consumption.
Administrative Fines for Suppliers	Tracks the number of administrative fines received by suppliers.	HSE Department	Improve compliance with environmental and safety regulations.
Sustainability KPIs in Supplier Qualification	Measures the percentage of suppliers and total purchases with sustainability KPIs integrated in the supplier qualification process.	Procurement Department	Ensure sustainability criteria are a part of supplier evaluation and selection.
Supplier Sustainability Assessments (SAQ)	Tracks the percentage of suppliers who have completed the SAQ (Sustainability Assessment Questionnaire).	Procurement Department	Evaluate suppliers against sustainability standards and identify areas for improvement.
Number of Supplier Audits	Tracks the number of physical audits conducted on strategic suppliers annually, including the share of total purchase.	Procurement Department	Verify compliance with sustainability standards through on-site inspections.

3. Policy, Review, Sanctions and Approval

3.1. Policy Review

This policy will be reviewed every 3 years to ensure it remains relevant and effective. The contact officer will conduct the review and implement necessary adjustments to ensure continuous improvement in our sustainable procurement practices.

3.2. Sanctions

Non-compliance with this policy may result in Contractual action in accordance with Flamma Partnership Code of Conduct

3.3. Supporting Documents

- Flamma Purpose and Values
- Flamma Code of Ethics
- Flamma Sustainability Policy
- Flamma Partnership Code of Conduct
- Flamma SOP supplier qualification

3.4. Policy Approval

This policy has been approved by the management of Flamma.

Name	Date	Position	Signature
GianPaolo Negrisoli	22/10/2024	CEO	
GianMarco Negrisoli	22/10/2024	Executive Director, Corporate Development	
Anne-Lise Kopp	22/10/2024	Corporate ESG Director	
Francesco Caporello	22/10/2024	Corporate Supply Chain Director	
Alessia Galbiati	22/10/2024	Executive Corporate HSE Director	