

GLOBAL SUPPLY STANDARDS

Table of Contents

1. Purpose and Scope	2
2. To whom the Supply Standards apply	3
CHART 1 – MH RYCO Supplier Requirement model	3
3. MANULI HYDRAULICS Global Procurement organization.....	4
4. Global Supply Standards for doing business with MANULI HYDRAULICS	5
4.1. MANULI RYCO GROUP Ethical Code	5
4.2. Integrity, ethical business	6
4.3. Fair competition	7
4.4. Conflict of interest.....	7
4.5. Social accountability and labour standards	8
4.7. Environment.....	10
4.8. Quality Policy.....	11
4.9. Risk management and business continuity	11
4.10. Confidentiality.....	12
4.11. Data protection and privacy (General Data Protection Regulation GDPR)	12
4.12. Cyber Security	13
4.13. Notice of deviation.....	14
4.14. Complaints	14
5. Advanced requirements for long term, preferred business relationships with MANULI HYDRAULICS ..	15
Acronyms and definitions.....	17
References/Sources	18
MH-RYCO Certificates.....	19
CHART 2 – Purchased raw materials and components.....	20
Notes	21

1. Purpose and Scope

The Manuli Ryco group (formerly Manuli Rubber Industries) comprises two divisions:



As the global manufacturing division of the MANULI RYCO GROUP, MANULI HYDRAULICS & RYCO (hereinafter also referred to as "MH") are focused on achieving excellence through the continuous improvement of products, processes, systems, and practices, and this is reflected in the efforts to conduct business with Suppliers that are also committed to excellence, not only in terms of their capabilities and performance (quality, delivery, cost, etc.) but also with respect to their adhesion to our core values.

General and business-specific values, requirements, and expectations are defined in the Manuli Hydraulics **Supplier Requirement Manual** (hereinafter also referred to as "**SRM**") composed of two parts.

- As a pre-requisite for doing and maintaining business with us, we require our Suppliers to fully respect and thoroughly apply legal, ethical, social, and environmental standards that we deem to be essential to ensure a responsible and sustainable value chain management (see **SRM PART 1 - Global Supply Standards**).
- Then, we demand that our Suppliers comply with the business-specific requirements that are requested to establish an effective and consistent cooperation (see **SRM PART 2 - Specific Business Requirements**)
- Moreover, we encourage our Suppliers to aim for the advanced requirements that we have defined to enable the cooperation to evolve further to the highest standards and practices (**Advanced Requirements**).
- Lastly, but also importantly, we encourage our Suppliers to promote the same principles and requirements within their own supply chains and networks.

2. To whom the Supply Standards apply

The **Global Supply Standards** presented in this SRM PART 1 are intended to apply to all Suppliers who wish to start, maintain, and develop a long-term relationship with MH and any of its affiliates throughout the world. Conversely, there can be serious consequences for violating the Global Standards, including the termination of ongoing contracts and the exclusion from future business.

The **Business Specific Requirements** – defined in different documents and collected in the SRM PART 2 - apply to the concerned Suppliers depending on the scope of supply (raw materials, services, capital goods, etc.) and on the business unit (Hoses, Connectors, Machines, etc.) procuring the concerned goods or services. Non-compliance to the Specific Business Requirements can determine various consequences through the whole procurement cycle, e.g., on selection, qualification, contract review and business award.

Further **Advanced Requirements** are also identified to achieve industry world-class excellence and enable the cooperation with MH to evolve to long-term relationship and integration. The Advanced Requirements, detailed in the SRM PART 2, are exemplified in the final Chapter of this SRM Part 1.

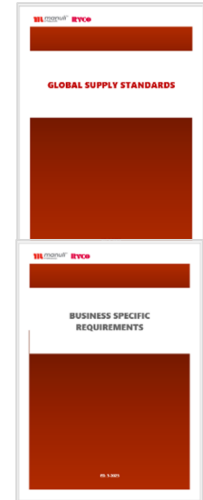
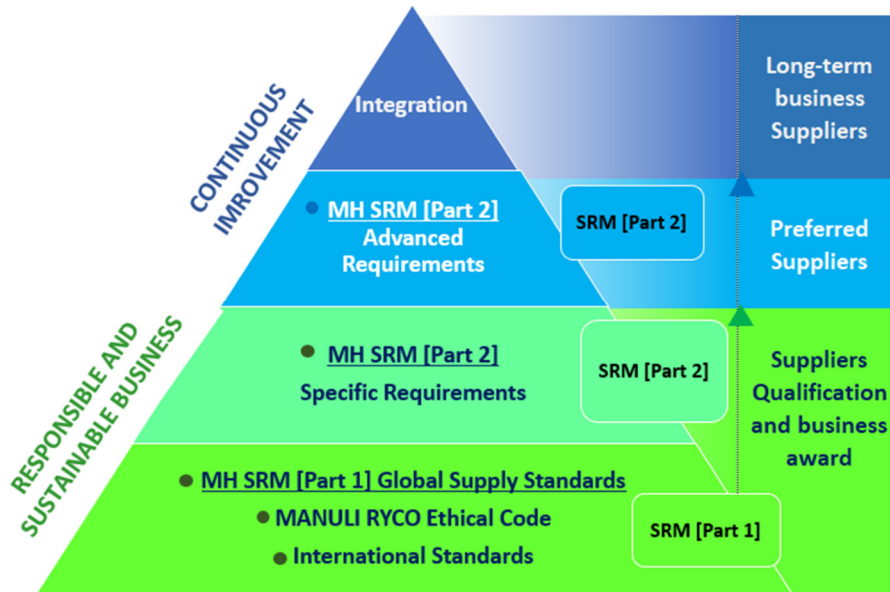


CHART 1 – MH RYCO Supplier Requirement model



- Compliance to the Global Supply Standards is particularly important - and therefore subjected to careful consideration and regular monitoring - for **Strategic Suppliers**, i.e., those having an actual or potential critical impact on
 - a) the safety, quality, and performance of our products and processes,
 - b) the continuity and sustainability of our value chain,
 - c) the global (or category) spend for purchased goods and services,
 and are therefore eligible for long-term, preferred business relationships.

3. MANULI HYDRAULICS Global Procurement organization

MANULI HYDRAULICS & RYCO strive for excellence and reliability in all their processes and products and recognize that this cannot be achieved without a world-class supply base and a responsible and sustainable supply chain management

Environmental, social, and economic issues and objectives associated with global supply chains and the sourcing of materials used in the manufacture of industrial and consumer products are subject to increasing scrutiny by regulators, investors, customers, consumers, and environmental and human rights organizations.

Alike our stakeholders, we recognize that the sustainability of our supply chains is key to maintaining the integrity of our brand, ensuring business continuity, and managing operational costs (ref. UN Global Compact principles for Supply Chain Sustainability).

In this regard:

- MH Procurement global team aims to design, develop, and implement procurement best practices to identify and enlist best-in-class Suppliers and to set advanced requirements and objectives, while embracing the Company's core values and supporting the Group's strategies and plans.
- MH Procurement not only expects that Suppliers' business conduct complies with applicable laws and regulations but also requires that supplied products and services are produced or performed in an environmentally, socially, and ethically responsible manner, according to relevant international Conventions, Standards, and expectations.
- Therefore, we aim to integrate sustainability within our procurement policy, strategy, process – including the selection, evaluation, and development of Suppliers - to achieve positive environmental, social, and economic impacts over the entire value cycle.
- Moreover, MH Procurement strongly encourages Suppliers to establish business relations based on integrity, honesty, professionalism, diligence, correctness, and accuracy, essential foundations for a mutually beneficial, long-lasting cooperation.

To ensure that these principles and practices are consistently and coherently applied throughout the organization, MH Procurement is structured with a centre-led organization where policies, procedures, and guidelines are centrally defined however with a continuous exchange of information and contributions from regional teams, as well as other functions and business partners, for their continuous improvement and development.

4. Global Supply Standards for doing business with MANULI HYDRAULICS

4.1. MANULI RYCO GROUP Ethical Code

MANULI RYCO GROUP and its subsidiaries adopted a “Code of Ethical Conduct” that addresses ethical commitment and responsibilities of directors, managers, employees, and collaborators when handling business and company activities



The MANULI RYCO Group values the international framework concerning business, environment, and human rights, essential foundations for any business relation and operational development:

- UN Ten Principles of the Global Compact
- UN Guiding Principles on Business and Human Rights
- International Labour Organization (ILO) core labour standards
- International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- OECD Guidelines for responsible business conduct
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions/UN Convention against Corruption.

The MANULI RYCO Group bases relations with customers, suppliers, collaborators, consultants and commercial partners exclusively on quality, competitiveness, professionalism, correctness and respect for fair competition rules, and expects that supplier selection and procurement of goods and services be based exclusively on quality, advantage, price, capacity, efficiency, avoiding agreements with suppliers with a doubtful reputation, for example in respect of environmental, labour conditions or human rights.

In addition to the Ethical Code, MANULI RYCO Group also adopted:

- the “**Organizational, Management and Control Model**”, a system of rules defined in observance of the Italian Legislative Decree No 231/2001, to respond to the duty to prevent and avoid commission of some typologies of crimes and thus to organize itself in an adequate manner for such purpose; contents and rules have been extended also to non-Italian subsidiaries with “The Guidelines of Organizational Management and Control Model for MANULI RYCO”.
- the “**Anti-Corruption Code**”, complementary with all the above-mentioned documents, to deter and combat corruption practises, both in the public and in the private sector, in the course of MANULI RYCO Group’s business activity.

MANULI HYDRAULICS & RYCO firmly adhere to MANULI RYCO Group’s Ethical Code, as well as to the Organizational, Management and Control Model and the Anti-Corruption Code, and require Suppliers to expressly agree on its values and principles.

4.2. Integrity, ethical business

In accordance with its Ethical Code, MANULI HYDRAULICS & RYCO behaviour is based on moral integrity, transparency and on honesty, correctness, and good faith.

We require Suppliers to always behave legally, ethically, honestly in line with standards and principles accepted internationally regarding both the treatment of their own employees and the conduct of the business with us and any other counterparts.

MANULI HYDRAULICS & RYCO strongly require that Suppliers prevent, detect, oppose and/or address any serious corporate misconducts.

That are - according to OECD definition - any conduct that, whether directly or through business relationships, may violate national or international laws and regulations, including but not limited to anti-trust, competition, bribery, cybercrime, data protection and privacy, environment, fraud, human rights, industrial relations and labour, intellectual property, money-laundering, terrorism and proliferation-financing, product/service safety, sanctions and export controls, securities and finance, sustainability, tax, and workplace safety.

[REF: ISO 26000:2010 - Guidance on social responsibility – provides organizations with guidance concerning social responsibility, helping organizations to implement the [OECD Guidelines for Multinational Enterprises](#) and contributing to achieve the [United Nations Sustainable Development Goals \(SDGs\)](#)] - ISO 19600:2014 - Compliance management systems, Guidelines - provides guidance for establishing, developing, implementing, evaluating, maintaining and improving an effective and responsive compliance management system within an organization - ISO 37001:2016 – Anti-bribery management systems - specifies requirements and provides guidance for establishing an anti-bribery management system].

4.2.1. Trade regulations

As far as trade regulations and sanctions are concerned, Suppliers must comply with applicable import and export control laws and restrictions. Amongst others, we - together with our concerned Suppliers - must be fully compliant with **EU Regulations (No 833/2014)** prohibiting the direct or indirect purchase, import, transport in the European Union of certain iron and steel materials and products originating in or exported from Russia and Belarus, as well as with the announced ban concerning synthetic rubbers and carbon black also originating in or exported from Russia and Belarus.

4.2.2. Gifts

In principle, offering or accepting gifts is inappropriate, unless they are clearly recognizable as reasonable courtesy presents that cannot influence – or appear to influence – business relationships in any way. Should Suppliers allocate any amount to gifts for us – for example on the occasion of festive seasons – we recommend assigning them to charity, supporting MANULI RYCO Group commitment in favour of research institutions and charity organizations.

4.2.3. Safeguard against serious misconduct

Behaving otherwise can be considered serious default on the duties of correctness and good faith in fulfilling the contract, damage for reputation and trust. Evidence of serious misconduct – e.g., corruption, bribes, improper favouritism or advantage, tax fraud, counterfeit, theft, fraud, falsification, or any other form of the above mentioned illegal or unethical practices – by the Supplier or associated sub-contractors and operations will be true and just cause for terminating any business relations with MANULI HYDRAULICS & RYCO.

4.3. Fair competition

In accordance with its Ethical Code, the MANULI RYCO Group acknowledges that fair competition is a fundamental element and fully and scrupulously observes antitrust laws and regulations.

An “**Antitrust & Competition Policy**” was adopted to provide guidelines to employees for them to comply with the antitrust and competition laws applicable in the countries in which we conduct business.

MANULI HYDRAULICS & RYCO promote and require ethical and fair competition among Suppliers and are strongly against any illegal or improper collusion inside its supply chains that can lead to the exchange of sensitive business data or to the restriction of competition through cartels, price-fixing, market-sharing, and bid-rigging. MH is also strongly against any kind of illegal or unethical practices by which Suppliers may intend to obtain unfair competitive advantages, as undeclared work, violation of statutory minimum wage rates, infringement of trademarks, patents, counterfeiting, etc.

The selection of Suppliers and contractors and procurement of goods and services is based exclusively on a thorough assessment and fair comparison of their capabilities, technical and commercial proposals, and actual performance, which require as a pre-requisites market transparency, source multiplicity, effective competition, sound business practices.

4.4. Conflict of interest

In accordance with its Ethical Code, MANULI RYCO directors, managers, employees, representatives, and collaborators must not have a competing interest, even just partial, to the MANULI RYCO's ones, and the Group makes sure that all those obliged by the Code do not find themselves in conflict-of-interest situations.

MANULI HYDRAULICS & RYCO require Suppliers to conform to the above-mentioned principles in their own organizations, preventing, detecting and/or addressing any conflict of interest that may concern their directors, managers, employees, representatives, and collaborators and can improperly influence or engender the business relations with MH, including disclosure of any financial interest an MH employee may hold in the Supplier's business.

4.5. Social accountability and labour standards

As stated by the MANULI RYCO Ethical code, MANULI HYDRAULICS & RYCO assure working conditions which respect the principles of social accountability contained in SA8000 Standard, International Labour Organisation (ILO) Conventions and UN Global Compact Principles.

According to the UN "Protect, Respect and Remedy" Framework, Companies should treat the risk of causing or contributing to gross human rights abuses as a legal compliance issue wherever they operate.

Consistent with the above principles:

MANULI HYDRAULICS & RYCO require that Suppliers strictly comply with applicable national labour laws and regulations and – whenever they provide greater protection – align with the principles of ethical working conditions established by the SA8000 Standard, the International Labour Organisation (ILO) Conventions and the UN Guiding Principles on Business and Human Rights.

We expect that our Suppliers provide safe and fair working conditions, aligned with international labour standards as outlined in codes of practice like the **Ethical Trading Initiative's (ETI) Base Code** - based on the International Labour Organization's (ILO) conventions - and with ethical guidance for businesses such as the UN Guiding Principles on Business and Human Rights.

We expect our Suppliers to have and maintain a **documented policy covering working conditions and human rights** - including child labour, forced labour, bonded labour, involuntary prison labour, working hours, overtime, remuneration, resignation, disciplinary practices, non-discrimination, freedom of association, etc. - and stating prohibited behaviours, recommended practices, effective grievance, and dispute procedures.

Additionally, we expect Suppliers to enhance equity, diversity, inclusion, and professional development of their workforce.

Regarding **child labour**, MH requires that Suppliers do not employ anybody under the age of 15 years or under the Country's minimum employment age, whichever is the highest. Young workers (up to 18 years) should not be engaged in hazardous, night or overtime work or work that would interfere with their legal education.

Supplier must secure a due diligence framework to ensure that policies and processes are in place to identify, prevent, mitigate human rights and environmental risks. The due diligence framework must be governed by the supplier's senior management and based on the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct.

Suppliers are also required to ensure that the same principles are applied in their own supply chains and networks.



4.6. Health and Safety

MANULI HYDRAULICS & RYCO are committed to safeguarding people's health and safety on the work site.

In accordance with its Ethical Code, MH undertakes to divulge and consolidate a safety culture, developing risk awareness, promoting responsible behaviour by all collaborators, and working to preserve, above all through preventive actions, its staff health and safety. Group activities must take place fully observing prevention and protection laws in force and pursuing the best safety and health conditions in a safe and hygienic working environment.

The Group was the first Company in the hydraulic sector to achieve the Occupational Health and Safety Assessment Series (**OHSAS 18001**) certification in 2005.

MANULI HYDRAULICS & RYCO require Suppliers to safeguard their staff's health and safety fully observing prevention and protection laws and regulations in force as well as international best practices.

We expect our Suppliers to have and maintain a documented Occupational Health and Safety (OH&S) management system in compliance with local law, industry requirements and international standards:

- reviewing, assessing, and minimizing OH&S risks
- identifying and eliminating hazards
- preventing work-related injury and ill health
- implementing measures with clear roles and responsibilities
- incorporating subcontractors and suppliers within the scope of the management system
- providing for continuous monitoring and improvement of the working environment.



As a preferential qualification, Strategic Suppliers shall have and maintain ISO 45001 Occupational Health and Safety latest edition certifications.

4.7. Environment

In accordance with its Ethical Code, the MANULI RYCO Group implements its business activities complying with applicable environmental laws, regulations, and standards, to ensure the protection and the improvement of the environmental conditions, the prudent and rational utilization of natural resources, the lowest impact on the environment and the highest care of people's health.

MANULI HYDRAULICS operate all its main facilities under the ISO 14001 certification.

The commitment to pursue an environmentally sustainable model is implemented through numerous activities, for example aimed at: identifying and ceasing, preventing, or minimizing adverse environmental impacts originating from products, operations, and supply chain, preventing the use of dangerous substances, monitoring and rationalizing utilization of resources, minimizing waste and spoilage, increasing the usage of recovered/recycled materials, minimizing **greenhouse gases (GHG) emissions**.

As a major user of **steel**, rubber, and chemicals, we promote decarbonisation within our suppliers, as the steel and the chemical & petrochemical industries account for more than 10% of CO2 global emissions.

MANULI HYDRAULICS & RYCO require Suppliers to set up an effective environmental management system, complying with applicable environmental laws, regulations, and standards when designing, innovating, producing, and delivering their products and services, and immediately correcting environmental non-compliances.

In addition, we require Suppliers:

- **to prepare and maintain a complete, consistent, transparent, and accurate carbon accounting and reporting, identifying related risks and opportunities, and**
- **to commit to the continuous improvement of their environmental impact, incorporating GHG emission reduction into their strategic goals and action plans**

Large-size Suppliers (>500 employees and 150M EUR revenues) are also recommended to adopt a Corporate Sustainability Policy and Reporting, meeting the requirements of the **Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD)**, and are encouraged to obtain sustainability ratings (e.g., CDP, EcoVadis, ECPI, NQC) and validate their GHG reduction targets and plans (e.g., Science Based Targets Initiative (SBTi)).



As a preferential qualification, Strategic Suppliers shall have and maintain ISO 14001 (latest edition) Environmental Management System certifications.

4.8. Quality Policy

Quality and sustainable development are the driving forces of all Manuli Ryco Group activities.

The Manuli Ryco Group was the first European manufacturer of hydraulic components to achieve the ISO 9001 certification in 1992 and the Occupational Health and Safety Assessment Series (OHSAS 18001) certification in 2005. MH manufacturing facilities are compliant to ISO 9001 and ISO 14001 and have also achieved conformity to the new International Standard ISO 45001, which superseded the OHSAS 18001.



MANULI HYDRAULICS & RYCO require that its business partners commit to Quality as a strategic and operational priority and that its Strategic Suppliers obtain and maintain a certification of their Quality Management System according to ISO 9001 (or IATF 16949 QMS or API Q1) latest edition.

Detailed Quality requirements are provided in MANULI HYDRAULICS & RYCO business-specific procedures, specifications, and requirements (see **SRM Part. 2**).

4.9. Risk management and business continuity

MANULI HYDRAULICS & RYCO design and develop their products, processes, and systems to ensure regular and continuous supplies to customers, protecting all the Stakeholders from risks of business disruptions or failures.

The capability to ensure business continuity in the long term by means of continuous and competitive supplies is an essential requirement for the selection of our Suppliers. Weaknesses or threats concerning governance, organization, finance, security, operations, quality, etc., can prevent the qualification of concerned Suppliers or the continuation of the business relations.

Therefore, MH requires Suppliers to design and implement an **effective risk management system** aiming at:

- identifying risks, threats, weaknesses - including ESG risks - that could endanger the security, consistency, and continuity of the business
- allocating appropriate resources for the prevention, mitigation, treatment of any risks actually or potentially impacting quality, delivery or safety of products and services
- implementing a continuous improvement action plan to build resilience and safeguard the security of Supplier's own and MANULI HYDRAULICS's stakeholders, reputation, brand, and value.

MH Procurement may require Suppliers to share their risk management plans, to agree upon specific measures (e.g., contingency plans, backup resources, buffer stocks, etc.) and to maintain a congruous Product Liability insurance in its favour.

[REF.: ISO 22301:2012 Business continuity management systems, Guidelines - ISO 31000:2018 Risk management, Guidelines - SAE ARP9134:2004 Supply Chain Risk Management Guidelines].

4.10. Confidentiality

MANULI HYDRAULICS & RYCO value and protect their confidential and strategic information concerning technical innovation, research and development, engineering know-how, intellectual property rights, market and commercial data, corporate strategy, and plans.

In fact, such confidential and strategic information are the result of decades of investments, research, developments and improvements, and global market leadership and preferred relationships with world-class Customers in many different industries.

MANULI HYDRAULICS & RYCO policy is to not disclose confidential and strategic information unless it is required for the development and deployment of specific projects or supply contracts.

In such cases, MANULI HYDRAULICS require that Suppliers ensure the confidentiality and the protection of confidential and strategic information and data and may require them to commit on a "Non-Disclosure Agreement".

4.11. Data protection and privacy (General Data Protection Regulation GDPR)

MANULI HYDRAULICS requires Suppliers to comply with all applicable Privacy and Data Protection laws, with specific regard to the European Data Protection Directive and General Data Protection Regulation 2016/679 (**EU GDPR**).

Suppliers and contractors are obliged to:

- process MANULI HYDRAULICS Personal Data only on documented instructions from MANULI HYDRAULICS.
- implement technical and organizational security measures to ensure their duties of confidentiality and protection of MANULI HYDRAULICS Personal Data appropriate to the risk.
- comply with provisions and recommendations concerning limitations of access, reliability, professional or statutory obligations of confidentiality, sub-processing, record-keeping, audits and inspections, notification of Personal Data requests or breaches, Personal Data deletion or return, etc.
- assist MANULI HYDRAULICS to comply with data subject requests (e.g., right to data portability, right to erasure, etc.) and with its obligations foreseen in GDPR Articles 32 to 36.

In addition to general compliance to the GDPR Regulation, MANULI HYDRAULICS Procurement may require Suppliers to undersign a specific "Data Processor Agreement".

4.12. Cyber Security

MH Suppliers are required to maintain a proper security on their application systems and technical infrastructure to protect their own business as well as the operational integrity and continuity of their business Partners.

A solid and safe ICT environment is one of the requisites for Supplier's qualification and business award, as malicious software, ransomware, phishing, and denial-of-service attacks can create serious problems and jeopardize the business continuity of the whole supply chain.

Suppliers shall take appropriate organizational and technical measures to implement and maintain a standardised baseline of cyber security policies, procedures, controls, and technologies, ensuring the confidentiality, authenticity, integrity, and continuous availability of their data, operations, products, and services, in line with good industry practice and with international standards (e.g., ISO 27001).

ICT security requirements include antivirus software properly activated and daily updated in all the eligible ICT devices, continuous upgrade of the Operating Systems on Servers/Desktops/Laptops to promptly apply security patches, effective backup procedure to protect sensitive data, continuous training in the organizations to keep personnel updated about latest cyber security techniques and risks.

For critical applications it is also advisable to have in place a complete Disaster Recovery Plan, a documented set of actions to be taken before, during and after a disaster, including prevention, detection, correction, and recovery measures.

In the event of a declared cyber-related incident, Suppliers are requested - within 72 hours from its identification - to report the cyber incident to the **MANULI RYCO Corporate Security Office** email address secops@manuliryco.com, together with a remediation plan.

4.13. Notice of deviation

The above-mentioned principles and guidelines are essential to establish and maintain a responsible, sustainable, and durable business relation with MANULI HYDRAULICS & RYCO.



Suppliers understand that MH can conduct interviews, investigations, and audits – also with the support of independent third parties – to ascertain compliance to the Global Supply Standards and to promote corrective actions and improvement plans.



Suppliers are required to inform Global Procurement promptly and transparently whenever:

- Supplier is not able to expressly accept the MANULI RYCO **"Ethical Code"** but wish to propose an equivalent, documented commitment.
- Supplier is not - or no more - able to comply with one or some of the **"Global Supply Standards"**.
- Supplier has ascertained issues concerning its business relations with MANULI HYDRAULICS & RYCO and the mutual respect of the "Global Supply Standards".
- Supplier wishes to submit comments or to propose improvements to the requirements of the "Global Supply Standards".





4.14. Complaints

A grievance procedure is available to all Stakeholders, including our Business Partners, to report violations of the MR Code of Ethical Conduct, the MR Organizational, Management and Control Model, and the MR Anti-corruption Code, as well as the MH RYCO Global Supply Standards.

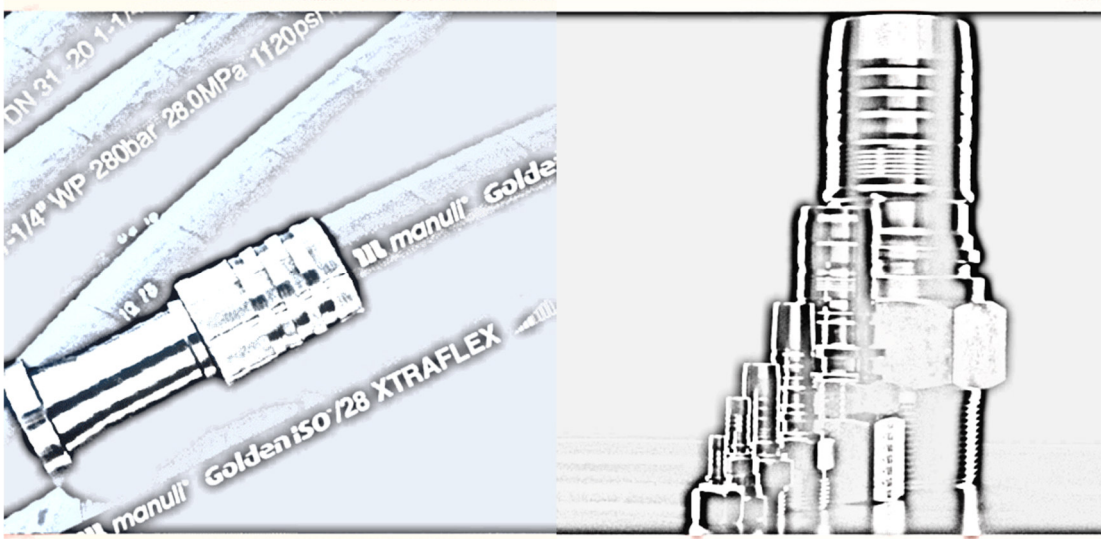
Complaints can be submitted to the dedicated email address whistleblowing@manuli-hydraulics.com, exclusively used by the members of the MHI Supervisory Body, with the wording "Strictly confidential - Whistleblowing Report" in the subject of the e-mail message.

All Suppliers are equally requested to implement a whistleblowing and/or grievance mechanism, available to both their own employees and to external stakeholders, allowing anonymous complaints, granting no retaliation, and to adopt proper actions to solve the issues identified, in turn requiring the same procedures to their own Suppliers.

5. Advanced requirements for long term, preferred business relationships with MANULI HYDRAULICS

- **Environmental, social, ethical governance (ESG) compliance**
 - Transparent corporate governance (Code of Ethics)
 - Management systems certified/aligned to relevant standards concerning the environment (ISO14001, ISO50001), health & safety (ISO45001), and social responsibility (SA8000)
 - Comprehensive Corporate Sustainability reporting meeting the requirements of the Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD)
 - Achieved positive business sustainability ratings (e.g., CDP, EcoVadis, ECPI, NQC)
 - Validated ambitious targets in terms of GHG reduction (e.g., Science Based Targets Initiative (SBTi))
- 
 - ✓ Signed off MANULI RYCO Ethical Code
 - ✓ MH Vendor sustainability score >80
- **Excellent market reputation and position**
 - Financial health, balanced strategic plans
 - Superior market intelligence capabilities, exchange of strategic market data, trend, information
 - Business continuity and cyber-security management
- **Excellent industry competency**
 - Demonstrated culture of manufacturing excellence
 - Capacity abundance and flexibility (factories, lines, equipment, storage, staff, etc.)
 - Excellent productivity (doing more with less resources)
 - Complete, advanced range of products
 - Excellent R&D capabilities, advanced testing and calibration facilities, compliance to ISO/IEC 17025
- **Certified management systems**
 - ✓ Achieved all required and recommended certifications to International Standards (ISO9001, ISO14001, ISO45001)
- 
- **Prompt, proactive, effective communication, partnership**
 - Professional, competent, cooperative account management, customer service and operational interfaces
 - Documented strategic partnering with, and operational preference to MH
 - Documented contribution to the innovation and/or the development of MH systems, technology, processes, products, etc.
 - Documented contribution to the improvement of MH carbon footprint and the achievement of our ambitious targets in terms of GHG reduction
 - Full contractual compliance (adherence to MANULI RYCO Codes and to MANULI HYDRAULICS/RYCO purchasing specifications, supply contracts, confidentiality agreements, general conditions of purchase, product liability insurance, etc.)
- **Excellent ratings with MANULI HYDRAULICS Qualification and Performance evaluation**
 - Exceeds Quality requirements (PPM, Ppk)
 - Outstanding promptness and effectiveness on quality issues resolution
- 
 - ✓ 100% quality zero-defect on products and processes over last 3 years
 - ✓ MH Vendor rating score >80 over last 3 years
- **Global presence, short supply chain**
 - Short plant-to plant distance, short delivery times
 - Excellent on-time delivery performance
 - Excellent flexibility (capacity, deliveries)
 - Excellent supply chain control and responsiveness
- 
 - ✓ 100% delivery performance over last 3 years

- **Competitive total cost of ownership at global market level**
- Outstanding competitiveness
- Cost control and transparency (price and cost break-down sharing), cost continuous improvement (value analysis, cost target, cost optimization, cost saving sharing, etc.)
- Documented contributions to total cost reductions
 - ✓ 100% competitive advantage against market over last 3 years
 - ✓ 100% invoice compliance over last 3 years



Acronyms and definitions

MANULI RYCO GROUP – <https://www.manulirubber.com/index.html>

MANULI RYCO GROUP Corporate Social Responsibility – <https://www.manuliryco.com/enviroment.html>

MANULI HYDRAULICS – <https://www.manuli-hydraulics.com/>

MH – Manuli Hydraulics & RYCO (Manufacturing Division of the MANULI RYCO GROUP)

SRM – Manuli Hydraulics & RYCO Supplier Requirement Manual

SDGs - [United Nations Sustainable Development Goals](#) - collection of 17 global goals designed to be a blueprint to achieve a better and more sustainable future globally and intended to be achieved by the year 2030 in the context of the UN 2030 Agenda.

CSR - [Corporate Social Responsibility](#) – European Union Green Paper on Corporate Social Responsibility, definition of CSR: “The voluntary integration of companies’ social and ecological concerns into their business activities and their relationships with their stakeholders. Being socially responsible means not only fully satisfying the applicable legal obligations but also going beyond and investing ‘more’ in human capital, the environment, and stakeholder relations.” ISO 26000 standards on Corporate Social Responsibility, definition of CSR: “The responsibility of an organization for the impacts of its decisions and activities on society and the environment, resulting in ethical behaviour and transparency which contributes to sustainable development, including the health and well-being of society; takes into account the expectations of stakeholders; complies with current laws and is consistent with international standards of behaviour; and is integrated throughout the organization and implemented in its relations.”

EU CSRD - Corporate Sustainability Reporting Directive (EU) 2022/2464 based on **European Sustainability Reporting Standards (ESRS)** suggest reporting on the **ESG factors** below:

a) environmental factors

(i) climate change mitigation, including as regards scope 1, scope 2 and, where relevant, scope 3 greenhouse gas emissions; (ii) climate change adaptation; (iii) water and marine resources; (iv) resource use and the circular economy; (v) pollution; (vi) biodiversity and ecosystems.

b) social and human rights factors:

(i) equal treatment and opportunities for all; (ii) working conditions, including secure employment, working time, adequate wages, social dialogue, freedom of association, existence of works councils, collective bargaining, work life balance, and health and safety; (iii) respect for the human rights, fundamental freedoms, democratic principles, and standards

c) governance factors:

(i) the role of the administrative, management and supervisory bodies with regard to sustainability matters, and their composition, as well as their expertise and skills in relation to fulfilling that role or the access such bodies have to such expertise and skills; (ii) the main features of the internal control and risk management systems, in relation to the sustainability reporting and decision-making process; (iii) business ethics and corporate culture, including anti-corruption and anti-bribery, the protection of whistleblowers and animal welfare; (iv) activities and commitments of the undertaking related to exerting its political influence, including its lobbying activities; (v) the management and quality of relationships with customers, suppliers and communities affected by the activities of the company, including payment practices, especially with regard to late payment to small and medium-sized companies.

[GHG Protocol Corporate Accounting and Reporting Standard](#) – GHG Protocol provides requirements and guidance for companies and other organizations preparing a corporate-level GHG emissions inventory.

The standard covers the accounting and reporting of seven greenhouse gases covered by the United Nations Framework Convention on Climate Change (UNFCCC) (Kyoto Protocol) – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

- Scope 1 refers to all direct GHG emissions.
- Scope 2 refers to indirect GHG emissions from consumption of purchased electricity, heat, or steam.
- Scope 3 refers to other indirect emissions not covered in Scope 2 that occur in the value chain of the reporting company, including both upstream and downstream emissions. Scope 3 emissions could include the production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g., transmission and distribution losses), outsourced activities, and waste disposal.

References/Sources

- ❖ MANULI RYCO Ethical Code <https://www.manulirubber.com/ethical.html>
- ❖ MANULI RYCO Organizational, Management and Control Model (Italian Legislative Decree dated June 8th, 2001, n. 231) <https://www.manulirubber.com/organisation.html>
- ❖ MANULI RYCO Environmental Management System (EMS) <https://www.manulirubber.com/enviroment.html>
- ❖ MANULI RYCO Data Protection Policy <https://www.manulirubber.com/policy.html>
- ❖ MANULI RYCO Quality Certifications <https://www.manuli-hydraulics.com/quality-approvals/>
- ❖ MANULI HYDRAULICS Suppliers <https://www.manuli-hydraulics.com/suppliers/>
- ❖ ISO 9001 - Quality Management System <https://www.iso.org/>
- ❖ ISO/TS 16949 (IATF) <https://www.iatfglobaloversight.org/iatf-169492016/about/>
- ❖ API Q1 <https://www.api.org/products-and-services>
- ❖ ISO 14001 - Environmental Management System <https://www.iso.org/>
- ❖ EMAS European Union Eco-Management and Audit Scheme (EMAS) https://green-business.ec.europa.eu/eco-management-and-audit-scheme/emas-resources_en
- ❖ ISO 45001 - Occupational Health and Safety <https://www.iso.org/>
- ❖ SA8000 Social Accountability <http://www.sa-intl.org/>
- ❖ ISO 50001 - Energy management <https://www.iso.org/>
- ❖ ILO International Labour Organization Conventions <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/lang--en/index.htm>
- ❖ ETI Ethical Trade Initiative Base Code <https://www.ethicaltrade.org/eti-base-code>
- ❖ UN Guiding Principles on Business and Human Rights https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
- ❖ UN Global Compact – The Ten Principles of Corporate sustainability - - <https://www.unglobalcompact.org/>
- ❖ UN Global Compact - Supply Chain Sustainability - <https://www.unglobalcompact.org/>
- ❖ ISO 26000 - Guidance on Social Responsibility (not intended for certification purposes) <https://www.iso.org/iso-26000-social-responsibility.html>
- ❖ ISO 37001:2016 – Anti-bribery management systems <https://www.iso.org/standard/65034.html>
- ❖ ISO 20400:2017 - Sustainable procurement, Guidance <https://www.iso.org/standard/63026.html>
- ❖ ISO 14064-1:2018 - Greenhouse gases - <https://www.iso.org/>
- ❖ ISO 14067 - Greenhouse gases. Carbon footprint of products, Requirements and guidelines for quantification - principles, requirements and guidelines for the quantification and reporting of the carbon footprint of a product (CFP), in a manner consistent with International Standards on life cycle assessment (LCA) (ISO 14040 and ISO 14044)
- ❖ GHG Protocol - <https://ghgprotocol.org/corporate-standard>
- ❖ SBTi - the Science Based Targets initiative (SBTi) - a partnership between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) - <https://sciencebasedtargets.org/>
- ❖ AIAG Automotive Industry Action Group (APQP) Advanced Product Quality Planning <https://www.aiag.org/quality/automotive-core-tools/apqp>
- ❖ REACH European Regulation (EC) No 1907/2006 on Registration, Evaluation, Authorization and Restriction of Chemicals https://ec.europa.eu/growth/sectors/chemicals/legislation_en
- ❖ CLP/GHS European Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures https://ec.europa.eu/growth/sectors/chemicals/legislation_en
- ❖ RoHS (Restriction of Hazardous Substances) Directive EU 2002/95/EC and subsequent Directive 2011/65/EU (RoHS 2) and Directive 2015/863 (RoHS 3) <https://www.rohsguide.com/rohs3.htm>
- ❖ EU Conflict Minerals Regulation (EU) 2017/821 - supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas - <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017R0821>
- ❖ ISO 19600 - Compliance management systems, Guidelines <http://www.sa-intl.org/>
- ❖ ISO 22301 - Business continuity management systems, Guidelines <http://www.sa-intl.org/>
- ❖ ISO 31000 - Risk management, Guidelines <http://www.sa-intl.org/>
- ❖ ISO 27001 - Information security management systems - <http://www.sa-intl.org/>
- ❖ SAE ARP9134:2004 - Supply Chain Risk Management Guidelines <https://www.sae.org/standards/content/arp9134/>
- ❖ European Data Protection Directive and General Data Protection Regulation 2016/679 (GDPR) <https://gdpr-info.eu/>
- ❖ OECD Country Risk Classification <https://www.oecd.org/trade/topics/export-credits/arrangement-and-sector-understandings/financing-terms-and-conditions/country-risk-classification/>

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MH-RYCO Certificates

ISO 9001 certified plants

- Manuli Ryco – Italy, Innovation Centre & Headquarters
- Manuli Hydraulics Polska – Poland, HY Connectors, Refri & A/C systems
- Manuli Hydraulics Manufacturing (Radomsko) - Poland, Hydraulic Hoses
- JLLC Manuli Hydraulics Manufacturing Bel (Orsha) – Belarus, Hydraulic Hoses
- Manuli Hydraulics UK (Halesowen) – UK, Mining and Drilling Hose assemblies & parts
- Manuli Hydraulics – France, Assembling Machines
- Manuli Hydraulics (Suzhou) – P.R.C., Hydraulic Hoses and Hose Assemblies
- RYCO Hydraulics – Australia; Headquarters and Design & Development Centre
- RYCO Hydraulics (Dalian) – P.R.C.; Hose Couplings, Fittings, Adaptors, Pneumatic Couplings & Adaptors
- RYCO Hydraulics – Malaysia; Hydraulics Hoses

ISO 14001 certified plants

- Manuli Hydraulics (Suzhou) – P.R.C.; Hydraulic Hoses and Hose Assemblies
- Manuli Hydraulics Polska – Poland; Hydraulic Connectors, Refri & A/C Systems
- Manuli Hydraulics Manufacturing (Radomsko) – Poland; Hydraulic, Refri & A/C Hoses
- JLLC Manuli Hydraulics Manufacturing Bel (Orsha) – Belarus; Hydraulic Hoses
- RYCO Hydraulics – Australia; Headquarters and Design & Development Centre
- RYCO Hydraulics (Dalian) – P.R.C.; Hose Couplings, Fittings, Adaptors, Pneumatic Couplings & Adaptors
- RYCO Hydraulics (Kuala Ketil) - Malaysia; Hydraulics Hoses

ISO 45001 certified plants

- Manuli Hydraulics (Suzhou) – P.R.C., Hydraulic hoses, hose assemblies
- Manuli Hydraulics Polska – Poland, Hydraulic fittings & connectors, hose assemblies, assembly equipment
- RYCO Hydraulics – Australia; Headquarters and Design & Development Centre
- RYCO Hydraulics (Dalian) – P.R.C., Hose Couplings, Fittings, Adaptors, Pneumatic Couplings & Adaptors
- RYCO Hydraulics – Malaysia, Hydraulics Hoses

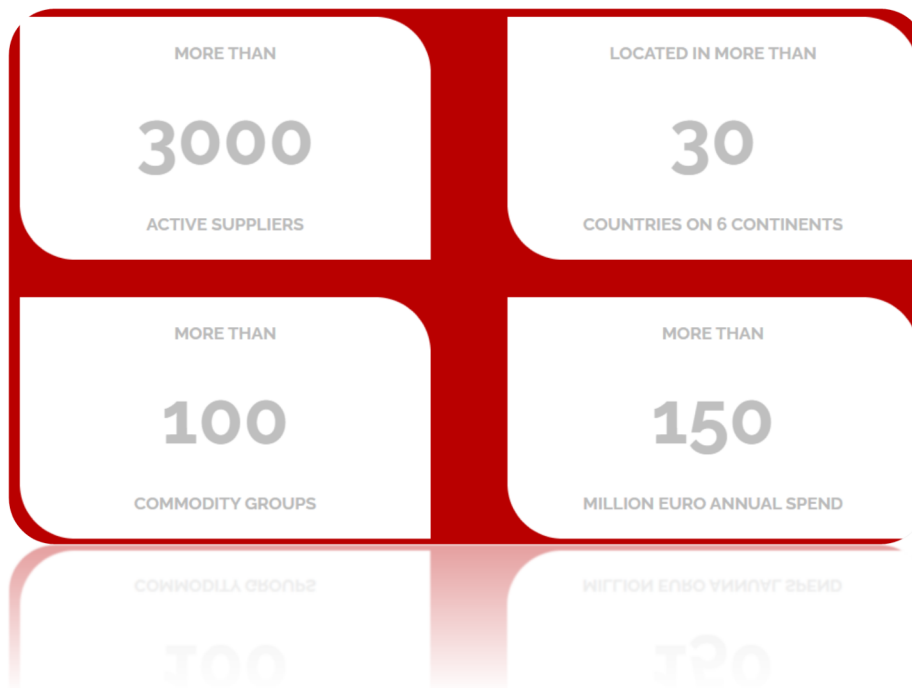
API Q1 certified plants

- MANULI Hydraulics UK – United Kingdom – Hose assemblies

MH RYCO Sustainability Reporting according to EU Directive 2022/2464 (CSRD, Corporate Sustainability Reporting Directive) and based on Global Reporting Initiative (GRI) standards

- Under development

CHART 2 – Purchased raw materials and components



GLOBAL SUPPLY STANDARDS – Ed. 3-2023 (December 2023)

Notes

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