

ESG Clause for Procurement Contracts

1. Purpose

The purpose of this clause is to ensure that all procurement activities conducted by FLEXTECH SRL adhere to high standards of Environmental, Social, and Governance (ESG) compliance. This clause sets forth the requirements and expectations for suppliers regarding ESG practices.

2. Environmental Compliance

2.1 Sustainable Practices: The Supplier shall implement and maintain sustainable practices in their operations. This includes, but is not limited to, the reduction of greenhouse gas emissions, energy and water conservation, waste management, and the use of environmentally friendly materials.

2.2 Regulatory Compliance: The Supplier must comply with all applicable environmental laws, regulations, and standards. This includes obtaining and maintaining all necessary permits and licenses for their operations.

2.3 Environmental Impact Reduction: The Supplier shall continuously seek to minimize the environmental impact of their activities. This includes initiatives to reduce carbon footprint, enhance energy efficiency, and minimize waste and pollution.

3. Social Compliance

3.1 Labour Practices: The Supplier shall uphold fair labour practices and ensure that all employees are treated with dignity and respect. This includes compliance with laws regarding working hours, wages, and benefits, as well as the prohibition of forced labour, child labour, and any form of discrimination or harassment.

3.2 Health and Safety: The Supplier shall provide a safe and healthy working environment for all employees. This includes adhering to all relevant health and safety regulations and implementing appropriate measures to prevent workplace accidents and injuries.

3.3 Community Engagement: The Supplier is encouraged to engage positively with the communities in which they operate. This may include community development initiatives, local hiring practices, and contributions to local economic growth.

4. Governance Compliance

4.1 Ethical Conduct: The Supplier shall conduct their business in an ethical manner. This includes compliance with all applicable laws and regulations, adherence to anti-corruption and anti-bribery laws, and the implementation of policies to prevent unethical behaviour.

4.2 Transparency and Reporting: The Supplier shall maintain transparency in their operations and provide [Company Name] with relevant information regarding their ESG practices upon request. This includes regular reporting on ESG performance and any incidents or violations related to ESG compliance.

4.3 Compliance Programs: The Supplier shall implement and maintain compliance programs to ensure adherence to ESG standards. This includes training for employees, regular audits, and continuous improvement initiatives.

5. Monitoring and Evaluation

5.1 Audits and Inspections: FLEXTECH SRL reserves the right to conduct audits and inspections of the Supplier's operations to ensure compliance with this ESG clause. The Supplier shall provide access to all necessary information and cooperate fully with such audits and inspections.

5.2 Non-Compliance: In the event of non-compliance with this ESG clause, the Supplier shall promptly take corrective actions as directed by FLEXTECH SRL. Failure to comply with ESG requirements may result in penalties, contract termination, or other remedial actions.

6. Continuous Improvement

The Supplier is encouraged to continuously improve their ESG performance. This includes staying informed about best practices, adopting new technologies, and engaging in industry initiatives to enhance sustainability and social responsibility.

7. Certification and Documentation

The Supplier shall provide FLEXTECH SRL with relevant certifications and documentation demonstrating compliance with ESG standards. This includes, but is not limited to, environmental certifications, labour practice certifications, and governance-related documentation.

8. Term and Termination

This ESG clause shall remain in effect for the duration of the procurement contract. FLEXTECH SRL reserves the right to terminate the contract in the event of significant non-compliance with ESG requirements.

9. Governing Law

This clause shall be governed by and construed in accordance with the laws of Italy, without regard to its conflict of law principles.

10. Acceptance

Executing the procurement contract, the Supplier agrees to comply with the terms and conditions set forth in this ESG clause.