

# AREZZO REFINERY CODE OF CONDUCT JOINT WITH CLIENTS AND SUPPLIERS

<b>VERSION</b>	RJC CoP 2019 Ethics / Guidelines for Clients and Suppliers
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<b>DEPARTMENT OWNERSHIP</b>	CSR – Andrea Malfanti
<b>RELATED DOCUMENTS</b>	RJC approved by Arezzo Refinery Board of Directors see :  OECD (2013), OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Second Edition, OECD Publishing. <a href="http://dx.doi.org/10.1787/9789264185050-en">http://dx.doi.org/10.1787/9789264185050-en</a>

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## **00 INTRODUCTION**

### **PURPOSE**

Arezzo Refinery Co.,Ltd. is committed to ethical business practices . This means that we conduct business lawfully, appropriately and with honesty and integrity by adhering to applicable laws and regulations, exercising sound judgment, and taking actions to minimize our environmental impact on the planet. The Arezzo Refinery Co.,Ltd. Code of Conduct sets out our ethical commitment, standards of behaviour and conduct to which we expect the entire staff and the different functions to adhere to.<sup>1</sup>

Arezzo Refinery commits itself to the practices set forth as it expects that our business partners including suppliers and Client/Suppliers share this commitment, working and ensuring high social, environmental, and business ethics standards. We see this commitment as fundamental to long-term, successful business partnerships and business success.

Responsible, Transparent and Traceable. These are the foundational elements of our Policy, in marketing, trading , processing , sourcing and services rendered to Client/Suppliers and expected from suppliers . The present document to express our beliefs and as guidance to the SOPs ( Standard Operative Practices ) .

**GENERAL NOTE : *THE DOCUMENT WILL MENTION CLIENTS/SUPPLIERS AND AREZZO AS JOINT TO AREZZO IN ONE COMMON PARTNERSHIP ALTHOUGH IN THE EXECUTION OF THEIR DIFFERENT RESPECTIVE ROLES AND FUNCTIONS BUT MADE ONE IN THE COMMON ENDEAVOUR FOR THE IMPLEMENTATION OF ETHICAL BUSINESS PRACTICES***

**Table 1: Responsible Objectives**

	<b>Responsible*</b>	<b>Transparent**</b>	<b>Traceable**</b>
<b>Commitment</b>	We will continuously improve the social and environmental footprint of our supply chain in line with commonly accepted standards and ensure that all materials are conflict-free.	We will continuously improve disclosure on our supply chain by enhancing the procedures and make them within the common ground of values and ethics	We will continuously improve our understanding of our supply chain and the traceability of our product raw materials such as metals, minerals, and other materials.
<b>Our</b>	<ul style="list-style-type: none"><li>Buy product raw materials and components with decreasing social and environmental impact;</li></ul>	Increase transparency on the raw materials we use in our products, disclose how our supply chain performs	Increase traceability of our product raw materials by mapping our supply chains and undertaking due diligence.

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<ul style="list-style-type: none"> <li>• Work with suppliers and Client/Suppliers that uphold responsible manufacturing and workplace practices;</li> <li>• Contribute to improving Suppliers and Clients performance and the supply chains we form part of</li> <li>• Ensure good buying or rendering services practices such as on-going dialogue and reasonable lead times.</li> </ul>	<p>against our social and environmental standards.</p>	
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**Table 2: Overview of environmental, social and business ethics criteria**

Environmental	Social	Legal and Compliance
<ul style="list-style-type: none"> <li>• Environmental Aspects and Associated Environmental Impacts</li> <li>• Applicable Environmental Laws and Regulations</li> <li>• Environmental Policy, Communication and Training</li> <li>• Establishing Operational Controls</li> <li>• Performance Evaluation</li> <li>• Continuous improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Child labour and Young labour</li> <li>• Freely Chosen Employment</li> <li>• Freedom of Association and the Right to Collective Bargaining</li> <li>• Regular Employment</li> <li>• Living Wages</li> <li>• Working Hours</li> <li>• No Discrimination</li> <li>• No Harsh or Inhumane Treatment</li> <li>• Working Conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-Bribery and Corruption</li> <li>• Anti-Money Laundering and Terrorist Financing</li> <li>• Economic Sanctions</li> <li>• Transparent System</li> <li>• Conflicts of Interest</li> <li>• Fair Competition</li> <li>• Intellectual Property Rights</li> <li>• Confidentiality and Inside Information</li> <li>• Data Privacy</li> </ul>

Adapted and/or additional performance criteria will apply to Client/Suppliers and Arezzo pending their product and materials categories; such performance criteria, Category Specific Requirements, when relevant, will be communicated to Clients/Suppliers and Arezzo as part of any business transaction.

Arezzo and the Client/Suppliers must always comply with all applicable laws and regulations. Whenever there appears to be a conflict between the Client/Suppliers Code and local laws and regulations, the more restrictive requirements apply. Conflicts between the provisions of this Code and national laws or other applicable standards will be evaluated by Arezzo in cooperation with the supplier.

**SCOPE**

This Client/Suppliers/Supplier Code applies to all Arezzo Refinery Co.,Ltd itself as well as to suppliers and Client/Suppliers and their various associate juristic persons if any .

Suppliers specifically must ensure that the Supplier Code is also observed by sub-suppliers involved in delivery or production of raw materials, intermediate products, or services to Arezzo, ensuring nobody to be involved in illegal extraction, uncontrolled fresh mining or farming mined products or other of raw materials concerned to the mining activity without assessed verification complying with the Guidelines of the RJC and/or the LBMA Responsible Mining Practices and the Responsible Mining Initiatives (RMI).

In case of any sub-contracting, the Client/Suppliers Code shall be communicated to those parties and control processes shall be in place to ensure that the Code is applied.

Arezzo and the Clients/Suppliers must take action if they observe any failure to comply with the principles and standards in the Code and among its sub-contractors. In addition, the Client/Suppliers will notify Arezzo immediately.

## **PERFORMANCE EVALUATION**

Arezzo seeks to continuously improve together with its Client/Suppliers a solid network and help them to achieve compliance with the provisions of this Code. In the event of failure of compliance, Arezzo and the Clients/Suppliers will agree on corrective actions that must be taken within a specified timeline. If no solution can be agreed upon and implemented within a reasonable amount of time the performance shall be suspended or cancelled.

## **WHISTLEBLOWER**

Arezzo has implemented a Whistleblower Policy making it possible for all Arezzo employees and board members to report any serious or sensitive concerns, including misconduct, unethical behaviour, violations of the Code, any underlying Policies, or applicable laws, rules, or regulations.

Arezzo requires for itself and the Clients/Suppliers to raise and report serious or sensitive concerns including misconduct, unethical behaviour, violations of this Code of Conduct, or applicable laws, rules, or regulations in their operations. They should be permitted to raise concerns and reports confidentially and without the risk of retaliation; reports can be made confidentially via email to [marketing.rezzo@gmail.com](mailto:marketing.rezzo@gmail.com) or [andreataisap@gmail.com](mailto:andreataisap@gmail.com)

Furthermore, Arezzo and the Clients/Suppliers are required to provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. Suppliers are also expected to take action to prevent, detect, and correct any retaliatory actions.

## **01 LEGAL AND COMPLIANCE**

### **ANTI-BRIBERY AND CORRUPTION**

Arezzo strongly commits itself and requires that Arezzo and the Clients/Suppliers shall not engage in any form of bribery, corruption, extortion, embezzlement or fraud in any business practices and transactions carried out by them or on their behalf by business partners in dealings with government officials, public authorities, business partners or any other third party. Arezzo and the Clients/Suppliers shall not violate any applicable anti-bribery or anti-corruption laws or regulations, nor cause Arezzo to violate any applicable anti-bribery or anti-corruption laws or regulations.

The business partners shall refrain from offering, promising, giving, or authorizing money or anything of value to any employee of Arezzo or any individual, organization or other acting on behalf of Arezzo in an attempt to influence the judgment or conduct of that person for actual or perceived favourable treatment or an advantage. All these actions would constitute a bribe regardless of the monetary value.

The Client/Suppliers shall not offer or pay or provide anything of value (including travel, gifts, hospitality expenses, charitable donations, or other favours) to any official or employee of any government, government agency, political party, public international organization, or any candidate for political office, or an immediate family member of any such individual, to influence any act or decision to promote the interests of Arezzo in any respect.

Arezzo and the Clients/Suppliers shall have a policy, covering bribery, corruption, or any type of fraudulent business practice. In addition, suppliers shall have a documented risk assessment, appropriate processes and controls, and provide training to staff in job roles that carry a higher level of risk of engaging in bribery, corruption, or any type of fraudulent business practice.

Our employees are also bound by the same business ethics. If you see any indications that any of our employees may engage in wrongful practices, you, as our business partner, are required to inform us immediately under Arezzo's Whistle blower Policy reporting anonymously or not to the following addresses: [marketing.rezzo@gmail.com](mailto:marketing.rezzo@gmail.com) or [andreataisap@gmail.com](mailto:andreataisap@gmail.com).

### **ANTI-MONEY LAUNDERING AND TERRORIST FINANCING**

Arezzo Refinery Co,Ltd., and its Arezzo and the Clients/Suppliers as juristic persons as well each internal staff or at any title and functions individuals connected to Arezzo are expected to refrain from engaging in or facilitating activities which may contravene the requirements of applicable anti-money laundering and terrorist financing laws. Everyone of the above-mentioned subjects must comply with all applicable laws and regulations pertaining to the detection, prevention, and reporting of potential money laundering and terrorist financing activities. Arezzo and the Clients/Suppliers and aforementioned shall not cause Arezzo to facilitate or violate any applicable anti-money laundering or anti- terrorist financing laws or regulations.

Arezzo and the Clients/Suppliers must maintain financial accounts of all business transactions where required by applicable law and in accordance with Thai national or international accounting standards.

## **ECONOMIC SANCTIONS**

Arezzo and the Clients/Suppliers must comply with applicable economic sanctions laws and regulations as by time to time ; and refrain from engaging in any transaction with any sanctioned party or country or using another party to carry out activities that could not be lawfully performed directly due to trade sanctions prohibitions.

## **TRANSPARENT SYSTEM**

Arezzo and the Clients/Suppliers shall have access to a transparent system in place for confidentially reporting and dealing with unethical business ethics without fear of reprisals towards the reporter ensuring anonymity, safety and a tight non-disclosure policy.

## **CONFLICTS OF INTEREST**

Arezzo and the Clients/Suppliers are expected to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest. Suppliers are expected to provide notification to all affected parties in the event that an actual or potential conflict of interest arises. This includes a conflict between the interests of Arezzo Refinery Co.,Ltd. and personal interests or those of close relatives, friends, or associates.

## **FAIR COMPETITION**

Suppliers must not fix prices or rig bids with their competitors. They must not exchange current, recent, or future pricing information with competitors. Suppliers must refrain from participating in a cartel, and they may not abuse a dominant position.

Client/Suppliers must avoid to launch bidding without limits of inferior pricing especially infringing the average industrial costs and doing so compelling the violation of the minimal wages or the avoidance of safety rules or anything having the consequences of worsening the life of the workforce and the environmental conditions.

## **INTELLECTUAL PROPERTY RIGHTS**

Suppliers must comply with all the applicable laws governing intellectual property rights assertions, including protection against disclosure, designs, patents, copyrights, and trademarks.

Client/Suppliers must not infringe, misappropriate, or misuse intellectual property of Arezzo.

## **CONFIDENTIAL AND INSIDE INFORMATION**

Arezzo and the Clients/Suppliers are required to take all necessary measures to ensure the confidentiality of professional secrets and other non-public information they receive in the course of their business relationship with Arezzo whether received in written, oral or electronic form. It includes a wide variety of information such as strategic initiatives, targets, pricing, employee information, list of Clients/Suppliers served and so on and so forth.

Arezzo and the Clients/Suppliers must never disclose, share, or pass on any Inside Information pertaining to Arezzo not even facts or happenings or prices or anything involving their business/work relationship with Arezzo.

## **DATA PRIVACY**

All Arezzo and the Clients/Suppliers who handle data pertaining to Arezzo are bound to safeguard all data in accordance with applicable laws and regulations. The Client/Suppliers must only use personal data for legitimate business purposes, and it must be protected, used, stored, and shared in accordance with the manner informed and agreed upon collection and in accordance with applicable data protection laws.

## **02 HUMAN RIGHTS AND LABOUR RIGHTS**

### **CHILD LABOUR AND YOUNG LABOUR**

Arezzo and the Clients/Suppliers shall not engage in or benefit from the use of child labour.

The minimum age for fulltime employment shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years (or 14 years where established by local laws in accordance with the ILO developing-country exception).

If any children are found to be in employment below the minimum age, suppliers will provide adequate support to enable them to attend and remain in school until no longer a child. Child labour remediation processes will include steps for the continued welfare of the child and consider the financial situation of the child's family.

Arezzo and the Clients/Suppliers shall refrain from hiring employees under the age of 18 for positions that require hazardous work that could jeopardise their health, safety, or morals.

Arezzo and the Clients/Suppliers shall establish a policy prohibiting the use of child labour and preventing young employees from doing hazardous work either as a stand-alone policy or incorporate it into an existing policy and communicate the child labour policy to all managers and staff as well as any business partners that employ employees on supplier's site.

### **FREELY CHOSEN EMPLOYMENT**

There is no forced, bonded, or involuntary prison labour. Arezzo and the Arezzo and the Clients/Suppliers shall ensure that all employees are working in voluntary situations.

Arezzo and the Clients/Suppliers shall not retain original copies of an employee's personal documentation, such as identity papers and shall not use deceptive recruitment practices and/or require employees to pay any deposits, equipment advances or recruitment fees (either wholly or partially) as part of the recruitment process. If any such fees are found to have been paid by employees, they shall be reimbursed.

Arezzo and the Client/Suppliers shall not prevent employees from terminating their employment after reasonable notice or as established by applicable law.

### **FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING**

Arezzo and the Clients/Suppliers shall respect the right of employees to associate freely in employees' organisations of their choice, without interference or negative consequences.

Arezzo and the Clients/Suppliers shall respect the rights of employees to collective bargaining, and shall adhere to collective bargaining agreements, where these exist. Arezzo and the Clients/Suppliers shall, subject to applicable law, participate in any collective bargaining processes in good faith.

Employees representatives are not discriminated against and have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted under national law, the employer encourages and does not hinder the development of parallel means for independent and free association and bargaining.

### **REGULAR EMPLOYMENT**

To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or homeworking arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

Arezzo and the Client/Suppliers will maintain appropriate employee records, including records of piece rate and wage payments as well as working hours, for all staff employed, whether on a full time, part time or seasonal basis .

## **LIVING WAGES**

Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

All employees shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

## **WORKING HOURS**

Arezzo and the Client/Suppliers shall comply with applicable national laws on working hours and public holidays.

Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week and the total hours worked in any seven-day period shall not exceed 60 hours.

Working hours may exceed 60 hours in any seven-day period only in exceptional circumstances and when all of the following conditions are met: where allowed by national law, collective agreement freely negotiated with a employees' organisation representing a significant portion of the workforce, and when appropriate safeguards are taken to protect the employees' health and safety.

All overtime shall be voluntary and shall always be compensated according to local regulations at a premium rate of the regular pay in line with relevant ILO Conventions.

Employees shall be provided with at least one day off in every seven-day period or, where allowed by national law, two days off in every 14-day period.

## **NO DISCRIMINATION**

Arezzo and the Client/Suppliers will not practice or condone any form of discrimination in the workplace in terms of hiring, remuneration, overtime, access to training, promotion, termination, or retirement based on race, ethnicity, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, marital status, pregnancy status, or age, or any other characteristic protected by applicable law.

## **NO HARSH OR INHUMANE TREATMENT**

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

## **03 WORKING CONDITIONS**

### **SAFE AND HYGIENIC WORKING ENVIRONMENT**

Arezzo and the Clients/Suppliers shall provide safe and healthy working conditions for all employees in accordance with applicable law and other relevant industry standards, including, but not limited to, protection against fire, accidents, and toxic substances.

The supplier shall be expected to progressively identify and eliminate or control hazards that present a risk to employees and other persons present on its sites and to the environment.

Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

### **TRAINING AND CONSULTATION**

Arezzo and the Clients/Suppliers shall provide employees with the necessary health and safety training and/or education and will secure those adequate systems to detect and avoid potential threats and to help continuously improving health and safety are put in place, and such training shall be repeated for new or reassigned employees.

Arezzo and the Client/Suppliers shall develop and maintain effective systems for informing and consulting employees on relevant health and safety matters. Through these systems the supplier shall keep accurate records of accidents, injuries and known exposure to health and safety risks at work according to local legislation.

## **CLEAN AND SANITARY INFRASTRUCTURE**

Arezzo and the Clients/Suppliers shall provide a suitable, clean and sanitary infrastructure, including access to toilets and potable water, which meets the needs of its employees and is adequate for its employee numbers.

## **HEALTH AND SAFETY REPRESENTATIVE**

Arezzo and the Clients/Suppliers shall assign responsibility for health and safety to a senior management representative.

## **04 ENVIRONMENT**

### **ENVIRONMENTAL ASPECTS AND ASSOCIATED ENVIRONMENTAL IMPACTS**

Arezzo and the Clients/Suppliers shall regularly review all business processes and activities to understand how the company interacts with the environment and to identify any actual and potential environmental impacts, which may involve pollution of air, water or soils, use of materials and energy, wastes and emissions, noise and visual effects.

Arezzo and the Clients/Suppliers shall identify and mitigate significant wastes and emissions to air, water and land generated in their business processes and activities. Significant wastes and emissions are those that are hazardous and require special handling and disposal, have the potential to harm the environment or individuals, or require a license or permit.

### **APPLICABLE ENVIRONMENTAL LAWS AND REGULATIONS**

Arezzo and the Clients/Suppliers as a minimum, must meet the requirements of local and national laws relevant to the environmental impacts of its activities, products and services, and ensure legal compliance through training, awareness, operational control and monitoring.

Where it is a legal requirement, Arezzo and the Clients/Suppliers must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste, air emissions, etc.

## **ENVIRONMENTAL POLICY, COMMUNICATION AND TRAINING**

Arezzo and the Clients/Suppliers shall have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own managerial system and the counterparts and the associates .

In the planning process, the Client/Suppliers establishes environmental objectives to fulfil the commitments established in its environmental policy and achieve other organizational goals.

Arezzo and the Clients/Suppliers shall provide training and information about environmental risks and controls to all relevant employees. These shall be given in a format and language that employees can easily understand.

## **ESTABLISHING OPERATIONAL CONTROLS**

Arezzo and the Clients/Suppliers shall ensure that its operations and associated processes are conducted in a controlled way in order to fulfil the commitments of its environmental policy, achieve its environmental objectives and manage its significant environmental aspects and compliance actual laws obligation.

Operational controls can take various forms, such as procedures, work instructions, physical controls, use of competent personnel, or any combination of these.

Once operational controls have been established, the suppliers shall monitor the continuing application and effectiveness of these controls, as well as plan and take any action needed.

## **PERFORMANCE EVALUATION**

As part of an effort towards continuous improvement and Client/Suppliers shall assess all activities to control environmental impacts regularly and ensure they remain effective, and adapt control measures accordingly.

## **CONTINUOUS IMPROVEMENTS**

Arezzo and the Clients/Suppliers shall make continuous improvements in their environmental performance.

By signing this document the Client/Suppliers confirm that they have read, understood and will respect and act to fulfill this Supplier Code of Conduct joint with Arezzo Refinery Co., Ltd .



Arezzo Refinery Co.,Ltd.

Client/Supplier

Silvio Bidini CEO

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