



HUMAN RIGHTS FRAMEWORK

Approved by the Board of Directors of ASTM S.p.A. on 29 November 2024



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1. HUMAN RIGHTS FRAMEWORK

1.1 Introduction

ASTM S.p.A. (hereinafter also referred to as “ASTM” or the “Company”) and its subsidiaries (hereinafter also referred to as the “Group” or the “ASTM Group”) undertake to respect, protect and promote Human Rights in the conduct of their business activities and the chain of activities¹, with the aim of contributing to the creation of a fair, safe and discrimination-free work environment. The Group undertakes to avoid, in the exercise of its activities, any behaviour, act or decision that may cause or contribute to causing a negative impact on Human Rights. It also promotes respect for these rights in relations with employees, contractors, business partners and suppliers. Particular attention is paid to contexts that pose the greatest risks, ensuring that anyone dealing with the Company adheres to the principles protected by the Group.

ASTM also demands the utmost respect for people and the applicable labour law, strongly condemning human trafficking, the use of irregular, forced or compulsory labour, and child labour. Among its objectives, it is committed to creating a work environment that consistently respects the dignity, values and rights of every individual, avoiding any form of discrimination, including workplace harassment.

In this context, recognising the importance of identifying, monitoring and remedying actual and potential negative impacts arising from its activities, those of its subsidiaries and related business relationships, it adopts this **Human Rights Framework**.

1.2 References

This document, in line with the Code of Ethics and all regulations in force in the countries in which ASTM operates, is inspired by the principles set out in the most important **instruments and international standards** for the protection of human rights, including:

- Corporate Sustainability Due Diligence Directive (CSDDD)
- United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Reporting Framework
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- United Nations Universal Declaration of Human Rights
 - International Covenant on Civil and Political Rights
 - International Covenant on Economic, Social and Cultural Rights
 - United Nations Declaration on the Rights of Indigenous Peoples
- Ten Principles of the UN Global Compact
- European Convention on Human Rights

¹ Understood as all activities of upstream and downstream business partners in the company's value chain.

- United Nations Women's Empowerment Principles
- ILO Declaration on Fundamental Principles and Rights at Work
- Corporate Sustainability Reporting Directive (CSRD) & European Sustainability Reporting Standards (ESRS)
- Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence & Social Taxonomy
- Standard SA8000:2014 "Social Accountability".

1.3 Purpose, recipients and scope of application

This Human Rights Framework defines the reference framework for raising awareness and reinforcing respect for Human Rights by ASTM in its sphere of influence and aims to provide the Group companies with operational tools to implement processes that comply with the main international standards on human rights, such as the United Nations Guiding Principles on Business and Human Rights (hereinafter "UNGPs"), the Universal Declaration of Human Rights, the ILO conventions and the European Directive on corporate sustainability due diligence (hereinafter "CSDDD"). This framework reaffirms and integrates the principles set out in the Code of Ethics and Conduct (hereinafter also the "Code of Ethics") and in the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 (hereinafter also the "Model 231") adopted by ASTM, in the SA8000:2014 Guidance Document for Social Accountability, as well as in current company policies and procedures.

This framework applies to the members of the Board of Directors and Board of Statutory Auditors, employees, collaborators, consultants (including any business intermediaries), suppliers (including subcontractors) as well as business partners that work in the name of or on behalf of the ASTM for any reason and regardless of the type of contractual relationship (hereinafter also "Recipients").

Each element of this framework applies to all operational areas of the organisation (employees in the workplace, supply chain/third parties, industrial projects, extraordinary operations), according to the following logic:



2. THE GROUP'S COMMITMENT TO THE PROTECTION OF HUMAN RIGHTS

2.1 Principles of conduct

Through this framework, ASTM renews its commitment to respect human rights and to adopt processes that translate this commitment into its operational policies and practices. The following areas are the main areas in which ASTM is committed to respecting and promoting the principles of conduct with respect for human rights.

Diversity and inclusion

ASTM recognises that its personnel are the most important resource required to carry out its business and strives to guarantee equal opportunity – at all stages of the working relationship, including the selection process, the assignment of roles, professional development and the end of the working relationship – and prevent any form of discrimination in terms of employment or occupation and promote a culture in which personnel recognise the value of a diversified and inclusive workforce. ASTM does not tolerate any form of discrimination based on race and ethnicity, skin colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, trade union membership, marital status, health status or any other social status or personal trait. These commitments are reiterated and articulated within the **Diversity and Inclusion Policy** adopted by ASTM.

Adequate working conditions

ASTM is committed to fostering a work environment that promotes decent, safe and healthy conditions for all employees, respecting the right to privacy and personal dignity. Furthermore, it does not accept any kind of behaviour that amounts to harassment or violence in the workplace. The Company guarantees fair, decent treatment that complies with the minimum contractual standards dictated by the regulations of the countries in which it operates in terms of remuneration for each of its employees.

Countering undeclared, child, forced and compulsory labour

ASTM rejects forced labour, slavery and human trafficking in all its forms. The Company ensures that its employees are employed under free and voluntary working conditions and does not tolerate any form of child labour, and guarantees recruitment processes that comply with current laws and regulations on minimum age for all countries in which it operates.

Freedom of Association and Collective Bargaining

ASTM guarantees, without any distinction, all its employees the right to form and to join an organisation of their choosing, without any prior authorisation. If employees choose to do so, ASTM also guarantees that their terms and conditions of employment shall be established through voluntary collective bargaining, in accordance with ILO Conventions and the local legislation of the countries in which the Company works and, where applicable, by national collective bargaining agreements and their amendments.

Workplace Health and Safety

ASTM is committed to maintaining a safe and healthy work environment and to promoting high standards to protect employees' health and safety, thereby minimising the risk of accidents, injuries and exposure to related risks. ASTM strives to ensure that all its operating sites comply with the health and safety laws of the countries where they are located and respect standards that comply with international regulations and best practices. The Company promotes the spread of a culture of safety in the workplace, encouraging responsible behaviour from its employees and collaborators, also by providing periodic training and informational activities. ASTM strives to collaborate with its employees to improve health and safety conditions in the workplace, including identifying hazards and resolving health and safety issues and adopting all the necessary precautionary measures.

Payment practices

ASTM is committed to adopting procurement policies and practices that contribute to adequate subsistence incomes for its suppliers and that do not encourage potential negative impacts on human rights.

In relation to the above, ASTM, aware also of the importance of the role of subcontractors and suppliers in the promotion of human rights and social responsibility principles, has adopted a **Supplier Code of Conduct** that defines the standards of conduct to be followed by suppliers, partners, business agents and distributors. All partners who come into contact with ASTM are required to accept its provisions and undertake to abide by its principles, in order to ensure that their performance and services conform not only to the necessary quality standards but also to best practices relating to Human Rights, working conditions, ethics and respect for the environment.

The above commitments are reinforced by the **Group Code of Ethics and Conduct** and the **Anti-Corruption Policy**, which outline the commitment to operate with respect for people, to protect and promote Human Rights in the conduct of business, with a focus on equal opportunities, to ensure an inclusive, healthy and safe work environment, and to recognise responsibility towards the community and the development of local regions.

Codes and Policies form the model adopted to manage issues such as occupational health and safety, freedom of association and collective bargaining, non-discrimination, rejection of forced and child labour, promotion of decent living conditions, respect for local communities and indigenous peoples. These documents are intended by ASTM as a guide to identify the principles to be applied in conducting its business.

Codes and Policies are shared with all subsidiaries so that they may adopt them autonomously, it being understood that, in order to integrate respect for Human Rights in the context of their respective business operations, each Group company, in consideration of the reference context and its own business, may express its own commitment through specific policies and procedures and ensure effective compliance with current regulations, while guaranteeing standards of ethical and responsible conduct.

2.2 The SA8000 Social Accountability Management System

In order to integrate respect for Human Rights into business processes, ASTM has implemented the **SA8000 social accountability management system** since 2017. This voluntary, certifiable standard is based on international standards on human rights, such as the ILO Conventions, the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child, as well as national labour laws. The management model provided by this standard is designed to protect all personnel involved in company activities, both directly and indirectly.

The standard contains **nine** social requirements related to:

- *child labour*
- *forced or compulsory labour*
- *workplace health and safety*
- *freedom of association and the right to collective bargaining*
- *non-discrimination*
- *disciplinary measures*
- *working hours*
- *fees*
- *human resources management system*

The supervision and application of all elements of SA8000 is entrusted to the Social Performance Team, consisting of the Head of the Prevention and Protection Service, a specially appointed Workers' Representative and a representative of the Company's Senior Management. Responsibility for compliance with the Standard lies with the identified Senior Management Representative. To carry out its activities, the Social Performance Team is adequately trained and performs risk assessments, monitoring and corrective and preventive action management. As part of monitoring activities, internal audits on all elements of SA8000 are also to be conducted at least once a year. In view of the evolution and dynamics of the external and internal context, these areas are periodically analysed.

In particular:

- the evolution of the legislative framework of reference and best practices is monitored over time, and issues that may emerge from the materiality analysis provided for the Sustainability Report are taken into account;
- organisational and business changes that may alter risk exposure are assessed.

3. HUMAN RIGHTS DUE DILIGENCE

Human rights due diligence is an integral part of the measures envisaged to implement the commitment of ASTM and its subsidiaries to respect Human Rights. In line with the UNGPs, the OECD Guidelines and the CSDDD, this term refers to

the process of identifying, preventing, mitigating and ending the actual and potential negative impacts that a company may cause on Human Rights, in its operations and along its chain of activities.

Human Rights Due Diligence is carried out by each company of the ASTM Group with reference to its areas of operation. In particular, on the basis of the provisions of this Framework and the reference legislation, each Group company, within the scope of its management autonomy and according to a risk-based approach, integrates due diligence activities within its own processes and is committed to raising awareness among its staff and promoting respect for human rights by adapting its actions to the specific characteristics of its organisational structure and business.

Each Group company, as part of its Risk Management model, where implemented, is required to adopt a process that includes the following activities, in accordance with the OECD Guidelines and the CSDDD:

- **identifying and assessing actual and potential negative impacts** on Human Rights;
- **defining and implementing an action plan to prevent, end and mitigate impacts** on Human Rights;
- **providing a complaints procedure and channel and implementing appropriate measures to remedy** actual impacts if the organisation determines that it has caused or contributed to adverse effects;
- **monitoring the effectiveness of the policy and measures implemented**;
- **transparent reporting** on the methods and measures used by the organisation to address and how it intends to address negative impacts on Human Rights.

For the purposes of implementing the process described above, ASTM provides for appropriate opportunities for stakeholder consultation, undertaking to remove any obstacles to dialogue and ensuring that participants are not subject to retaliation or reprisal.

Based on these indications, each Group company defines its own Human Rights Due Diligence process and reports the results to the Parent Company for the purpose of preparing the consolidated Sustainability Report.

Whenever there is a significant change in its activities and/or structure and there are reasonable grounds to believe that new risks of manifestation of negative impacts may arise and, in any case, at least once a year, each Group company undertakes to carry out an assessment of its own activities, those of its “subsidiaries” and, if related to the chain of activities in which it participates, those of its business partners, to evaluate the implementation and to monitor the adequacy and effectiveness of the measures to identify, prevent, mitigate and end negative impacts on Human Rights.

Based on the findings of the due diligence process, each Group company can define its own governance in relation to Human Rights, assigning roles and responsibilities to each unit (e.g. Human Resources, Procurement, Health and Safety, etc.), to the extent of their specific remit and thus within existing processes.

3.1 Identifying and assessing impacts

In order to identify the risks and impacts on Human Rights, when carrying out the human rights risk assessment, the Group companies take into account the salient issues, i.e. the panel of rights to which ASTM is publicly committed through its policies. The risk analysis should therefore consider, *at a minimum*, the following human rights: respect for diversity

and inclusion, adequate and favourable working conditions, respect for children's rights, respect for indigenous peoples, freedom from forced labour and modern slavery, freedom of association and collective bargaining, and occupational health and safety.

Based on these commitments, the Human Rights Due Diligence process requires each Group company to conduct an analysis of the inherent and residual risk and to engage with stakeholders to identify the extent of the negative impacts associated with Human Rights. Within the companies' chain of activities, respect for Human Rights is particularly important in relation to the management of employees and external collaborators (suppliers and subcontractors). The Group companies must carry out an analysis of actual or potential negative impacts on Human Rights, assessing their significance based on the likelihood of occurrence and severity. For actual negative impacts, the significance is assessed according to the severity of the impact, while for potential negative impacts, the severity and likelihood of the impact is assessed. Severity is based on a) *extent*, (b) *scope* and (c) *remediability of the impact*. Likelihood may take into account the geopolitical, socio-cultural and legislative conditions of the countries in which the individual companies operate. In the case of a potential negative impact on human rights, the severity of the impact outweighs its likelihood.

3.2 Defining and implementing an action plan to prevent, end and mitigate impacts

On the basis of the results of the risk assessment, the Group companies must prepare and implement an action plan with appropriate measures to prevent, mitigate and end the impacts and identified risks. ASTM and its subsidiaries undertake to put in place adequate risk prevention and mitigation measures to strengthen the monitoring and control of related risks with the aim of mitigating risks and negative impacts on Human Rights that could involve employees and external collaborators.

Each Group company undertakes to:

- analyse existing measures in order to identify action plans and corrective measures where necessary;
- integrate the results of Human Rights impact assessments into its internal processes and take appropriate measures for their prevention, management and mitigation;
- define all measures necessary to cease or remedy a negative impact directly caused by its activities.

Each Group company defines its own action plan, associating the units responsible for their implementation according to the established timetable.

The prevention measures that each company should put in place include but are not limited to supplier qualification and evaluation procedures that take into account the social performance of the third party, the definition of an audit plan, and the drafting of binding contractual clauses requiring the signing of the Group's Code of Ethics and the application of the values contained therein. Contractual guarantees, in order to be effective, should be accompanied by appropriate measures to verify compliance and proper enforcement.

Internally, informative meetings can be planned, with the aim of raising awareness and informing all workers through

educational elements concerning regulations, as well as training courses dedicated to specific topics.

3.3 Reporting mechanisms and remedial procedures

In order to promptly identify and, consequently, manage possible cases of Human Rights violations, it is essential to have appropriate reporting mechanisms in place that allow all stakeholders to report alleged violations, even anonymously. Reports concerning any alleged or actual violations of the principles set out in this Framework may be sent to the attention of the Company through the following channels:

- in written or oral form via the specific digital platform accessible at <https://astm.integrityline.app>;
- in writing via ordinary or registered mail sent to the following address: ASTM S.p.A. SP 211 della Lomellina 3/13 – Località San Guglielmo, 15057 Tortona (AL) Italy;
- in oral form through a meeting with the person responsible for receiving the report.

Each Group company implements reporting mechanisms to ensure that any Human Rights violations are promptly intercepted, analysed and managed.

The utmost confidentiality in regard to the whistleblowers is guaranteed when managing reports, without prejudice to legal obligations. For reports that are not made anonymously, the Company will not engage in any retaliatory actions (disciplinary sanctions, demotion, suspension, dismissal or the termination of collaborative relationships) nor will it discriminate – in any way – against whistleblowers who have acted in good faith to report events or situations that are in violation of this Framework. The Company also provides a clear process for defining and implementing the remedial actions necessary to repair the damage suffered by the complainant. Remedial actions should be customised and tailored to the specific circumstances of each case, thus ensuring an adequate response proportionate to the severity of the reported violation.

Any violations detected will lead to the application of the measures laid out in the applicable law. Failure to comply with the principles set out in this Framework by external parties may result in the termination of the contract, assignment or, more generally, the existing relationship with the Company, as well as compensation for damages, where specific conditions are met. In general, interaction with players along the value chain is preferred over terminating the business relationship, resorting to this option only after unsuccessful attempts to prevent and mitigate potential negative impacts, i.e. when improvements cannot be reasonably expected to succeed, or when the implementation of a corrective action plan cannot succeed in stopping the negative impact or minimising its extent.

3.4 Monitoring system

Each Group company is required to implement a monitoring system to ensure the proper functioning of the due diligence process adopted and to assess the effectiveness of the initiatives set out in the action plans. Such a system must be designed to provide a continuous and accurate assessment of performance, and may include the use of KPIs and KRIs,

the monitoring of which must be managed by the competent units, ensuring effective and timely identification of any critical issues. Based on the performance of these indicators, and in order to strengthen control over higher-risk areas, the Group companies may supplement monitoring activities with specific verification activities (e.g. checks on operational sites).

The results of the monitoring and the main activities carried out within the Due Diligence process are integrated into the internal reporting procedures of each company.

3.5 Reporting and communication

ASTM disseminates and implements this framework internally and to all employees and undertakes to communicate it also to external collaborators, suppliers and subcontractors, in Italy and abroad, and to publish it on the Company's website.

The overall performance with respect to Human Rights commitments, the way in which negative impacts on Human Rights are addressed, the mitigation measures undertaken and any violations identified are reported annually in the ASTM Consolidated Sustainability Report, published on the Company's website.

4. APPROVAL AND UPDATING OF THE FRAMEWORK

ASTM S.p.A. approves this framework by resolution of the Board of Directors and promotes its adoption by all its subsidiaries. The latter shall adopt this document autonomously by resolution of their governing bodies, ensuring its timely adoption by their respective subsidiaries. ASTM and its subsidiaries work to encourage the implementation of this document by the Companies in which it holds a non-controlling interest (including joint ventures).

Each Group company, through its own dedicated structures and in consideration of the reference context and its own business, is responsible for identifying and managing risks and opportunities with reference to respect for Human Rights, as well as identifying areas and projects for improvement, thus contributing to the creation of value in the medium to long term.

This document is subject to revision when national and international regulations or the principles and values referred to as best practice, are subject to revision or, in any case, when the opportunity arises in relation to strategic and/or operational changes and variations or the results of materiality analyses.

Revision	Description	Date
-	First issue	29/11/2024