



HUMAN RIGHTS POLICY

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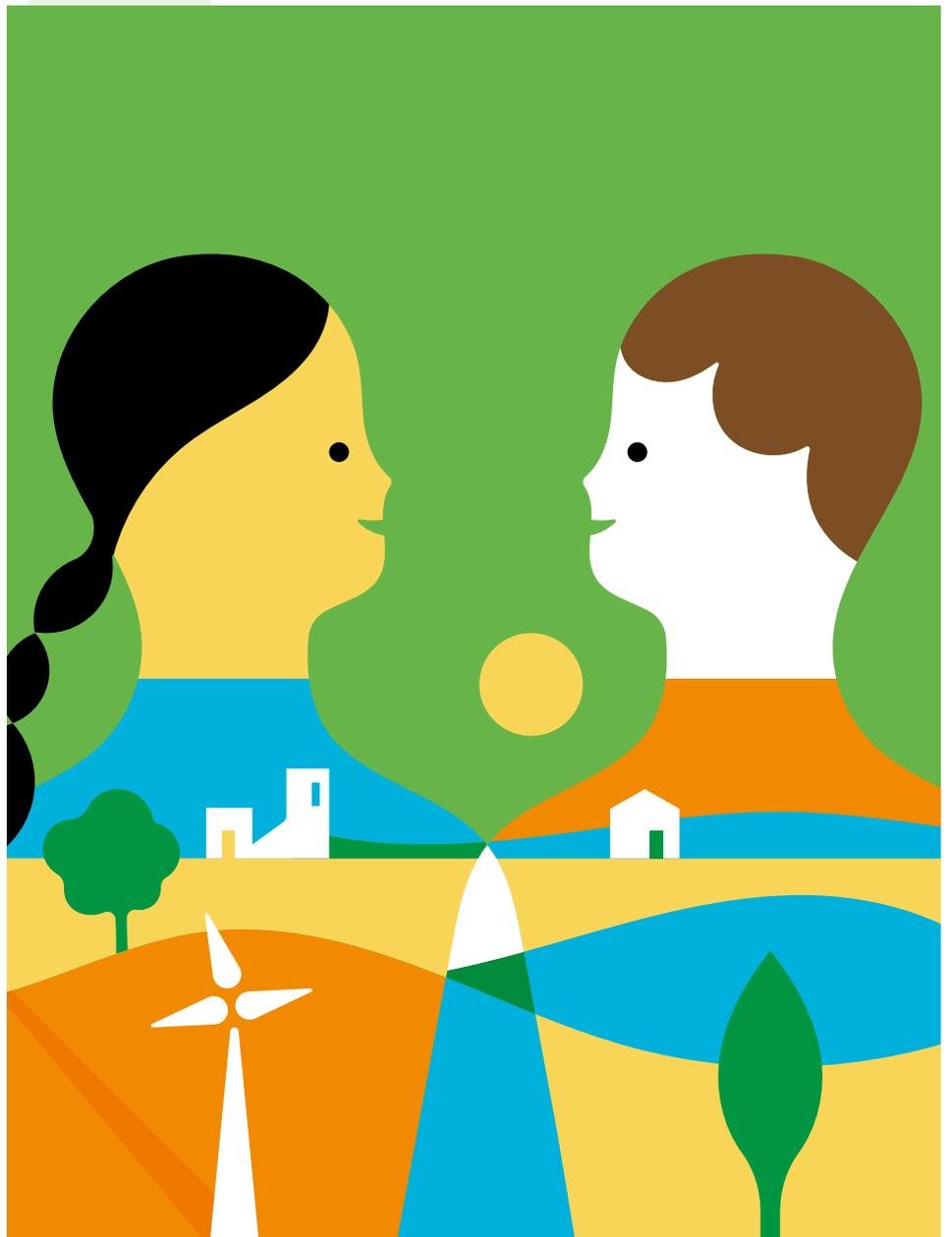
OUR VISION ON HUMAN RIGHTS

Sofidel's vision of human rights recognizes the dignity of every human being and the Company's responsibility to contribute to the well-being of individuals and communities, as explicitly stated in the UN Guiding Principles on Human Rights¹.

This vision is integral to Sofidel's culture and strategy, and reflects the company's way of doing business.

It also contributes to integrating the Sustainable Development Goals within our plans, in line with the United Nations 2030 Agenda.

The values and commitments set out in this document represent a core part of Sofidel's heritage. They also underpin the business integrity principles included in its Code of Ethics², which are reinforced through on-going training and awareness-raising opportunities.



OUR GOAL: RESPECT FOR HUMAN RIGHTS

Sofidel is committed to respecting human rights in its operations and expects its business partners to conduct themselves similarly. This applies both to their operations as well as to the activities they may carry out in Sofidel's interests.

To this issue Sofidel respects and protects International standards and International Conventions of Human Rights, including but not limited to:

- **The International Covenant on Civil and Political Rights**, the International Covenant on Economic, Social and Cultural Rights, the Universal Declaration of Human Rights (these agreements are made up by The United Nations International Bill of Human Rights).
- **The ILO Declaration on Fundamental Principles and Rights at work**. This Declaration commits Member States to respect and promote principles and rights in four categories: freedom of association and the effective recognition of the right to collective bargaining; the elimination of forced or compulsory labour; the abolition of child labour; and the elimination of discrimination.
- **The United Nations Convention on the Rights of the Child**. The Convention says childhood is separate from adulthood, and lasts until 18. It is a special, protected time in which children must be allowed to grow, learn, play, develop and flourish with dignity.
- **The Women's Empowerment Principles (WEPs)³**. A set of principles offering guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace and community.
- **The Dhaka Principles for Migration with Dignity⁴**. These principles provide a roadmap that traces a migrant worker from recruitment, through employment, to the end of contract. They provide key principles that employers and migrant recruiters should respect at each stage in the process to ensure migration with dignity.

OUR SPECIFIC COMMITMENTS

Sofidel is committed to actively cooperating with State authorities and Government entities in the implementation of their human rights agenda. The company also asks their business partners to assess and address the most salient human rights issues and to adopt the principles contained in the Sofidel Policy for Human Rights and Sofidel Code of Conduct for Suppliers.

Sofidel enacts the following processes and measures to assess and address the most salient human rights issues:

1. Information and awareness raising

Sofidel considers information and awareness-raising activities (e.g. distribution of Human Rights Policy together with payroll, disclosure through house organ, intranet and displays) dedicated to its employees to be a key element of its commitment to respecting human rights. In this context, Sofidel shares this declaration with all HR Managers to further strengthen training programs already in place.

2. Human rights at the workplace

A. Sofidel is committed to respecting the four ILO core Labour standards as set out in the Declaration on Fundamental Principles and Rights at Work:

- **Elimination of all forms of discrimination in respect of employment and occupation.** Sofidel does not discriminate on the basis of gender, religion, nationality, political opinion, sexual orientation, social status, physical ability or age. Sofidel is a global company and its outlook is worldwide. Our all-embracing vision recognizes that many different people, countries and cultures contribute to the growth and success of our company. In Sofidel, **diversity is a resource that helps us face our global challenges**. We express our identity through the acknowledgement that differences in culture, age and gender are assets⁵.
- **Freedom of association the effective recognition of the right to collective bargaining.** Sofidel is committed to respecting the ILO Convention n. 135 which explicit **bans any discrimination of workers' representatives** in connection with their activity, provides for proper access to the workplace for union representatives, other than employees, and remains neutral concerning employee preference to join and remain with a union organization, as well as transfer or abandon their relationship with such an organization.
- **Elimination of all forms of forced or compulsory labour and of any form of modern slavery,** according to the main conventions against forced labour⁶. According to its Code of Ethics, Sofidel does not allow potential forced or compulsory labour in its workforce and has adhered to operating standards such as ISO 24100 that prevent forced or compulsory labour in their business partners.

- **Effective abolition of child labour.** No employment of staff aged under 18 unless it is part of an apprenticeship or internship programme.

- B.** Furthermore, Sofidel offers a **fair living wage** and provides a **safe and healthy working environment** as well as working conditions in line with international standards.

Sofidel offers remuneration aligned with the local law and sector standards, working in full compliance with the existing law on wages and salaries, benefits, working hours and overtime. Sofidel is committed to respect weekly working hours provided by the local legislation and to not exceed what is established on this matter. Overtime is managed accordingly.

- C.** Any **gender-based harassment or bullying behaviours** in working relationships, either inside or outside the Company are forbidden, without exceptions.

- D.** Sofidel commits to ensuring that third-party companies, when working for or together with Sofidel, agree to apply the above-described guarantees to their workers, including suitable contractual clauses against possible violations.

3. Human rights of local individuals and communities

Sofidel respects the rights of individuals and the local communities in which it operates, with particular reference to biodiversity, the rights to ownership and use of land and natural resources, the right to water and the right to the enjoyment of the highest attainable standard of physical and mental health. Moreover, Sofidel operates according to advanced criteria for environmental and public safety protection, and is committed to ensure that business partners respect the Voluntary Guidelines on the Responsible Governance of Land and Tenure⁷.

Sofidel takes human rights issues into account from the very first feasibility evaluation phases of new projects and relevant operational changes. The company commits to carry out assessments on potential and actual environmental, social, health and human rights impacts with the aim of preventing and mitigating adverse impacts.

Sofidel informs and engages local communities by promoting free, prior and informed consultations, with the purpose of considering their legitimate expectations in conceiving and conducting business activities, including community investments. **Sofidel fosters dialogue with local communities** over project developments and potential impacts and asks its business partners and suppliers to act in the same responsible and respectful way, according to the principles included in Sofidel Code of Conduct for Suppliers.

Sofidel respects the distinctive rights of Indigenous Peoples, with a specific reference to their cultures, lifestyles, institutions, bonds with their homeland and development models in line with international standards.

4. Human rights in our business relationships

Sofidel is committed to take into consideration the potential impact on human rights deriving from activities carried out by business partners in the management of its business relations and it plans specific measures in this regard.

Sofidel shall engage and share responsibility with its business partners in the prevention and mitigation of any adverse human rights impacts that their operations, products or services might cause, or contribute to or are directly linked to.

Sofidel ensures that suppliers are aware of Sofidel's commitment to respecting human rights. They are **contractually required to commit to respecting the principles and international standards of human rights**, including the Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Human Rights, the UN Voluntary Guidelines on Land and Tenure, the WEP principles, the Dhaka Principles and the Code of Conduct for Suppliers created for suppliers, as well as the specific health and safety requirements that Sofidel adopts.

Sofidel assesses suppliers on a risk basis and performs processes aimed at preventing human rights impacts deriving from their conduct. All suppliers and contractors have been evaluated by using the so-called TenP Paper, a sustainable supply chain self-assessment platform based on the 10 UN Principles. This evaluation system has been developed together with the Global Compact Network and is a tool to support companies in self-evaluating their sustainability strategies and performances, including human rights. The TenP Paper platform allows suppliers to track their progress. To support its suppliers and promote improvement, Sofidel has created "Future. Building a better world together," a digital magazine with the aim of spreading a culture of social and environmental sustainability across the supply chain to make our collective future better. In addition, Sofidel also provides training to support its suppliers and offers trade incentives to suppliers who show actual compliance in respecting human rights.

Should critical issues emerge, Sofidel supports suppliers in the implementation of corrective actions and monitors compliance with the commitments undertaken from suppliers over time.

Where suppliers' performance on human rights falls below Sofidel's minimum acceptable standards, Sofidel works in collaboration to define a roadmap towards improvement and compliance with the standards required. If there are no significant progress in one year time, Sofidel limits or prevents their participation in tenders and terminates the contracts.

5. Remedy and grievance mechanism

Sofidel respects the right of employees to be appropriately represented and to freely form and/or join workers' organizations or Trade Unions without retaliation, intimidation or harassment. The Company is committed to establish a constructive dialogue with the workers' freely chosen representatives, basing all the negotiations on mutual respect and good faith. **Sofidel recognizes the value of collective bargaining** as a favoured instrument for determining the contractual conditions of its employees as well as regulating relations between Management and Unions.

Grievance and whistle blowing mechanisms and other reporting channels, both at operational level and company-wide, are made available to enhance the opportunities for the company to identify and promptly investigate potential and actual human rights impacts and to take appropriate action.

Sofidel prohibits, and undertakes to prevent, retaliation against workers and other stakeholders for raising human rights-related concerns, and neither tolerates nor contributes to threats, intimidation, retaliation or attacks (both physical and legal) against human rights defenders and affected stakeholders in relation to its operations.

6. Human rights due diligence

Sofidel is committed to carrying out human rights due diligence in its activities according to the United Nations Guiding Principles on Business and Human Rights. Sofidel assesses and monitors its human rights potential and actual impacts on an on-going basis and identifies customized strategies and solutions, in an on-going effort to improve prevention and mitigation of its impacts. As part of the integration of human rights into its processes and practices, Sofidel issues specific instructions and delivers focused training to its employees and other awareness-raising initiatives dedicated to contractors and other Business Partners. Sofidel assesses and monitors the effectiveness of its activities and reports on its performance.

7. Participation in multi-stakeholder initiatives

Sofidel contributes to initiatives, networks and working groups that deal with human rights on a local, national and international level, and develops public-private partnerships concerning these topics (i.e. UN Global Compact, Valore D and Sodalitas Foundation in Italy).

Sofidel also promotes and advocates a **human rights protection approach in business operations** in their business sector, that's also applicable towards other companies, business partners and governments.

- 1 https://www.ohchr.org/documents/publications/guidingprinciplesbusinessshr_en.pdf
 - 2 https://www.sofidel.com/wp-content/uploads/2020/06/Code-of-Ethics_EN_web.pdf
 - 3 Established by UN Global Compact and UN Women, the WEPs are informed by international labour and human rights standards and grounded in the recognition that businesses have a stake in, and a responsibility for, gender equality and women's empowerment.
 - 4 <https://www.ihrb.org/dhaka-principles/>
 - 5 Sofidel has joined the CEO Guide to Human Rights launched on 19 June 2019 at the Bloomberg Sustainable Business Summit in London and Women Empowerment Principles established by UN Global Compact and UN Women in 2020.
 - 6 Such as the Dhaka principles against forced labour; the CGF Priority Industry Principles; (<https://www.theconsumergoodsforum.com/wp-content/uploads/2017/11/2020-HRC-One-Page-final.pdf>); the Employer Pays Principle.
 - 7 <https://www.fao.org/3/i2801e/i2801e.pdf>
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