

MODERN SLAVERY ACT STATEMENT

for the financial year ending December 31st, 2020

MODERN SLAVERY ACT 2015

This statement is made pursuant to Section 51 (1) of the Modern Slavery Act 2015 (“the MSA”) on behalf of **Sigma S.p.A.** (“the Company”) and behalf of those subsidiaries of the Company to which Section 54 of the MSA applies.

1. Introduction

The Company is committed to adopting, maintaining and improving systems and processes designed to **eliminate slavery and human trafficking** from our supply chains or in any part of our business. The following statement sets out the steps which the Company is taking to combat slavery and human trafficking.

2. The Organization

The Company is a private company with limited liability, incorporated and organized under the laws of Italy.

3. Our Business

Sigma S.p.A. designs, engineers, manufactures and sells worldwide Ticket Vending Machines, ATMs, Automatic Toll Collection systems, Queue Management Systems, Security Systems, Parking Systems and Rail Signalling equipments, providing also on-site or in-factory technical assistance.

Our Business:

- N. 3 manufacturing facilities
- N. 2 Research and development laboratories
- € 55.980.225 annual turnover (2019)
- 3 direct subsidiaries (100% owned by Sigma S.p.A.) : SIGMA AUTOMATIQUE SASU (FRA), SIGMA BELGIO sprl, SIGMA4UK Ltd (UK)
- Customers in more than 30 countries worldwide.

SIGMA S.p.A

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Capitale Sociale € 7.875.000,00 i.v.
C.F ed Iscr. Reg. Imp. FM 01590580443
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4. Our Supply Chain

SIGMA is a system integrator that designs the mechanics, the hardware and the software of all its solutions where the best technologies available on the world market are integrated, the construction of the mechanical and hardware components is then outsourced to the various suppliers, if therefore is not considered the software component created by SIGMA's R&D laboratories, 100% of the other components is purchased from external suppliers.

Suppliers are selected based on the quality and competitiveness of their products and services, as well as on their compliance with social, ethical and environmental standards.

Sustainability standards and performance along the value chain also include aspects related to **international human rights standards and labour laws**.

Suppliers at every tier of the supply chain carry much of the management responsibility; nevertheless, Sigma is aware of the role that it can play in preventing human rights violations and promoting sound working conditions.

SIGMA is furthermore accountable for business relationships and works to eliminate vulnerabilities in supply chains. Where modern slavery or other human rights abuse are identified, SIGMA takes corrective action working together with suppliers and business partners.

Concentration of Sigma S.p.A. annual purchased value from local suppliers by region and by emerging markets.

NAFTA	1%
LATAM	0%
EMEA	56%
ASIA	43%

5. Our Policies on Slavery and Human Trafficking

SIGMA S.p.A. has its own formalized ethical code (the "Code").

The Code formally defines the management methods of the Company, standardizing its conduct to models of legality, loyalty, fairness and economic efficiency in both internal and external relationships.

The code has a special section, paragraph 4.3, which defines the rules to be followed in order to guarantee the highest ethical and safety standards including a work environment that respects the needs of all its staff and business partners .

At Sigma S.p.A., one way we develop an environment that embodies the highest ethical standards in business conduct is through our **Code of Conduct** (the "Code").

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Sigma endorses the **United Nations (“UN”) Declaration on Human Rights** and the **International Labor Organization (“ILO”) Conventions**.

Sigma is going to formalize a comprehensive **set of Guidelines** to address some issues already complied as legal obligations but not formalized in specific corporate documents such as child and forced labor, prohibition of trafficking and other forms of slavery, non-discrimination.

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The formalization of the **best practice of business conduct** aims to ensure that all those third parties with whom Sigma maintains business relationships of a lasting nature such as suppliers, dealers, advisors and agents also comply with the ethical standards respected by all SIGMA staff.

Guidelines require that Sigma’s suppliers adhere, at a minimum, to the following **principles**:

Human rights and working conditions:

- rejection of the use of forced or child labor in any form
- recognition of the right to freedom of association in accordance with applicable laws
- freedom from harassment and discrimination
- safeguarding of employee health and safety
- guarantee of equal opportunities, fair working conditions, appropriate working time, equal compensation and right to education and training for employees.

Supplier contractual clauses

In order to address, prevent, and mitigate any potential impacts, contractual clauses shall be introduced and Sigma’s General Terms and Conditions of any new purchase orders with suppliers to comply with both the principles set forth by the Sigma S.p.A. Code of Conduct.

If a supplier fails to follow these principles, Sigma can require the supplier to implement a corrective action plan, which is then verified through audit activities, and reserves the right to terminate the business relationship.

6. Due diligence for Slavery and Human Trafficking

Our due diligence processes include actions to safeguard against human rights abuses in any part of our business and in our supply chain. As part of our initiative to internally identify and mitigate any related risks, the following tools have been developed:

- an annual survey

aimed at detecting any case of child and forced labour at worldwide Sigma’s companies, including those located in countries that have not ratified ILO Conventions on these issues.

In addition, potential suppliers, to be eligible, must demonstrate that they have adopted a code of conduct, a certified system for managing employee health and safety, and a program that promotes

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sustainability, both internally and along the supply chain. These conditions help ensure that they monitor and manage environmental aspects, labour practices, human rights, and their impact on society.

7. Training

Sigma disseminates the Principles established in the Code of Conduct and the values of good governance to all employees.

Employees worldwide regularly receive **training in ethics and compliance**, with focus on the Code of Conduct.

Sigma is also committed to **establishing a strong safety culture** applying an extensive approach in which employee health and safety is considered more broadly in terms of workers' welfare.

Employees are involved in this process through training and initiatives designed to increase safety awareness, and by participating in a comprehensive system for gathering feedback and suggestions.

the President of the SIGMA S.p.A. board



This document, signed by the President of the board of directors of SIGMA on 31 July 2020, is available on the public website www.sigmaspa.com, in the certifications section, and on the company intranet.

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