



COESIA GROUP

Supplier
Code of Ethics



CERULEAN



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Introduction

The COESIA Group believes that corporate responsibility plays a central role in promoting culture and as a model of interaction with the community.

COESIA seeks to establish itself as a group of responsible companies that contribute to the pursuit of local and global sustainable development¹, creating both economic and social value for the community and preserving the environment.

As part of the COESIA Group, CERULEAN is driven by the principles of integrity, fair competition and respect for the laws and regulations of the countries in which we operate.

The introduction of a Supplier Code of Ethics is an opportunity to strengthen the relationship among the companies within the COESIA Group and a relevant share of their stakeholders², defining both the guidelines that govern the relationship between COESIA and its suppliers and the standards for which COESIA requires respect world-wide (observance of legal and contractual obligations; quality assurance, health and safety in the workplace; environmental responsibility; and avoidance of conflicts of interest).

Together, the Group's companies develop their social and environmental responsibility where they operate and contribute to improving the prosperity and quality of life of their local communities. Through the partnership with suppliers, marked by mutual relationships and exchanges inspired by a strong commitment to local communities, the combined actions of the companies within the COESIA Group and their suppliers will contribute to a greater social cohesion.

1. "Sustainable development" means economic development that promotes the improvement of people socio-economic conditions world-wide, without compromising the earth's environmental stability or the ability of the environment to provide us with the resources necessary to sustain human life (clean water and air, ecosystems, etc.). In order to promote sustainable development, companies are therefore called upon to carry out their activities taking into account the social and environmental impact of their decisions.

2. The term "stakeholder" refers to all those who, directly or indirectly, have an influence upon a company's activities and are, in turn, influenced by its activities. The main stakeholders of a company are its employees, clients, suppliers, the community and the environment.

The COESIA Group

COESIA is a group of innovation-based solutions companies operating globally, headquartered in Bologna, Italy, and fully owned by Isabella Seràgnoli.

Coesia's customers are leading players in a broad range of industries, including Consumer Goods, Tobacco, Healthcare, Aerospace, Racing & Automotive and Electronics.

The companies of the COESIA Group are:

ACMA: packaging machinery for confectionery, beverage and liquids.

Atlantic ZEISER: Digital printing solutions for consumer goods.

CERULEAN: QA equipment for the tobacco and vaping industry.

CIMA: gear transmissions and power trains for high-performance applications.

CITUS KALIX: lipstick, tube, cream fillers and cartoning machines for cosmetics.

COMAS: primary equipment and processing solutions for tobacco.

EMMECI: automatic machinery and packaging for premium and luxury products.

FLEXLINK: high-end production logistics systems & components.

G.D.: making and packing lines for the tobacco industry.

GDM: production lines for hygiene disposables.

GF: printing technologies for the life sciences sector.

HAPA: printing systems for packaging lines.

MGS: aseptic filling machines and multilayer carton packaging material.

MOLINS: mid-speed making and packing lines for the tobacco industry.

NORDEN: tube filling systems for all speeds and applications.

R.A JONES: packaging machinery for food and consumer goods.

SASIB: making and packing lines for the tobacco industry.

SYSTEM Ceramics: processing systems for the ceramic tile industry.

TRITON: special inks for industrial printing.

VOLPAK: pouches for food, beverage, personal and home care products.

Our Mission

COESIA is a privately owned group focused on the creation of long term sustainable economic, social and environmental value for its stakeholders.

Our Values

RESPECT

- › for people
- › for rules
- › for local communities
- › for environmental resources
- › for economic resources

Respect implies rigor and integrity.

RESPONSIBILITY

- › for the consequences of one's own decisions and actions
- › to lead by example
- › to practice fair leadership
- › to be committed
- › to achieve results
- › to grow talent
- › to reward merit

Even collective responsibility starts with individual accountability.

KNOWLEDGE

- › that comes from culture
- › that comes from the territory
- › that comes from relationships
- › that comes from experience, research, training and education
- › as professional growth
- › as personal growth

Sapere Aude: dare to know.

PASSION

- › for the product
- › for innovation
- › for excellence
- › for beauty
- › for work
- › for performance

Passion allows to envision results even before achieving them.

Guidelines for relations with suppliers

The guidelines explain the methods the COESIA Group companies intend to apply in their relations with their suppliers and what they expect from them in these dealings.

By suppliers we refer to all companies, organizations and professionals from which COESIA Group Companies purchase raw materials, semi-finished goods, equipment, machinery, as well as any goods and services necessary to perform company activities.

As stated in COESIA's Code of Ethics, in relation to its suppliers COESIA will:



apply selection, evaluation and management processes based on the following criteria:

- the level of the service offered (competence, quality, punctuality, value for money);
- compliance with contractual obligations;
- absence of conflicts of interest;
- the application of current legislation and of collective labour contracts, including those in the sub-suppliers' chain;
- the promotion and adoption of strategies and actions guided by corporate social responsibility;



promote a partnership approach and contractual terms that support its supply chain by:

- encouraging joint planning and promotion of innovation;
- agreeing upon reasonable methods and timetables for payment.

SUPPLIER CODE OF ETHICS

Premise

This Code of Ethics for Suppliers sets the criteria, consistent with recognized international standards³, to which the COESIA Group suppliers must adhere in order to comply both to the COESIA Group's well-established client practices and to the commitment to social responsibility that the COESIA Group fulfils in its Code of Ethics.

This Code should be considered an integral part of all contracts and agreements into which the Group's companies enter and complements and reinforces the principles set out in national and international norms and regulations with particular reference to the ethical behavior required for the proper management of relations among business partners.

The COESIA Group therefore reserves the right to insert, in all contracts with its suppliers, a clause that compels its counterpart to share the principles set forth in this Code and, in the event those principles are violated, the right to terminate the agreement.

3. The Universal Declaration of Human Rights (1948), Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with regard to Human Rights (United Nations, 2003), International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, Social Accountability, SA8000 Standard.

The following criteria should be considered guidelines not only for the COESIA Group suppliers but also for their potential sub-contractor.

Standards for Suppliers

- ▲ Observance of the law
- ▲ Confidentiality
- ▲ Absence of conflicts of interest
- ▲ Competition
- ▲ Respect for employees
- ▲ Workers' health and safety in the workplace
- ▲ Environmental responsibility

Observance of the Law

The COESIA Group requires its suppliers to strictly comply with all national and international laws applicable in the countries where they are based and operate as well as to refrain from any form of corruption whatsoever with respect to representatives of public bodies, other companies, or private citizens.

Specifically, the COESIA Group has adopted an international anti-corruption system in accordance with applicable laws and regulations and requires its suppliers to strictly comply with national and international anti-bribery laws.

Confidentiality

Suppliers who have been awarded contracts and orders shall maintain the confidentiality of all information regarding the technical, technological, and commercial aspects of the COESIA Group's products, facilities and infrastructure acquired in the course of their work except when such information lies within the public domain.



Absence of conflicts of interest

In order to ensure that choices regarding procurement and service contracts are made exclusively on the basis of criteria such as the level of service offered and the innovative character of the proposed project or service, the COESIA Group expects its suppliers not to have any conflicts of interest.

While dealing with COESIA Group companies, suppliers shall avoid having any business relationship, even on an occasional or non-permanent basis, that may represent a potential conflict of interest in violation of the guidelines described herein or which may interfere with decisions made by employees of the Group in carrying out the Group's mission and objectives.

Suppliers which intend to participate in any purchasing process must refrain from any and all actions aimed to influence any employee of the Group who acts as a representative, administrator or manager or who exercises managerial or supervisory authority within the Group's companies – even on a de facto basis – including everyone who is reporting to such employees.

It is strictly prohibited to offer job opportunities or submit business proposals that would lead to improper personal advantages or benefits to the COESIA Group's employees.

The Group's employees and their relatives may not accept offers of money, gifts, or complimentary samples or vouchers, nor may they attempt to solicit such offers.



Competition

Parties involved in contract-procurement processes or procedures, are required to respect applicable rules and regulations regarding competition and the marketplace in the countries in which they operate and must refrain from anti-competitive practices of any kind.

Any conduct or unlawful agreements intended to distort competition are expressly prohibited, such as but not limited to:

- › entering into agreements for the purpose of price-fixing or of other conditions related to the offer;

- › concealing the existence of an unlawful agreement or cartel of any kind;
- › offering or providing benefits to other competitors to ensure that they will not participate in the formulation of offers or will withdraw existing offers or which, in any case, influence their freedom to participate in the procurement process;
- › creating cartels or syndicates;
- › market-sharing.



Respect for Employees

The COESIA Group suppliers:

- › must guarantee the respect for the fundamental dignity, human and workers rights of their employees;
- › may not, either directly or indirectly, engage or employ underage workers (that is, employ personnel younger than the minimum legal working age in the country where they operate) and may not oblige anyone to undertake forced or involuntary labor by means of threat or, for example, in exchange for money deposits or of identity cards or passports;
- › must observe both applicable legal requirements and employment conditions determined by collective bargaining agreements. Suppliers are therefore expected to ensure that their employees are engaged with legal work contracts and make a commitment to effectively monitor such conditions to ensure they are maintained over time;
- › must guarantee a salary and working hours in compliance, at the least, with legal requirements;
- › must ensure that employees are treated equally, avoiding discriminatory behavior of any kind with regard to gender, ethnic identity, nationality, religion, age, disability, sexual identity or preference, political or trade union affiliation, and opposing workplace bullying⁴ and every other form of psychological, sexual, moral or physical harassment;
- › must ensure freedom of association such that employees are free to participate in groups that represent them, including political parties, unions, and other non-profit organizations or associations.

4. Workplace bullying refers to discriminatory actions that persist over time and which are intended to injure, isolate, or penalize single individuals.



Workers' health and safety in the workplace

The COESIA Group suppliers must foster the health and safety of their employees as well as promote safety within the workplace, adopting appropriate measures to prevent injuries and accidents, in full observance of applicable law.



Environmental Responsibility

The companies within COESIA Group request that their suppliers respect the environment, in compliance with national and international law.



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