

PROCUREMENT POLICY

Favini is aware of the crucial role that resource procurement and supply chain management play for the success of its strategies, and it has therefore decided to publish this policy, which applies in an integrated manner across the entire Group and is a fundamental basis for procurement decisions.

In line with its Code of Ethics and in order to ensure that purchasing transactions reflect the high standards of business ethics and sustainability that the Group respects, Favini is committed to:

- Comply with all laws and regulations in each jurisdiction in which it operates and at every level of activity.
- Base the selection and determination of purchase contracts on an objective assessment of quality, price and ability to promptly and continuously guarantee goods and services at a level suited to meeting the Company's needs.
- Foster long-term relationships based on transparency and trust with its partners.
- Base the selection of suppliers on their compliance with occupational safety regulations and their social and environmental responsibility criteria.
- Prefer, where possible, the procurement of products with a high degree of recycled content which are biodegradable and have low energy consumption.
- Avoid products containing substances classified by the competent bodies as harmful to the environment and to people.
- Prefer the purchase of products that have internationally recognised labelling and certification systems.
- Continue to use 100% FSC™ (Forest Stewardship Council, certificate number: FSC-C001810), COC (Chain of Custody) or CW (Controlled Wood) certified cellulose in its papers.
- Verify supplier CSR performance by means of questionnaires and monitoring programmes based on significance and risk profile.

Favini expects all of its suppliers to comply with the Group Code of Ethics and the Supplier Code of Conduct, which they sign, thus undertaking to ensure that their Company fully abides by the principles they contain, as well as to promote the same throughout their own supply chain.

To ensure that it remains effective, this policy is subject to periodic review and approval by the top management. It is communicated to all personnel, business partners and other interested parties via publication on the company website (www.favini.com).