

ETHICAL CODE

INTRODUCTION

Simonelli Group (hereinafter also referred to as "SG" or the "Company") is one of the leading companies for the production of machines and equipment for espresso coffee and cappuccino. In pursuing its corporate purpose, SG is a company that has distinguished itself on the market for its ability to innovate its products and services, for its commitment to research and deepening of scientific knowledge.

To define the set of values that distinguish it, SG has prepared this Ethical Code, which delineates the responsible conduct that inspires strategic thinking, as well as the management of company activities in pursuing the objectives of excellence in the market in which it operates.

The Ethical Code (hereinafter referred to as the "Code") represents an essential element of the internal control system, and adherence to it allows SG to prevent the occurrence of wrongdoing or violations against its internal and external interlocutors. The adoption of certain principles of conduct is an expression of the Company's commitment, also given the prevention of unlawful conduct in terms of Human Rights, corporate social responsibility, and corporate governance.

This mainly refers to:

- The United Nations Charter of Human Rights, the European Union Charter of Rights, the Italian Constitution.
- The principles and rules of conduct enshrined in the Legislative Decree No. 231 of 8 June 2001.
- The Core Labor Standards covered by the ILO (International Labor Organization) conventions, OECD's (Organization for Economic Co-operation and Development) Guidelines for Multinational Enterprises, the United Nations Global Compact, the SA 8000 (Social Accountability) and the Charter of Corporate Values of the European Institute for Social Accounting.
- Current best practices on codes of ethics.

The purpose of this Code is to declare and disseminate the values and rules of conduct to which the Company intends to make constant reference in the course of its business activity.

All recipients are required to observe and, as far as they are concerned, ensure that others perceive the principles contained in the Code. In no way can the pursuit of SG's interests be separated from the observance of the aforementioned principles.

1. STRATEGIC PERSPECTIVE AND PARTICIPATIVE APPROACH

1.1 VALUES, VISION & MISSION

Values:

Research & Innovation: SG is fully committed to advancing knowledge about coffee through research activities. It translates into innovation, high-performance, and efficient machines, thus raising the quality standards of the coffee industry.

Sustainability: the Company undertakes to be active in guaranteeing environmental, economic, and social sustainability.

Education: SG's goal is to continuously disseminate knowledge and culture of coffee to all partners and operators in the industry through educational programs that can enhance the professionalism and quality of their services.

Vision: We believe in a wise and sustainable innovation that empowers people to act with ethics, respecting the territory and the environment.

Mission: We combine passion, commitment, creativity, and intelligence to ensure to our clients the best brewing in the cup.

In our labs and workshops, we merge research and design to create high performance, innovative and sustainable machines, solid and with a great design.
From our region, Le Marche, to the world, bringing coffee culture everywhere.

1.2 A cooperative approach towards stakeholders

SG aims to maintain and develop a trustworthy relationship with all its stakeholders (shareholders, employees, customers, suppliers, business partners, communities, public and financial institutions, non-profit organizations, etc.), i.e., those categories of individuals, groups or institutions which play a role in the accomplishment of the Company's mission or which have an interest in the pursuit of that mission, as well as those impacted by SG's actions. To maintain the relationship of trust that it enjoys with its stakeholders, SG maintains a constant dialogue with them and is committed to closely involving local communities.

2. VALIDITY, APPLICATION AND CONTRACTUAL VALUE OF THE CODE

2.1 RECIPIENTS OF THE CODE

The principles and provisions contained in this Code must inspire SG's activities and guide the conduct of its workers, partners, consultants, and external professionals who are in a cooperative relationship with the Company. Adherence to the provisions and principles contained herein constitutes an essential condition for the validity of existing contracts between SG and the above parties. The Code is applicable in all areas where SG operates.

2.2 COMMUNICATION AND TRAINING

The Code is brought to the attention of all internal and external persons and bodies who have an interest in the corporate mission by postings on the company noticeboard and appropriate communication activities. To ensure that the Code is clearly understood by all workers and collaborators, the Company will endeavor to promote knowledge of its ethical principles and standards. Training initiatives differentiate according to the roles and responsibilities of the employees.

2.3 GENERAL COMPANY PRINCIPLES AND REFERENCES FOR RECIPIENTS

Every action, transaction, negotiation, and, more generally, conduct implemented by the "recipients" of this Code while performing their duties must follow the principles below:

Legal Compliance	SG believes that compliance with the applicable law and regulations in countries where the Company operates is a primary value that must be continuously pursued. Therefore, all recipients must base their conduct, in the context of the duties they perform on behalf of or in the interest of the Company, in full compliance with national, community and international laws applicable to the Company.
Responsibility and Conflict of Interest	SG requires that recipients act responsibly and professionally, in full respect of ethical behavior, good faith, ethics, and based on a spirit of mutual respect and collaboration. Recipients must abstain from any action in a conflict of interest with SG and avoid situations that may even only appear to conflict with interest with the Company.
Honesty, Correctness, Fair Competition and Transparency	Honesty, Correctness, Fair Competition, and Transparency The Company requires recipients to operate by principles of correctness, fair competition, and transparency towards its workers, institutions, suppliers, distributors, customers, and every operator in the market.

Transparency	SG believes in informing the stakeholders, clearly and transparently, of their situation and financial position and performance, without favoring any groups of interest or individuals.
Integrity	<p>The recipients of this Code are required to perform their duties with the diligence required by the assignment's nature, with professionalism and reliability.</p> <p>The Company considers ethics to be of primary interest. No conduct conflicting with applicable regulations or the Code is tolerated, even if appearing to promote SG. SG deplors all forms of fraudulent patronage.</p>
Equality of Opportunity, Respect for Diversity and Non-Discrimination (HR Management)	<p>SG considers the development of its workers and the fulfillment of the people that contribute to its activities, as crucial for the success of the Company. It, therefore, undertakes to respect workers' rights. SG is committed to drawing the maximum value from all resources within its organization, obtaining maximum benefit from a multicultural approach, in the belief that its employees' different cultural characteristics should represent an advantage at an international level, thus helping to foster a climate that is conducive to the full expression of each individual's potential.</p> <p>In particular, SG:</p> <ul style="list-style-type: none"> • Strongly opposes all forms of discrimination based on age, gender, sexuality, health status, ethnicity, nationality, political and religious opinions, and/or harassment of its staff. • It gives all workers the same opportunities, ensuring each one the benefit of fair treatment based on merit. • Is attentive to the selection and recruitment of staff, ensuring respect for values such as equality of opportunity, merit, and equality. • It creates a working environment that is suitable for the humane, professional, and personal growth of its workers. • It does not employ minors and shuns all types of labor exploitation. • Ensures the protection of personal data privacy. • Undertakes not to establish any employment agreement with individuals without a residence permit or with an invalid permit of stay, and not to carry out any activity favoring the unlawful entry of illegal immigrants into Italy. • It promotes a healthy and safe workplace culture.
Quality	SG pays excellent attention to the manufacturing of high- performance products that meet the highest quality standards. In this regard, it is committed to continually improving its processes, products, and services, while involving both internal activities, as well as those carried out by its suppliers, who are also required to ensure high standards of quality.
Health and Safety	SG built its business model around the health and safety of its workers and of all the external personnel that are involved with the working processes. It promotes the spreading of a safety culture that passes through the direct

	involvement of every single member of the organization, through continuous training. SG provides detailed information about risks in the workplace and about Personal Protective Equipment that is needed to carry out work activities. It encourages worker health monitoring, with the collaboration of the Company Doctor. Lastly, it pursues continuous improvement in line with the specifications contained in Legislative Decree 81/2008.
Environment	SG is attentive to environmental sustainability and adopts appropriate measures to preserve the environment, to reduce harmful emissions, to limit energy consumption and, where possible, to make use of renewable energy. It also previously evaluates the environmental impact of all its activities. The Company promotes suitable measures to raise awareness amongst its business partners regarding initiatives to protect the environment.
Social Responsibility	SG operates, bearing in mind the needs of society, and it actively contributes to the economic, social, and civil development of the communities in which it is active. It is committed to socially responsible means of procurement that usually is ethically legitimate to expect, by promoting and protecting human rights and the wellbeing of the community.
Approach to sharing	SG is oriented in favor of all means of sharing and development of innovation, education, and sustainability, in line with the value system presented in article 1.1. SG also promotes a positive organizational climate that welcomes creative expression.

3. CRITERIA OF CONDUCT

3.1 TRANSPARENCY OF ACCOUNTING AND CORPORATE NOTICES

All actions, operations, and transactions must be correctly recorded in the accounting system following legal requirements and applicable accounting principles and must also be adequately authorized, verifiable, legitimate, consistent, and reasonable. To ensure that accounts meet the requirements of truth, completeness, and transparency of recorded data, every transaction requires adequate and complete supporting documentation, to enable:

- accurate recording of accounts;
- immediate identification of the characteristics and underlying reasons for the transaction;
- timing and details of the transaction can be readily reconstructed.

Each employee and collaborator shall perform their duties to ensure that any matters relating to the operations of SG are recorded accurately and promptly in the accounting records. SG provides a system of internal controls, in compliance with regulations and company procedures to:

- verify the adequacy of the different business processes in terms of efficiency, effectiveness, congruity, consistency, and cost-effectiveness;
- ensure the reliability and correctness of the accounting records and to protect corporate assets;
- ensure compliance with the legal requirements for accounting and taxation and with SG's internal procedure.

3.2 ANTI-MONEY LAUNDERING

Persons subject to the Code must not, in any way or under any circumstances, be involved in activities related to money laundering or money derived from illicit or criminal activities. Before establishing relationships or concluding contracts with suppliers and other business partners, the Company and its employees and/or collaborators must be sure about the moral integrity, reputation, and good name of the counterparty. The Company undertakes to comply with all laws and regulations, both national and international, on money laundering.

3.3 RELATIONS WITH COLLABORATORS

3.3.1 Personnel selection

Staff selection at SG is based on ascertaining the correspondence between profiles that are sought and candidates' profiles, by considering transparent and verifiable merit. SG adopts appropriate measures to avoid any form of discrimination and favoritism, does not permit distinctions for reasons of nationality, skin color, religious belief, political persuasion, trade union membership, or gender.

3.3.2 Discrimination and harassment

SG does not accept any discriminatory conduct, nor any form of harassment and/or personal or sexual offense. SG is committed to providing a work environment that rejects all forms of discrimination and harassment based on race, gender, religion, nationality, age, sexual orientation, disability, or other personal characteristics.

3.3.3 Conduct prohibited at work

In the workplace, any illegal conduct, or any form of abuse, threats, or attacks against people or company assets is strictly forbidden. Employees are required to report such behavior or any suspected violation of standards, guidelines or procedures, to their manager, who will pass on the report, with appropriate guarantee of confidentiality, to the Human Resources department, which, after completing the necessary verifications and evaluations, will play an advisory role to the Board of Directors, providing an opinion on measures to be taken.

As it aims to maintain a positive corporate climate, SG is committed to identifying any conduct that could stand in the way of that positive climate or cause it to deteriorate. It is furthermore committed to taking all necessary measures to guarantee calm working conditions.

3.3.4 Safety and health

SG is committed to spreading and consolidating a culture of safety, developing risk awareness, promoting responsible behavior by all employees and collaborators, and ensuring working conditions that respect individual dignity, within safe and healthy working environments, in compliance with safety and health laws. SG also aims to protect, using preventive action, the health, and safety of workers and other stakeholders' interests. Every employee, collaborator, and anyone who works at the company offices and production sites are called upon to contribute personally to uphold the safety and quality of the working environment, by following the safety system and all company procedures.

3.4 RELATIONS WITH SHAREHOLDERS

SG's conduct, principles, and values are based on transparency. Within this context, it is committed to providing its shareholders with appropriate, timely and complete information on the salient aspects of business management. SG's corporate governance system is compliant with current legal provisions and is focused on:

- transparency;
- supervision of business risks;
- maximization of shareholder value, consistent with social, environmental, and sustainability requirements.

3.5 RELATIONS WITH CUSTOMERS

SG is committed to avoiding arbitrary discrimination against its customers and to guaranteeing appropriate quality standards for the products and services it offers. SG's behavioral approach to its customers is based on professionalism, courtesy, respect, and collaboration. To avoid misleading or unfair practices, all communications are clear and prompt.

3.6 Relations with SUPPLIERS, PARTNERS AND EXTERNAL COLLABORATORS

Supplier selection, including financial partners and consultants, along with the determination of purchase conditions, are based on objective and impartial criteria that assess quality, price, and the guarantees provided.

The conclusion of a contract with a supplier must always be based, for SG's part, on an exceptionally clearly defined relationship.

It is forbidden to perform services or recognize compensation of any kind, in favor of contractual partners or external collaborators, that cannot be adequately justified within the context of the relationship established with the partners themselves, or concerning the type of assignment to be performed.

Agreements and collaborations must be finalized in written form with an accurate definition of conditions.

3.7 RELATIONS WITH THE PUBLIC ADMINISTRATION

All relations with public officials responsible for public services or with public and/or private organizations that provide public services, or any public relationship, must always be guided by the strictest compliance with applicable law, principles of transparency, honesty, and fairness, and can in no way compromise the integrity and reputation of SG. Relations with the public administration shall be managed exclusively by authorized personnel. In its dealings with the public administration, the Company shall not inappropriately influence the decisions of the administrative bodies concerned, especially officers dealing on their behalf. During any negotiation with the public administration, whether in Italy or abroad, SG shall respect the above principles.

3.8 GRATUITIES, GIFTS, AND BENEFITS

SG does not allow its workers or their close relatives to receive/give money, gifts or benefits from/to third parties, to gain an undue advantage for themselves or the Company. Any gestures of commercial courtesy must only be of modest value and may not be offered at a personal level. They shall always be shared within the Company.

3.9 CORRUPTION

SG condemns every form of active and passive bribery, concerning public and private persons and bodies, aimed at obtaining or producing an unfair negotiating advantage.

In Italy or abroad it is forbidden for representatives and/or employees of the Company to give or offer, either directly or through third parties, money or other benefits to any kind of entities, be they public officials, government representatives, civil or private employees, to compensate or repay them for their services, or to carry out or delay the performance of an action contrary to the duties of their position.

3.10 PRIVACY AND CONFIDENTIALITY

In compliance with the relevant legislation, SG observes maximum confidentiality regarding strategic or reserved data or information relating to the intellectual property of its shareholders, from whom it expects the same behavior.

SG shall notify every collaborator about the nature of the personal data that is processed by the Company, about processing methods, and the purpose of communications.

Collaborators are required to observe strict confidentiality regarding information, documents, studies, initiatives, projects, contracts, business plans, with particular reference to those that may compromise the image or interests of the stakeholders and the Company. All company information must be considered confidential and cannot be disclosed to third parties or used to obtain direct or indirect personal advantages. Each communication activity shall respect the laws, rules, and practices of professional conduct, and shall be carried out with clarity, transparency, and promptness, protecting, among other factors, sensitive information, and trade secrets.

4. IMPLEMENTATION PROCEDURES

Correct and valid application of the Code is only possible with the commitment and collaboration of the entire SG structure, which must ensure that the behavior of every individual is compliant with the ethical principles of the Code and collaborates with the body responsible for the implementation and control process, i.e., the Board of Directors.

4.1 VIOLATIONS AND DISCIPLINARY CONSEQUENCES

The recipients of this Code must report any violation to the Board of Directors, which will promptly evaluate the content of the report, also by contacting the person responsible for the alleged infringement and any person potentially involved. The Board of Directors undertakes to ensure the confidentiality of the identity of the reporting party, without prejudice to legal obligations.

SG also reserves the right to carry out anonymous detailed reporting. An annual statement, which protects the privacy of the authors and recipients, all reports received will be summarized for the period in question along with planned and completed actions aimed at improving conduct and, if necessary, the ethical Code itself.

Any breach of the Ethical Code may constitute a failure to fulfill obligations and, consequently, SG may take appropriate disciplinary measures, proportionate to the degree of fault, in compliance with the provisions contained in the applicable national collective employment contracts.