

## REQUIREMENTS OF SA 8000

### 1. Child labour

At Emak we are convinced that persons should commence work activities only after having completed their schooling and that the psychological and physical development of children and adolescents should take place in a suitable environment and in favourable conditions.

We therefore undertake not to use child labour nor to support it in any way (or labour provided by children who have not completed their mandatory schooling). We also undertake not to expose young workers to situations - either outside or inside the workplace - that are dangerous or hazardous for health, and to guarantee work duties and hours that are commensurate with the level of psychological and physical maturity and compatible with their training needs.

- Remedial action for children

In the event of contact with situations concerning children who have been subjected to child labour and who have terminated their work or, in general, are in conditions of difficulty (e.g. they have left school and are working or seeking work), Emak undertakes to assess each individual case in order to activate forms of support and actions that are more suitable to guarantee safety, health, education, and development of the child.

Specifically - in collaboration with families, authorities and the competent services, with school authorities and, if relevant, with other authorities including government agencies, responsible for the protection of minors - Emak implements specific recovery plans with the purpose of:

- primarily protecting the health and safety of children, also through direct checks on health and living conditions and, wherever necessary, by means of reports to the competent authorities;
- support the family, by assisting adult members of the family in their search for employment in order to guarantee a level of income that enables the entire family unit to meet primary needs and allows the children to attend school;
- re-orient children to proceed with their studies in order to ensure they complete their mandatory schooling;
- promote the importance of education, sensitising the family in order to foster, in the child and adolescent, an awareness of their entitlement to study and the importance of achieving balanced psychological and physical development in order to gain access to better occupational prospects in the future.

- Child Labour c/o vendors

If Emak becomes aware of the use of child labour by one of its vendors, it will initially take steps to safeguard the child or children in question, immediately suspending any work activity performed by the child and removing it to a place where it is protected from any risks that may be present in the workplace. Emak will also collaborate with the vendor in question - and, if necessary, with the local institutions - to define a recovery plan designed to protect the child and promote its education and development.

In terms of corrective actions applied to the vendor in such cases, Emak will declassify the qualification and activate targeted audit plans, with unannounced spot audits performed by CQ personnel coordinated by RSI.

In addition, when young workers are present at vendors' plants, Emak undertakes to:

- check that such persons are not exposed to situations that are potentially hazardous or harmful to health;
- support the vendors in assigning duties and work hours that are commensurate with the level of psychological and physical maturity of the young workers and such as to allow them to complete any training programmes they are following;
- promote, among vendors, the value of education as a strategic lever to improve the socio-economic conditions of young workers and their professional skills.

For details of the present requirement refer to PRG-008 and procedure SPP-016 for management of the occasional presence of unauthorised minors.

## 2. Forced Labour

Emak does not allow the use of forced labour of any type: all persons on the Company payroll offer their services voluntarily and give their informed consent by signing the employment contract; no workers are subjected to threats, coercion or intimidation.

Management of the working relationship - and more generally the relationship between the company and its employees - is characterised by criteria of transparency and integrity, in absolute respect of the individual and compliance with the law.

In the organisation of work and the assignment of duties Emak undertakes to take into consideration the personal needs of its employees in order to guarantee the competitiveness of the company while protecting the well-being of its workers.

Emak utilises all the available tools to keep its workers informed of the rights and obligations of workers and company, ensuring they are able to consult the legislative sources and internal regulations and also receive any necessary explanations concerning various aspects of the employment relationship.

For details of the present requirement refer to PRG 008.

## 3. Health and safety

Emak considers that the protection of health and safety in the workplace is a fundamental and essential right of all workers and simultaneously constitutes a major investment by the company in its future production capacity.

Emak therefore undertakes - by means of a constant activity of analysis and research - to guarantee a healthy and safe workplace and to adopt suitable measures in order to prevent accidents and harmful health effects, minimising the causes of danger and potentially harmful elements in the workplace, in compliance with statutory laws and wherever possible anticipating the more stringent requirements of future legislation.

Specifically, in its constant search for improved solutions to protect the health and safety of workers, Emak has already performed the following actions:

- identified the responsibilities, resources, and procedures needed to manage and implement the activities of prevention and protection (in compliance with decree D. Lgs. 626 of 1994 and subsequent amendments);
- performed an analysis of all the work activities performed on its sites, identifying the relative risks, the preventive and protective measures, and the corrective actions to be implemented by means of a programme of interventions;
- prepared a "Risks Assessment Document" for all the activities performed within the Company (this document is updated approximately every three years);
- appointed a Prevention and Protection Service Manager, responsible for monitoring risk factors, checking the effectiveness of the safety measures, and performing training and updating activities;
- appointed a Medical Officer and Workers Safety Representatives;
- drafted procedures dealing with the following topics: specific risks, tender contracts, management of emergencies, etc.;
- consigned Personal Protective Equipment (PPE) to employees working in work stations in which such equipment is required (as per PR-DPI procedure and specific assignment module);
- annually prepares an evacuation plan for emergencies, with the evacuation routes displayed in all areas of the company (with an indication of the behaviour to adopt and the location of the emergency exits).

The attention of Emak with regard to health and safety concerns all areas of the company (productive and non-productive) and all personnel, who periodically attend training and update courses concerning health and safety; the training interventions are scheduled in an annual plan and recorded in a training booklet of the workers that attend; the contents of training are disclosed also to the Workers Representatives for compliance with SA 8000.

All areas of the company are subjected to periodic audits by the SPP Manager, whereby their compliance with statutory legislation is monitored.

In order to identify and remove possible causes, Emak monitors absences due to accidents and occupational illnesses, comparing the trend of indexes from year to year and with reference to statistical data for the reference sector.



# MANAGEMENT SYSTEMS INTEGRATED MANUAL

Emak guarantees that its company premises are kept clean, periodically performing checks to ensure that the conditions of hygiene are appropriate. All personnel have access to washroom facilities (separate for men and women) and areas with automatic dispensers of water, beverages, and snacks.

For details of this requirements refer to SPP 002 and the additional detailed procedures relative to specific risks in the SPP archive.

#### **4. Freedom of association and right to collective bargaining**

Emak assures all its employees the right to enrol in the trade union organisations of their choosing, to appoint their internal representatives of the organisation, and to attend union meetings (for which purpose it provides workers with suitable premises and equipment).

Emak applies the National collective bargaining contract for the private mechanical engineering industry, and awards the union representatives of workers the role of reference persons in the negotiation of collective company employment contracts.

In addition to assuring the leave envisaged by the law for the execution of union activities, Emak does not apply nor promote any form of discrimination or intimidation in relation to union member workers or trade union representatives.

Emak promotes the appointment of Worker Representatives for the purposes of SA 8000, awarding such persons a role of key importance for the correct application of ethical principles, for monitoring of the system, and for the achievement of the organisation's continuous improvement goals.

For details of the present requirement refer to PRG 008.

#### **5. Discrimination**

Emak rejects all forms of discrimination and guarantees equal opportunities and equal treatment for all persons working in the company, irrespective of race, gender, creed, etc.

Emak promotes the hiring of personnel from protected categories in compliance with statutory legislation and with regard to the limitations of individual workers, and undertakes to place all persons in a position in which they can aid the success of the company in accordance with their possibilities.

Outside normal workplaces and working hours, Emak does not interfere with the rights of personnel to follow religious and cultural practices or to meet their requirements in terms of race, gender, sexual orientation, membership of trade unions or political parties, etc.

In compliance with organisational requirements and safeguarding all the aspects associated with the safety of persons and plants, Emak respects the right of workers to express their moral opinions in accordance with their political, trade union, religious, etc. convictions, provided exclusively that the law is complied with and the persons in question share in the corporate values and ethics.

Emak undertakes not to allow nor promote behaviour, including gestures, language or physical contact - that is sexually offensive or threatening, or that is addressed to a person or a group of persons for the purposes of discrimination, persecution or exploitation.

For details of the present requirement refer to PRG 008.

#### **6. Disciplinary practices**

Emak does not permit or support the use of corporal punishment, mental or physical coercion, or verbal abuse. Emak condemns all behaviour that offends human dignity and undertakes to act in such a way that all its collaborators show respect for the mental, emotional and physical well-being of the persons who work for the company.

Through the diffusion of the National Collective Bargaining Contract, the Supplementary Company Agreements and the Internal Regulation, Emak clearly informs its collaborators of the rules to be observed and the forms of conduct to be avoided; the possible use and application of disciplinary penalties will be executed in accordance with the methods and procedures defined by the law, in full compliance with human rights and without in any way harming the physical and moral integrity of workers.

Emak considers consultation to be a key tool for the resolution of disputes in the workplace.

For details of the present requirement refer to PRG 008.

#### **7. Working Hours**

Emak complies with the laws and standards relative to the working hours of all Departments and Services of its organisation.

In the presence of individual or collective requests, Emak undertakes to assess the possibility of granting different working hours (and times) in such a way as to favour the reconciliation between the working life and private life of individuals, while safeguarding the productivity and efficiency of the organisation.

Emak uses overtime on an occasional basis to meet temporary peaks in the workload; overtime is worked on a voluntary basis or is collectively agreed in the framework of discussions with the amalgamated unions (and anyway in compliance with the applicable statutory legislation). The company pays for overtime in accordance with the extra amounts envisaged by CCNL or higher, constantly monitoring the trend and incidence of such amounts.

Emak assesses the performance of its Workers in relation to the results obtained and the skills provided and not in relation to the time they remain on site beyond normal working hours. However, if supplementary work should be necessary in order to guarantee the correct execution of the responsibilities associated with the role occupied in the company, Emak pays its Collaborators an additional remuneration indemnity amount.

For details of the present requirement refer to PRG 008.

## **8. Remuneration**

Emak pays all its employees salaries that are higher than the minimum amounts specified for the category, further to the terms of supplementary company agreements aimed at ensuring that primary needs of personnel are fulfilled and the opportunity of a life commensurate with the axioms of personal dignity for themselves and their families (also in consideration of the average salaries in the sector and ISTAT parameters).

In order to motivate and reward its Collaborators Emak also pays collective and individual bonuses associated with the arrival at company targets that are agreed and planned in advance.

Emak guarantees equal remuneration for male and female employees (in relation to the same job, level, and performance).

Emak pays salaries each month (on the agreed days and in accordance with the agreed methods), consigning to each employee an attendance sheet and a payslip, that specify (depending on the requirements of statutory legislation and as clearly as possible) all the items that make up to the total salary amount.

Emak fulfils all the obligations specified in relation to its personnel (salaries, social security contributions, tax payments, etc.) and guarantees the maximum clarity and information relative to salary aspects and the employment relationship in general.

For details of the present requirement refer to PRG 008.

## **9. Management system**

### **Policy**

Emak has prepared its internal policy for ethical management of human resources in a public document in which it explains and communicates, starting from the company values, its undertaking to comply with the requirements of SA 8000, to promote continuous improvement, to document its actions, to train its personnel and to monitor their work.

### **Review.**

Company Management performs an annual review of the adequacy, the correct application, and the effectiveness of the policy and procedures; it monitors the results obtained in compliance with the requirements of standard and the improvement plans; it defines the goals to be achieved and the actions to be implemented for continuous improvement of the system.

### **Company representatives.**

The Company Management has clearly defined the roles and responsibilities and has appointed its own representative who, independently from his or her normal duties, is responsible for ensuring the compliance of the ethical requirements in the management of human resources, informing persons and monitoring their behaviour, throughout all levels of the organisation.

Emak also guarantees that workers elect their own SA 8000 Representative, who, independently from his or her normal duties, is responsible for promoting dialogue with the Company in relation to the requirements of the standard and for collecting any feedback from employees at all levels of the organisation.

Emak guarantees both Representatives all the necessary resources to perform their role correctly.



## MANAGEMENT SYSTEMS INTEGRATED MANUAL

### Planning and implementation.

Emak is committed to ensuring the requirements of the standard are understood, shared and implemented throughout all levels of the organisation, utilising for this purpose all the information, training, and organisational tools available and planning all the actions necessary in order to guarantee compliance with the requirements and continuous improvement.

### Control of Vendors/Subcontractors and Sub-vendors.

In order to promote and diffuse the principles for correct ethical management of human resources throughout the entire supply chain, in the selection of vendors and in the consequent business relations Emak applies specifically prepared procedures and registrations to assess and monitor the capacity of vendors to comply with the requirements of SA 8000, their commitment to complying with the Emak Social Responsibility policy, and to implement, through time and also with the support of Emak, the improvements necessary to ensure conformity with requirements.

### Concerns and corrective actions.

Emak guarantees all its workers and other interested parties the possibility of reporting (also anonymously) any infringements of the prescriptions of standard SA 8000.

In response to any reports received, Emak undertakes to perform appropriate checks and to implement any corrective actions necessary, guaranteeing that no form of discrimination or harassment will be tolerated in relation to the persons who, at any level of the organisation, have reported the anomalies

### External Communication.

In addition to publicly disclosing its policy and diffusing its commitment in relation to Social Responsibility within and outside the organisation, Emak discloses, in a transparent and regular manner, all the information concerning company performance in relation to the prescriptions of SA 8000 to all the interested parties, utilising the most suitable information media and planning specific communication strategies for the various different interested parties.

### Access to checks.

Emak allows and promotes access by the interested parties to the information concerning company performance in relation to the prescriptions of standard SA 8000, allowing - where requested - the relative information to be checked.

### Records.

Emak maintains appropriate records that attest to the compliance with the requirements of standard SA 8000, and correct operation of the system.