

**REGULATION:**

## 343 – Regulations of Salcef Group Supplier Qualification System




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Translation from the Italian original which remains the definitive version.

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Contents

<b>Contents</b> .....	<b>1</b>
<b>1. Introduction</b> .....	<b>2</b>
1.1 Scope and field of application.....	2
1.2 Definitions.....	2
1.3 Acronyms .....	3
1.4 Reference Standards.....	4
1.5 Reference documentation referred to.....	4
<b>2. Terms of Use</b> .....	<b>5</b>
<b>3. Supplier qualification procedure</b> .....	<b>5</b>
<b>4. Registration with the Supplier Qualification System</b> .....	<b>6</b>
<b>5. Supplier Due Diligence</b> .....	<b>8</b>
<b>6. Supplier Qualification</b> .....	<b>9</b>
6.1 Outcome of the Qualification .....	9
6.2 Duration and maintenance of qualification .....	10
<b>7. Supplier evaluation and requalification</b> .....	<b>11</b>
7.1 Supply evaluation.....	11
7.2 Periodic supplier evaluation and requalification .....	11
<b>8. Obligations to inform</b> .....	<b>12</b>
<b>9. Voluntary deletion</b> .....	<b>13</b>
<b>10. Conformity prerequisites</b> .....	<b>13</b>
10.1 Personal data protection .....	13
10.2 Non-disclosure obligation .....	13
10.3 Corporate Social Responsibility and Sustainability .....	14
10.4 Code of Ethics, Governance Model and Antibribery Policy .....	14

## Regulations of Salcef Group Supplier Qualification System

### 1. Introduction

#### 1.1 Scope and field of application

The scope of this Regulation is to define:

- the rules for the creation and management of the Supplier Qualification System of the Salcef Group companies;
- the prerequisites which potential suppliers must meet in order to obtain qualification.

The Salcef Group companies qualify businesses in order to:

- assess the technical and organisational capabilities of the suppliers used with the aid of an objective method;
- select and qualify the most reliable suppliers in a transparent manner; this selection and qualification may be performed through acquisition of the certifications and/or registrations required by current legislation (e.g. SOA certification, enrolment on National Register of Waste Management Organisations, etc.) and through demonstration of the prerequisites requested.

This document is issued by Salcef Group S.p.A. and applies to all SUPPLIERS which register with the Salcef Group's Supplier Qualification System.

#### 1.2 Definitions

COMMODITY CATEGORY	Class of products / services defined on the basis of the product classification (same type, use, commercial value, sector).
DUE DILIGENCE	Activity which investigates data and information with regard to a company's organisational structure, its performances and other information.
SUPPLIER	The entity, an integral part of the production and organisational process, with which an agreement is entered into between the parties for the supply of goods and/or services, suitably regulated by a formal document (contract / order).
CRITICAL SUPPLIER	A supplier which supplies goods, professional or other services or works relating to one or more critical commodity categories. The commodity categories defined by the Salcef Group are specified in the Qualification System (on the website <a href="http://www.salcef.com">www.salcef.com</a> ). Additional documentation and specific due diligence are required for the qualification of suppliers in critical commodity categories. Examples of critical commodity categories are: supply of strategic material, or material subject to homologation/certification by the Customer; all works; professional services relating to design, engineering, testing and inspection; waste management services; equipment rental with and without operator;

	transport.
SALCEF GROUP	The Salcef Group comprises Salcef Group S.p.A. and all the companies defined as controlled companies under the terms of the Italian Civil Code.
CONFIDENTIAL INFORMATION	All information which may come to the counterparty's knowledge in the context of the supply relationship with the Salcef Group in any way, even if not specifically classified as confidential or secret. In particular, all information disclosed by any Salcef Group Company to Recipients, or which comes to their knowledge in any written, verbal or electronic form, through direct vision or in any other intelligible form, as a consequence and by reason of the working relationship. More specifically, confidential information includes, but is not limited to, information regarding products and/or the production procedures applied, scientific and technological know-how, design and/or research and development, company production and other equipment, technical and marketing studies, product specifications and details of new products, the organisation of the product or the Group and the Company, the services provided by the Company, commercial information and customer management policy, the Company's operations and performance, and the Company's relations with third parties.
MY SALCEF	Salcef Group corporate ERP.
POTENTIAL SUPPLIER	Supplier which applies for registration on the List of Qualified Suppliers
SUPPLIER QUALIFICATION SYSTEM (or "SUPPLIER QUALIFICATION SERVICE")	The system used by the Salcef Group to pre-select suppliers which meet specific general, economic-financial and technical-professional requirements, which may be invited to participate in competitive bidding procedures or to reply to RDAs for the award of contracts for works, services and the supply of goods.

### 1.3 Acronyms

PR:	Procurement Request
RUA:	Salcef Group Procurement Department Manager
SG:	Salcef Group S.p.A.
IT:	SG IT system, including the My Salcef corporate ERP
SQS:	Salcef Group Supplier Qualification System
PD:	Salcef Group Procurement Department

## 1.4 Reference Standards

- Italian Leg. Dec. 231/2001 Regulations governing the administrative responsibility of legal persons, as amended companies and associations, also without legal personality
- Italian Leg. Dec. 81/2008 Consolidation Law on Occupational Health and Safety
- Italian Leg. Dec. 152/2006 Consolidation law on the environment
- Italian Leg. Dec. 50/2016 Law on public contracts for works and supply of goods and services as amended
- GDPR General Data Protection Regulation no. 2016/679
- Italian Civil Code //
- ISO 9001:2015 Quality Management Systems – Requirements
- // Regulations on public tenders in force in Italy
- // Regulations on public tenders in force in the countries where the Group does business or where it decides to particulate in international calls for bids.

## 1.5 Reference documentation referred to

### 300-Regulation

Regulation 301 – Integrated quality, environment and safety policy .....	14
Regulation 307 - Model of Governance (Leg. Dec.no.231/2001) - General Section .....	11
Regulation 310 – Salcef Group Code of Ethics and Conduct .....	11
Regulation 332 – Social Responsibility Policy.....	14
Regulation 336 - Supplier Code of Conduct for SA8000.....	14

The documentation referred to is available on the Salcef Group corporate website (<https://www.salcef.com/>).

## 2. Terms of Use

An application for qualification, and in any case access to the **Supplier Qualification System** implies the registered Supplier's full acceptance of all the terms, conditions and notices contained in these Regulations and any subsequent amendments to it.

The Salcef Group retains the right to amend the aforesaid terms, conditions and notices at any time without warning, at its own absolute discretion, and any change shall come into effect from the date of publication on the Salcef Group S.p.A. website ([www.salcef.com](http://www.salcef.com)).

Registered Suppliers must use the Supplier Qualification System in good faith and solely for the purposes covered by these Regulations. Therefore, they shall have sole responsibility for any breach of laws or regulations and any administrative, civil or criminal offence committed.

## 3. Supplier qualification procedure

Every SUPPLIER wishing to offer their products / services and be included in the Salcef Group **Supplier Qualification System** must register on the Group's Internet site ([www.salcef.com](http://www.salcef.com)) and fill in the form (questionnaire) in the suppliers area, providing all the information requested, to enable verification of the existence of and compliance with the requirements established by the Salcef Group.

Depending on the products/services they wish to supply, SUPPLIERS must indicate one or more commodity categories for which they will undergo qualification by the Salcef Group S.p.A. PD. The prerequisites, and the documentation Suppliers must attach to their Qualification applications, are defined for each category.

The commodity categories defined by the Salcef Group are listed and can be selected in the relative page of the supplier form in the **Supplier Qualification System**.

Commodity categories may be amended or added to over time.

Any SUPPLIER wishing to qualify for one or more "critical" categories must supply additional documents/information, specified in the **Supplier Qualification System**.

It is important to note that all the documents requested must confirm compliance with the prerequisites for the specific category chosen for qualification. Therefore, further to the PD's analysis of the documentation, if it is considered that the qualification prerequisites are not met for one or more commodity categories, a SUPPLIER might be qualified only for the commodity categories where the prerequisites are considered to be met.

## 4. Registration with the Supplier Qualification System

Every Supplier may register with the **Supplier Qualification System** via the Salcef Group website ([www.salcef.com](http://www.salcef.com)):

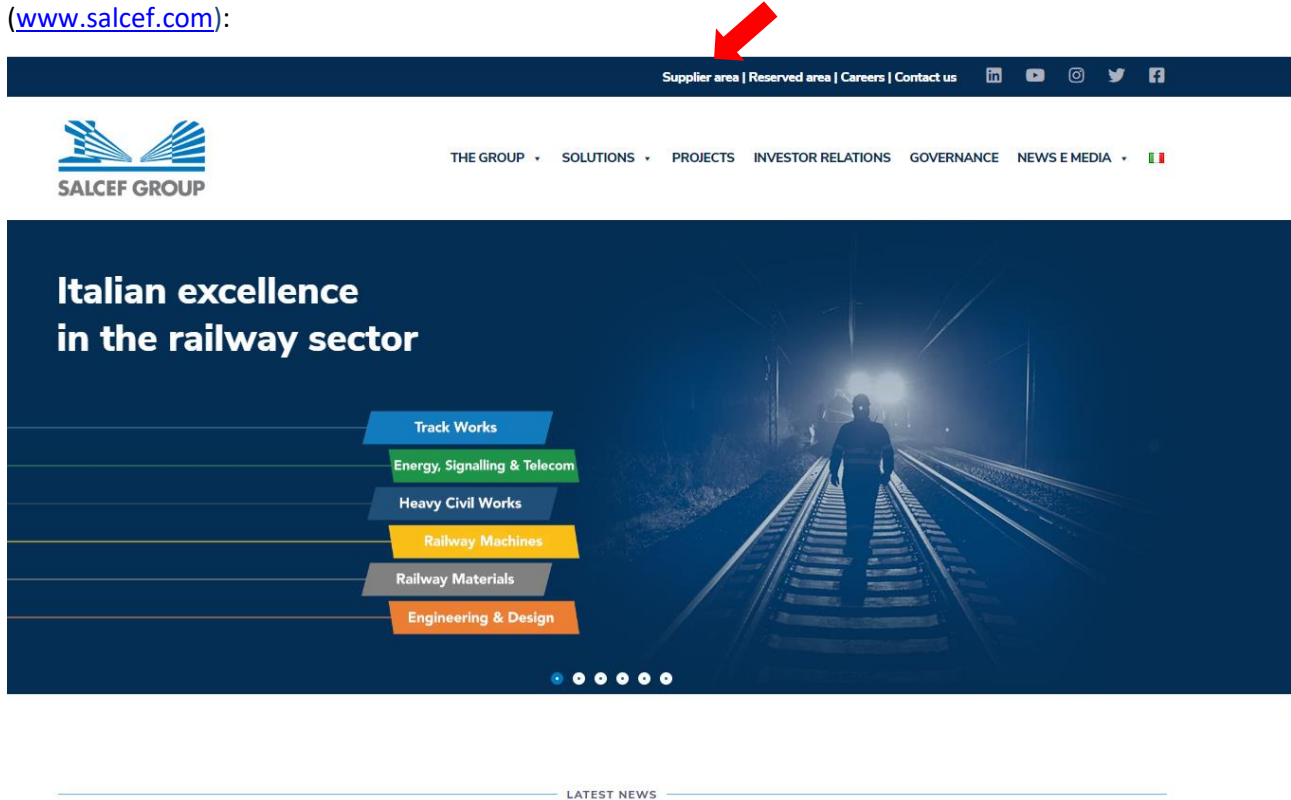


Figure 1 – Suppliers Area of Salcef Group corporate website ([www.salcef.com](http://www.salcef.com))

Specifically, the registration procedure is as follows:

- Access the [www.salcef.com](http://www.salcef.com) website<sup>1</sup>
- Click Supplier Area (top right on the website page, see *Figure 1*);
- Click Registration Request

<sup>1</sup> Use the Google Chrome or Firefox browser to access the site (do not use Internet Explorer)



## Contractual information

Registration - Privacy Authorization

**DISCLOSURE PURSUANT TO EU REGULATION 2016/679 ON THE PROTECTION OF PERSONAL DATA**

Pursuant to art. 13 of EU 2016/679 Regulation, Salcef Group S.p.A., as Data Controller, communicates the following about personal data collected

Ownership of the Treatment

The data controller is Salcef Group S.p.A. with registered office in Rome - Via di Pietralata 140, tel 06 416281; fax 0641628888; e-mail [privacy@salcef.com](mailto:privacy@salcef.com), to which the User may apply to exercise the rights set out in the 2016/679 European Regulation

### The user declares:

- that he / she HAS CAREFULLY READ the foregoing and declares.
- TO READ AND ACCEPT the Supplier Code of Conduct with reference to the SA8000 Standard ([view document](#))
- TO BE INFORMED correctly about the existence and processing of personal data related to it and declares to indemnify Salcef Group S.p.A. for damages caused to third parties, whose personal data the User has entered on his own exclusive initiative in the form of online registration to the Supplier Qualification System and within the Service itself, as well as to exempt from any responsibility Salcef Group S.p.A. in order to fulfill the obligations required by law
- that he / she HAS TAKEN NOTE of the rights that articles 7 (3) and 15 - 22 of EU Regulation 679/2016 7 attribute to the interested party
- CONSENT to the processing and communication of their data for the purposes set out above.

I accept

**Figure 2 – Registering for the Supplier Qualification System on the Salcef Group corporate website ([www.salcef.com](http://www.salcef.com))**

To proceed with the registration request, the SUPPLIER must read and agree to:

- **The privacy policy statement** pursuant to Regulation (EU) 2016/679 (GDPR) on Personal Data Protection and the relative **consent** to the processing and disclosure of its personal data for the purposes described,
- **The Supplier Code of Conduct**, regarding the SA8000 Standard;
- These Regulations of Salcef Group Supplier Qualification System

The SUPPLIER then:

- Compiles all compulsory fields of the registration questionnaire<sup>2</sup>, and the non-compulsory fields where possible;
- Enters the IBAN code of the bank account to be used for the accounting relationship;
- Chooses one or more commodity categories for which qualification is requested;
- Enters the compulsory documentation requested by the system once the commodity category has been selected;
- Replies to the “Due Diligence” questionnaire (only required for some commodity categories).

<sup>2</sup> If the company is already registered in the system, if necessary the relative access credentials can be requested by email from: [procurement@salcefgroup.com](mailto:procurement@salcefgroup.com)

On completion of the registration request, and once the conformity and validity of the data and documentation entered have been verified, the “My Salcef” system will send a message notifying the supplier of the outcome of the process.

**Registration with the Salcef Group Supplier Qualification System, and subsequent qualification, are absolutely essential for the award of contracts and for any type of business relationship between the parties.**

## 5. Supplier Due Diligence

All CRITICAL SUPPLIERS, both new and established, will be subject to a formal due diligence procedure for their inclusion in the Company’s **Supplier Qualification System**.

The main **requirements** to be met in the due diligence procedure are:

- of a general nature;
- Ethical (environmental protection, sustainability, etc.);
- Economic and financial capacity and soundness;
- Technical and production capacity;
- Technical (with regard to references, meaning major works undertaken by the supplier);
- Company quality organisation;
- Regulatory compliance (e.g. occupational health and safety, environment, payment of pension and social security contributions);
- Absence of disqualification conditions.

In particular, the general and ethical prerequisites also include verification whether the supplier is on specific blacklists drawn up by the international organisations (e.g. UN) and checks for any further anomalies related to the location of its registered office or the respective banking details (e.g. tax havens).

The criteria adopted for qualification include (but are not limited to):

- Examination of the replies given in the “Due Diligence” section of the SQS registration form, see Figure 3 - “Due Diligence” Section;
- Compliance with technical-professional suitability criteria;
- Verification of the information supplied to identify the actual beneficiary of payments;
- Payment terms<sup>3</sup>;
- References from third parties or previous supply relationships;
- Presence of a Certified Quality, Safety and/or Environment Management System;

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<sup>3</sup> This criterion includes verification that the payment terms do not include unusual procedures (e.g. payments to anonymous/numbered bank accounts, payments to third parties to/by an organisation or natural person other than the potential counterparty, payments through trust, anonymous or shell companies, cash payments, payments by “bearer” cheques).

- Presence of Organisation and Management Model (Model 231) (under Italian Leg. Dec. 231) and/or adoption of a Code of Ethics.



## Due diligence

In case of a joint-stock company, are all the shares issued 'by name'?\*  Yes  No  Not applicable

Are there currently any presumed direct / indirect involvement in illicit facts by the supplier / professional?\*  Yes  No

Can there be conditions of incompatibility or conflict of interest between supplier / professional and the Salcef Group?\*  Yes  No

Are there any interests or financial agreements of the supplier / professional with Salcef Group managers / employees?\*  Yes  No

Are there family, personal or commercial links between the supplier / professional and government or PA officers?\*  Yes  No

Are any of supplier's associates member / ex-member of PA, of a political party, of government or of a customer of the Salcef Group?\*  Yes  No

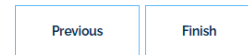


Figure 3 – “Due Diligence” Section

## 6. Supplier Qualification

### 6.1 Outcome of the Qualification

Depending on the data provided, performance and the qualification process, the SUPPLIER’s status may be:

Status	Description
<b>Awaiting qualification</b>	The SUPPLIER has entered all the information required by the <b>Supplier Qualification System</b> and it is being evaluated by the UA of Salcef Group S.p.A.
<b>On Trial</b>	The PD of Salcef Group S.p.A. has approved the data entered by the SUPPLIER. The PD of the Salcef Group may use the SUPPLIER for any purchases in the commodity categories concerned. This status last for 6 months, after which the qualification process will be repeated.
<b>Qualified</b>	The SUPPLIER acquires “Qualified” status after the first supply contract, if no technical and/or administrative nonconformities have occurred. The PD of the Salcef Group may use the “qualified” SUPPLIER for any purchases in the commodity categories concerned. This status lasts for 1 year, after which the

Status	Description
	qualification process will be repeated.
<b>Not Qualified</b>	The SUPPLIER acquires “Not Qualified” status in case of technical and/or administrative nonconformities. The SUPPLIER will be notified of any additional documentation to be supplied/corrections to be made to obtain the qualification.
<b>Suspended</b>	In the event that a SUPPLIER no longer meets the prerequisites, or in case of negative feedback which puts its reliability in doubt, the qualification is suspended. The PD may not use the “suspended” SUPPLIER for 1 month; during this period, the SUPPLIER must correct any technical and/or administrative nonconformities. Once the technical and/or administrative nonconformities have been corrected, the SUPPLIER may regain “On Trial” status, if the necessary prerequisites are met.
<b>Blacklisted</b>	In the most serious cases where a SUPPLIER no longer meets the prerequisites, or in case of negative feedback which puts its reliability in doubt, the SUPPLIER is blacklisted, meaning that the qualification is revoked and the SUPPLIER is cancelled from the SQS.

At the end of the verification, the SUPPLIER will receive a notification of the outcome of the qualification process at the email address supplied.

If necessary (e.g. compliance with prerequisites/requests of the main contract Customer), additional documents or information may also be requested from suppliers already classified as “On Trial” or “Qualified”.

## 6.2 Duration and maintenance of qualification

Supplier qualification (“on trial” and “qualified” status) lasts for the period stated in §6.1.

It is up to the supplier to update the documents required for qualification at regular intervals.

Thirty days before the expiry date, the SUPPLIER will receive a notification at the email address supplied on registration instructing it to update the data and documents entered in the SQS in order to maintain the qualification.

As well as the adequacy and completeness of the data and documents updated and/or entered by the SUPPLIER, the Salcef Group S.p.A., PD will carefully assess the SUPPLIER’s performance during the current year (see §7).

On completion of the audit, the UA will decide whether or not to confirm the qualification.

If not confirmed, the qualification will be suspended or revoked as described in §7.

## 7. Supplier evaluation and requalification

### 7.1 Supply evaluation

All active suppliers in the Salcef Group SQS undergo analyses, audits and evaluations in relation to the Group's standards.

Specifically, the main areas for the evaluation of every supply are:

- Quality and quantity of goods or services provided;
- Times for supply of goods / provision of services and delivery procedures;
- Compliance with current safety and environmental regulations;

### 7.2 Periodic supplier evaluation and requalification

Maintenance of SUPPLIER status is conditional on compliance with the prerequisites of the SQS and, if goods / services are supplied, on the correct fulfilment of the contract.

Factors which affect the SUPPLIER's evaluation include (but are not limited to):

- Integrity in preliminary negotiating activity;
- Compliance with quality and quantity of goods or services provided;
- Compliance with the times for supply of goods / provision of services and delivery procedures;
- Compliance with current safety and environmental regulations;
- Product / System nonconformities reported during supply;
- Adequacy and completeness of the data, information and documentation supplied;
- Outcome of any audits and inspections of the SUPPLIER;
- Organisation of the Quality, Safety and Environment Systems;
- Any breaches of the law and/or unlawful conduct.

In cases where a supplier no longer meets the prerequisites, or in case of negative feedback which puts its reliability in doubt, the qualification is suspended and, in the most serious cases, the SUPPLIER is blacklisted, meaning that the qualification is revoked and the SUPPLIER is cancelled from the SQS.

In particular, the following may constitute grounds for blacklisting:

- failure to declare or false declaration regarding the possession or subsequent loss of the prerequisites for qualification or for participation in a selection procedure;
- termination of contracts awarded on the grounds of serious default, or proven serious negligence or irregularities in the provision of goods and services;
- breach of any of the provisions contained in *Regulation 307 - Governance Model (Leg. Dec no. 231/2001) - General Section* and *Regulation 310 - Salcef Group Code of Ethics and Conduct* (these documents are available for consultation on the Salcef Group Internet site);
- decision not to sign a contract which has been awarded except in case of just grounds;

- guilty verdict, even if currently appealed, against parties acting in the name and on the behalf of the supplier, in relation to offences envisaged by Dec. Leg. 231/01, or offences of the same kind (e.g. tax offences, bankruptcy offences, property offences, offences against public trust, etc.), or offences under the laws in force for similar purposes in other jurisdictions (for example *UK Bribery Act* and *FCPA*).

On completion of the examination, the UA will decide whether or not to qualify the SUPPLIER as described in §6.

Any SUPPLIER awarded “Not Qualified” status at the end of the examination may apply for qualification again by repeating the operations described in the previous points.

However, a blacklisted SUPPLIER cannot be qualified and is no longer part of the Salcef Group SQS.

## 8. Obligations to inform

SUPPLIERS are obliged to report any changes and/or additions to the data declared when the qualification request was submitted, including the data relating to the subjective and objective prerequisites, accepting that the change to the data might lead to Suspension from or Deletion from the SQS.

Specifically, entities registered with the Salcef Group’s Supplier Qualification System are obliged to report:

- changes in and/or loss of the general prerequisites declared, immediately, and in all cases within no more than 15 (fifteen) calendar days after the occurrence of the event;
- changes to the powers of the legal representative, immediately, and in all cases within no more than 15 (fifteen) calendar days after the occurrence of the event;
- any change and/or variation in the data, information and facts stated in the Qualification Request, other than those referred to in the previous points, without undue delay and in all cases within no more than 30 (thirty) calendar days.

In case of failure to notify the above, the Supplier may be suspended or cancelled from the Supplier Qualification System.

The Supplier is also obliged to keep the email address provided in the Qualification Request always in operation.

## 9. Voluntary deletion

Suppliers may ask to be deleted from the Salcef Group's **Supplier Qualification System** at any time, while any obligations undertaken still stand.

Cancellation requests must be sent by email to [procurement@salcefgroup.com](mailto:procurement@salcefgroup.com).

## 10. Conformity prerequisites

### 10.1 Personal data protection

In compliance with the provisions of the General Data Protection Regulation no. 2016/679 - GDPR, all personal data acquired for registration on and management of the Supplier Qualification System will be processed with protection of all rights, in a lawful, fair, transparent manner.

Data will be processed by automated systems which guarantee their security and confidentiality.

Salcef Group S.p.A. may disclose any data regarding suppliers registered with the SQS to Customers, Partners, certifying bodies and any other interested party.

The data controller is Salcef Group S.p.A..

### 10.2 Non-disclosure obligation

SUPPLIERS are obliged to guarantee the confidentiality of confidential information (see §1.2) and to use it only for the performance of their tasks; no other use is permitted.

SUPPLIERS shall not reveal, transfer, communicate and/or disclose confidential information, in whole or in part, to third parties, except with the prior written consent of Salcef Group S.p.A..

The confidentiality obligation shall persist until the information considered confidential has become general knowledge within the industry. If one or more parts of the confidential information become generally known, the non-disclosure obligation shall still remain in force with regard to those parts not yet known. This non-disclosure obligation shall thus apply even after termination of the working relationship, until all parts of the confidential information have entered the public domain.

Information may only be disclosed to third parties by authorised persons, and in all cases in accordance with the company's instructions. To ensure this, the Salcef Group applies and constantly updates policies and procedures for the protection of information.

Failure to comply with the non-disclosure obligation may lead to application of articles 622 and 623 of the Italian Penal Code, covering the protection of professional secrets, and the Supplier may be suspended or cancelled from the Supplier Qualification System.

### 10.3 Corporate Social Responsibility and Sustainability

The Salcef Group has decided to comply with the Safety, Environmental Protection and Corporate Social Responsibility prerequisites of the international standards of reference, not only to provide concrete proof of the duty to respect health and safety, the environment and the human rights of workers, but also to promote these standards with its partners and SUPPLIERS.

To enable this, it has issued and made available to all stakeholders: *Regulation 301 – Integrated quality, environment and safety policy*, *Regulation: 332 – Social Responsibility Policy*.

The final objective is to trigger a chain reaction of adaptation to the standards on the part of partners, suppliers and subcontractors, influencing their behaviour and enhancing their ethical and social quality.

The Salcef Group therefore requires all its suppliers to agree to *Regulation 336 - Supplier Code of Conduct for SA8000* and to comply constantly with all safety, social responsibility and environmental prerequisites.

### 10.4 Code of Ethics, Governance Model and Antibribery Policy

The Salcef Group has adopted *Regulation 307 - Governance Model (Leg. Dec no. 231/2001) - General Section, 331 – Antibribery Policy* and *Regulation 310 – Salcef Group Code of Ethics and Conduct*, available for consultation on the Salcef Group website; SUPPLIERS therefore undertake, on their own behalf and on that of all the parties which work for and/or depend on them, to comply with the regulations and principles which it contains, in the awareness that the violation of these provisions will lead to cancellation from the **Supplier Qualification System** and termination of any current contracts.

In all cases of breaches of these regulations, the Salcef Group retains the right to demand compensation for the damage incurred by reason of the unlawful behaviour, including (for example but not limited to) damages caused by application by the law courts of the measures envisaged by the relevant law.