

GIORDANO CONTROLS S.p.A.

Governance Framework

for Ethics, Compliance and Sustainability

Lean governance architecture for the corporate policy system

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Related documents	Register of Corporate Policies; Model 231; Code of Ethics; Corporate Policies

This Framework is designed for a lean organisation: it defines how the policy system is governed, without duplicating the detailed commitments contained in each Corporate Policy.

Table of contents

1. Purpose
2. Scope
3. Governance principles
4. Document hierarchy
5. Roles and responsibilities
6. Policy approval and review rules
7. Monitoring and reporting
8. Relationship with the Register of Corporate Policies
9. Relationship with Model 231 and Code of Ethics

1. Purpose

The purpose of this Governance Framework is to define a clear, practical and proportionate governance system for ethics, compliance and sustainability within Giordano Controls S.p.A.

The Framework explains how the Company's Code of Ethics, Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, Corporate Policies and Register of Corporate Policies are connected, approved, implemented, monitored and reviewed.

It is intended to support Board oversight, internal accountability, sustainability reporting, UN Global Compact Communication on Progress, EcoVadis assessments and customer ESG due diligence, while remaining suitable for a lean industrial organisation.

2. Scope

This Framework applies to the governance of the corporate policy system of Giordano Controls S.p.A. It covers the documents listed in the Register of Corporate Policies and the responsibilities assigned to the Board of Directors, management, Sustainability Committee, Policy Owners, employees and relevant business partners.

The Framework does not replace applicable laws, the Model 231, the Code of Ethics, contractual obligations, operational procedures or certified management systems. Instead, it provides a common governance layer that connects these instruments and keeps the policy system controlled.

- Own operations: governance, employment practices, health and safety, environmental management, business conduct, product responsibility and reporting.
- Value chain: supplier expectations, human rights, environmental, integrity and responsible procurement requirements, where relevant and proportionate.
- Products and services: safety, compliance, energy efficiency, responsible design and lifecycle considerations.

3. Governance principles

Principle	Meaning for Giordano Controls
Integrity and compliance	Business is conducted in accordance with applicable laws, the Code of Ethics, the Model 231 and internal policies.
Proportionality	Governance arrangements are practical and suitable for the Company's size, organisation and risk profile.
Accountability	Roles are assigned to competent functions, with oversight by the Sustainability Committee and approval by the Board where required.
Transparency	Policies, responsibilities, status and review cycles are documented and traceable through the Register of Corporate Policies.
Risk-based approach	Controls and monitoring focus on the most relevant impacts, risks and obligations in own operations and the value chain.
Continuous improvement	Policies are reviewed periodically and updated when material changes, incidents, findings or stakeholder feedback require it.

4. Document hierarchy

The policy system is organised in a simple hierarchy. The hierarchy avoids duplication: the Framework defines governance rules, while each Corporate Policy defines the commitments for its subject area.

Level	Document / instrument	Role
1	Board of Directors and corporate governance	Defines strategic direction, approves the key policy framework and receives escalations on material matters.
2	Model 231 and Code of Ethics	Set the Company's ethical, compliance and control principles, including business integrity and lawful conduct.
3	GC-GF-001 Governance Framework	Explains how ethics, compliance and sustainability policies are governed, reviewed and monitored.
4	GC Register of Corporate Policies	Acts as the controlled list of current policies, owners, approval authority, status and review frequency.
5	Corporate Policies	Translate principles into specific commitments on ESG, environment, social matters, business conduct and supply chain.
6	Procedures, controls, training and KPIs	Implement policy commitments in day-to-day operations and provide evidence of monitoring and improvement.

For consistency, all Corporate Policies should use the document codes listed in the Register. The full code format should include the 'GC-' prefix, for example GC-ENV-001, GC-SOC-001 and GC-BC-001.

5. Roles and responsibilities

Responsibilities are intentionally simple. The aim is to ensure that each policy has a clear owner, while avoiding unnecessary committees or parallel reporting channels.

Role	Main responsibilities
Board of Directors	Approves the Governance Framework, Register of Corporate Policies and material Corporate Policies; receives information on material ESG and compliance matters.
Chairman / Chief Executive Officer	Supports integration of ethics, compliance and sustainability into business priorities and management decisions.
Sustainability Committee	Coordinates cross-functional ESG topics, reviews policy updates and monitors implementation progress.
Sustainability Manager	Maintains the Framework and Register, coordinates reporting, supports Policy Owners and proposes improvements.
Policy Owners	Draft, maintain, communicate and review assigned policies; coordinate implementation with competent functions.
Supervisory Body (OdV)	Oversees the Model 231 and relevant compliance controls within its mandate, including reports received through applicable channels.
Employees and collaborators	Comply with policies and procedures, participate in training and report concerns or potential violations.
Suppliers and business partners	Comply with applicable contractual, legal and supplier-code requirements and cooperate with assessments where required.

6. Policy approval and review rules

The policy lifecycle is managed through a practical approval and review model. Initial approval of the Framework, Register and Corporate Policies is submitted to the Board of Directors.

Rule	Governance approach
Initial approval	The Board of Directors approves the Governance Framework, Register and Corporate Policies as part of the Company's ethics, compliance and sustainability governance system.
Material changes	New policies, deletion of policies or changes affecting scope, commitments, responsibilities, risk appetite, legal compliance or stakeholder-facing obligations are submitted to the Board of Directors.
Non-material updates	Editorial corrections, formatting changes, contact updates and minor clarifications may be managed by the competent corporate functions, provided that they do not alter the scope, commitments or responsibilities defined by the policy.
Periodic review	Each Policy Owner reviews the assigned document at least every two years, or earlier when regulatory, organisational, strategic or operational changes occur.
Evidence	Current versions, approval dates and material amendments are retained as evidence for audits, EcoVadis, UN Global Compact reporting and customer ESG due diligence.

7. Monitoring and reporting

Monitoring is based on existing management routines, data collection and reporting processes. The Framework does not require a complex standalone control system.

- Policy Owners monitor implementation within their areas of responsibility and escalate relevant gaps, incidents or improvement needs.
- The Sustainability Committee reviews ESG progress, policy status, material findings and reporting needs.
- The Sustainability Manager coordinates sustainability information, policy evidence and updates to the Register.
- Compliance matters linked to the Model 231 or Code of Ethics are managed through the relevant governance and reporting channels, including the Supervisory Body where applicable.
- Evidence may include sustainability KPIs, training records, supplier documentation, audit findings, corrective actions, whistleblowing records, management reviews and sustainability reporting.

Reporting outputs may include the Sustainability Report, UN Global Compact Communication on Progress, EcoVadis documentation, customer ESG questionnaires and Board-level updates on material matters.

8. Relationship with the Register of Corporate Policies

The Register of Corporate Policies is the controlled list of the Company's policy documents. It should remain concise and operational: it records what documents exist, who owns them, their status, approval authority and review frequency.

The Register should be treated as the source of truth for policy names and codes. The Framework describes the governance rules; the Register lists the documents subject to those rules.

Policy family	Current documents
Governance	GC-GF-001 Governance Framework for Ethics, Compliance and Sustainability; Register of Corporate Policies
Ethics and compliance	Model 231; Code of Ethics; GC-BC-001 Business Conduct and Corporate Culture Policy; GC-BC-002 Anti-Corruption Policy; GC-BC-003 Conflict of Interest Policy; GC-BC-004 Gifts and Hospitality Policy; GC-BC-005 Whistleblower Protection Policy
ESG and environment	GC-ESG-001 Sustainability Policy; GC-ENV-001 Environmental Policy; GC-ENV-002 Climate Action Policy; GC-ENV-003 Biodiversity Policy; GC-ENV-004 Air Pollution Policy; GC-ENV-005 Product Lifecycle Policy
Social	GC-SOC-001 Human Rights Policy; GC-SOC-002 People Policy; GC-SOC-003 Equality, Diversity and Inclusion Policy; GC-SOC-004 Health and Safety Policy
Supply chain	GC-SC-001 Sustainable Procurement Policy and Supplier Code of Conduct

The Sustainable Procurement Policy and Supplier Code of Conduct are managed as one integrated document. This should be noted in the Register description, while the official document name should remain unchanged.

9. Relationship with Model 231 and Code of Ethics

The Model 231 and the Code of Ethics remain the primary reference documents for legal compliance, ethical conduct, integrity and prevention of offences under Italian Legislative Decree 231/2001.

The Code of Ethics, as Annex 1 to the Model 231, sets the behavioural principles applicable to directors, employees, collaborators and business partners. Corporate Policies must be consistent with those principles and must not reduce or replace obligations established by the Model 231, the Code of Ethics or applicable law.

Where a policy topic overlaps with the Model 231 or Code of Ethics, the competent Policy Owner coordinates with the relevant compliance functions and, where applicable, with the Supervisory Body. This is particularly relevant for anti-corruption, conflicts of interest, gifts and hospitality, whistleblowing, human rights, supplier conduct and business integrity.

This Framework therefore acts as a connecting document: it links the Company's ethics and compliance architecture with the sustainability policy system, without creating a parallel or more complex governance structure.

Final note

This Framework is intended to remain lean. Detailed commitments, operational rules and technical requirements should stay in the relevant Corporate Policies, procedures and management-system documents. The Framework should be updated only when the governance model, document hierarchy, approval rules or relationship with the Register materially changes.