

SIMONELLI GROUP S.P.A. SUPPLIER CODE OF CONDUCT.

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1. Purpose and Scope.

Simonelli Group is among the leading companies in the production of machines and equipment for espresso and cappuccino coffee.

Simonelli Group's core values can only be fully respected and applied if they are shared with all business partners.

To this end, this Code of Conduct for Suppliers reflects the values pursued by the Group, also expressed in its own Code of Ethics, and defines the standards for relationships with business partners, suppliers, subcontractors, to which its suppliers are required to conform.

Suppliers are required to observe the principles set forth in this Code of Conduct for Suppliers and to undertake to promote its adoption, ensuring, without exception, the application of the provisions contained therein, also refraining from applying any rule that may hinder its effective implementation.

2. Our Commitments.

Simonelli Group aspires to maintain and develop a relationship of trust with its Suppliers and is committed to keeping a constant channel of dialogue with them.

All Suppliers can always expect:

- professionalism and integrity in the relationship with Suppliers in order to ensure fairness and transparency;
- Compliance with applicable national and international laws;
- Respect for people, nature and the environment;
- protection of human and workers' rights;
- readiness towards learning, listening and collaboration;
- transparency and impartiality;
- moral rectitude and integrity.

3. The commitments of our suppliers.

3.1 Compliance, integrity and business ethics.

Suppliers must strictly comply at all times with all national and international laws and regulations, as well as with the principles defined in this Code.

Suppliers' activities must consistently ensure respect for human rights, occupational health and safety, and environmental protection.

The goods and services offered by Suppliers must comply with all national and international laws in terms of quality and safety.

Suppliers are also required to comply with minimum standards of business integrity, such as:

- Fight against all forms of corruption;
- Combat the crimes of receiving stolen goods, money laundering, and self-laundering;
- Refrain from engaging, directly or indirectly, in any activity designed to prevent or limit competition;
- Ensuring adequate remuneration for goods and services rendered or purchased.

3.2 Human Rights.

Suppliers shall respect the human rights enshrined in the United Nations International Bill of Human Rights and the Fundamental Conventions of the International Labor Organization (ILO).

I. Child Labor.

Suppliers shall abide by the laws and act in compliance with the regulations prescribed by the International Labor Organization (ILO), particularly Convention 138 on Minimum Age of Employment and Convention 182 on the Worst Forms of Child Labor.

In accordance with ILO international labor standards, the minimum age of workers must be 15 or otherwise coincide with the age of completion of compulsory education.

If local laws provide for a higher minimum age, any worker below the minimum age is considered an illegal minor worker.

In the case of employment of young workers who have already reached the minimum age, Suppliers shall protect them until they reach the age of 18, ensuring that they are treated in accordance with

the law by assigning activities compatible with the protection and development of their mental and physical health.

In this regard, measures must be ensured to avoid dangerous situations, physical risks and night work that could compromise their health, safety or moral integrity.

II. Forced or Compulsory Labor.

Suppliers shall not in any way avail or take advantage of any form of forced, involuntary or compulsory labor, or of persons subject to slavery or human trafficking.

In this regard, all forms of physical and mental coercion are strictly prohibited.

Supplier employees must not be subject to any rules that restrict their freedom. In particular, they must not be restricted by physical restraints or practices such as withholding identity documents and valuable assets.

Suppliers must, in addition, ensure that all workers are free to withdraw from their employment contracts without fear of retaliation or punishment.

III. Non-discrimination.

Suppliers are committed to valuing diversity and inclusion and to condemning all forms of discrimination.

As such, all employees must enjoy equal rights and opportunities, and must be treated with fairness, respect and dignity.

Discrimination of any kind on the grounds of gender, gender identity, race, skin color, religion, sexual orientation, status, age, disability, political opinion, nationality, social or ethnic origin, or union membership is strictly prohibited.

Suppliers must take measures to promote equal opportunities for all employees, including temporary and interim workers, and workers working in a country other than their country of origin.

In addition, Suppliers must commit to taking the necessary measures and steps to identify, prevent and reduce the risk of discrimination.

IV. Harassment and Abuse.

Suppliers must treat all workers with respect and dignity.

Disciplinary measures must always comply with national laws and human rights.

In particular, any kind of corporal punishment, harassment or threats, as well as psychological, sexual or verbal abuse is strictly prohibited.

Any form of intimidation or violence is also prohibited.

3.3 Workers' rights.

I. Working Hours.

Suppliers shall comply with national and international labor standards, as well as National Collective Labor Agreements or any other applicable regulation, regarding hours of work.

Under no circumstances should workers be required to regularly work more regular and overtime hours than permitted by law.

Overtime work must be voluntary and workers must have the right to refuse overtime without suffering punishment, sanctions or disciplinary action.

In addition, Suppliers shall grant time for meals and breaks, weekly rest periods, annual leave and national holidays, likewise shall grant maternity leave, sick leave and any other leave to the extent permitted by law.

II. Wages and Benefits.

Suppliers must always comply with applicable regulations and collective bargaining agreements regarding wages, benefits and paid leave, ensuring that their workers receive decent, regular and adequate wages.

Specifically, workers should be paid overtime wages in accordance with the law and collective bargaining agreements, in addition to their normal wages.

III. Freedom of Association and Collective Bargaining.

Suppliers recognize the right of their employees to form and join workers' organizations of their choice and the right to collective bargaining.

As such, in exercising their rights, workers shall not be intimidated, discriminated against or harassed.

3.4 Health, safety and working conditions.

Suppliers shall act in compliance with applicable national and international standards and regulations on occupational health and safety.

Workplaces and working conditions must not be detrimental to the health and safety of workers.

In order to minimize the risks of accidents, injuries and occupational diseases, Suppliers must ensure that workers are provided with appropriate equipment (including personal protective equipment), plan effective controls and establish safe work procedures, and implement systems aimed at continuously ensuring the protection of workers' health and safety.

In addition, Suppliers must ensure adequate and effective health and safety training for workers, including both on-site training and job-specific training to be conducted before starting work and, where needed, on a regular basis.

It is the obligation of Suppliers to develop a system for detecting, analyzing and eliminating any hazardous situation.

Workers are always required to report cases of work-related injuries to their superiors without fear of adverse consequences or retaliation, and Suppliers must keep all records of injuries and accidents.

Suppliers and their workers must be prepared for emergency situations, so Suppliers must:

- prepare evacuation procedures;
- prepare emergency drills;
- equip themselves with appropriate fire detection and firefighting equipment;
- identify appropriate emergency exits.

With regard to fire prevention, Suppliers must equip workplaces with suitable fire detection and extinguishing devices that comply with laws and regulations, and provide escape routes and evacuation plans that comply with legal requirements; evacuation drills, moreover, must be conducted periodically.

Suppliers must also provide workers with an adequate first aid kit that is easily accessible and regularly checked by trained personnel.

Construction and maintenance of work facilities must be carried out in accordance with applicable standards, regulations and laws.

In particular, Suppliers must make available to all workers: potable water, an adequate number of toilets, suitable lighting, appropriate temperature conditions, canteens and refreshment areas that comply with legal sanitation regulations, and cleanliness of the environments.

3.5 Environmental Policy.

Suppliers shall comply with all environmental laws and regulations applicable to their activities and products and services, including, but not limited to:

- obtain and maintain environmental permits, licenses, and records related to statutory environmental requirements;
- manage and dispose of hazardous materials;
- manage and limit emissions of contaminants that impact air, water and soil;
- aim to protect natural resources and wildlife, reducing environmental impacts and preserving the environment;
- store, transport and dispose of waste in accordance with legal requirements;
- engage in the development and use of climate-friendly products;
- develop processes that reduce energy consumption;
- engage in the development and use of climate-friendly products;
- develop processes that reduce energy consumption.

The use of hazardous substances by Suppliers must always comply with the requirements imposed by law.

In particular, the use of substances banned nationally and internationally as harmful to people or the environment must be prohibited.

With regard to all activities that are potentially harmful to health or the environment, Suppliers must manage, measure and control each substance before it is released into the environment.

In addition, Suppliers must have appropriate tools in place to prevent and reduce any accidental spills and leaks into the environment.

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4. Supply Chain Management.

Suppliers are required to supply goods and services responsibly.

Specifically, it is the obligation of Suppliers to:

- select their suppliers based on their adherence to standards similar to those defined in this Contract;
- subcontract the activities covered by the Supply Agreement only with the prior consent of Simonelli Group;
- take all necessary steps to ensure that this Agreement is communicated within their organization and made available to their employees and to parties they use for the provision of goods and/or services.

5. Confidentiality and protection of Industrial and Intellectual Property.

Suppliers must always protect confidential information that, if disclosed, could damage Simonelli Group.

They are, moreover, responsible for the proper use of Simonelli Group's assets and, therefore, must take all necessary measures to prevent their damage, theft or unauthorized use, including damage resulting from cyber-attacks.

All types of assets fall within the scope of this provision, including tangible, intangible and financial assets, as well as intellectual and industrial property assets such as patents, trademarks, copyrighted works and trade secrets.

6. Transparency.

Suppliers commit to continuously monitor their compliance with this Code and to retain all documentation suitable for demonstrating adherence to the principles and standards contained therein, as well as to provide the aforementioned documentation to Simonelli Group upon request. In order to verify the compliance of Suppliers, Simonelli Group reserves the right to ascertain, even without prior notice, compliance with this Code of Conduct through inspection of the Supplier's facilities and/or interviews with workers.

Should such inspections reveal non-compliance with the Code of Conduct, Simonelli Group may require the Supplier to implement the necessary corrective actions in order to ensure compliance with the Code in a timely manner.

In particular, Simonelli Group reserves the right to terminate any relationship and/or terminate any contract with a Supplier who refuses to implement corrective measures within a reasonable time.

Simonelli Group also reserves the right to terminate any contractual agreement with a Supplier who violates the provisions and principles contained in this Code, as well as with a Supplier whose director has been convicted of crimes committed to the detriment of health and safety and/or the environment.

7. Violation Reporting System - Whistleblowing.

It is the responsibility of Suppliers to report suspected or potential violations of this Code.

To this end, in the event that Suppliers and their employees become aware of violations of the Code, or other illegal behavior or behavior that does not comply with applicable laws and/or regulations, they may report it through the reporting channels made available by Simonelli Group:

- by written report to be delivered by registered mail with return receipt to the attention of the Whistleblowing Office, to be sent to the Company's headquarters in (62020) Belforte del Chienti (MC), Via Emilio Betti n. 1;
- using the confidential telephone line no. +39-3440626883, managed directly by the Company's Whistleblowing Office, possibly also by leaving a voicemail, sms or via WhatsApp message. Through the same telephone number, the whistleblower may also request a direct meeting with the members of the Whistleblowing Office. The meeting will be conducted in a location that ensures the confidentiality of the whistleblower. Oral reports will be recorded, transcribed or documented through minutes by the Whistleblowing Office.

Reports are received by a dedicated office ("Whistleblowing Office"), which proceeds to the relevant investigation in compliance with the confidentiality requirements of the Decree.

Within 7 days of receipt, the Whistleblowing Office will acknowledge receipt of the report and within the following 3 months will provide feedback on the outcome of the report.

8. Policy Review.

Simonelli Group reserves the right to update this Code, based on changes in applicable international standards, laws and regulations, through joint continuous improvement efforts.

9. References.

9.1 International References.

Universal Declaration of Human Rights:

<https://www.un.org/en/about-us/universal-declaration-of-human-rights>

ILO International Labour Organization:

<https://www.ilo.org/it>

United Nations Global Compact:

<https://unglobalcompact.org/>

OECD Guidelines:

<https://mneguidelines.oecd.org//annualreportsontheguidelines.htm>

United Nations Sustainable Development Goals:

<https://sdgs.un.org/goals>

9.2 Simonelli Group References.

Code of Ethics:

<https://simonelligroup.com/wp-content/uploads/2022/02/Codice-Etico-Simonelli-Group.pdf>

Whistleblowing:

<https://simonelligroup.com/whistleblowing/>

Sustainability report:

<https://simonelligroup.com/report-di-sostenibilita/>