

Sustainable Procurement Policy and Supplier Code of Conduct

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1. Preamble

Giordano Controls understands that supply chains are driving elements of the global economy. Acting consciously to ensure that our supply chain is robust and of high quality, by managing risks and opportunities associated with our supplies, supports the company's business continuity and positively impacts the economy.

Promoting sustainable initiatives in supply chain management contributes to broad-based socio-economic development and creates shared value. At the same time, Giordano Controls recognises that its supply chain may generate potential negative impacts on the environment and on people if not properly managed.

To prevent such impacts, Giordano Controls requires its **business partners**, including suppliers of goods and services, consultants and professionals, to adopt the same approach in the execution of activities as the Company does. In addition to ensuring the necessary quality standards, suppliers are expected to embrace best practices in human rights and working conditions, health and safety, environmental responsibility, ethics and information security.

Giordano Controls plans to implement a standardised qualification and management process to verify that suppliers meet quality and sustainability requirements. Each step is carried out with the intention of incorporating corporate objectives, business strategies and sustainability policies, defining the optimal purchasing criteria for each supplier category.

These rules are based on transparency, fairness, convenience and cost-effectiveness, and are identified based on objective evaluations of quality, price, innovation, reliability, honourability, competitiveness, sustainability and performance in delivering the service.

This Policy establishes Giordano Controls' commitment to the objectives described and will be regularly updated to ensure relevance, compliance and adherence to the initiative.

Objective

This Sustainable Procurement Policy and Supplier Code of Conduct aims to promote sustainable procurement practices throughout the entire supply chain and defines a set of guidelines and principles

that establish the ethical, behavioural and compliance standards that suppliers must follow when interacting with Giordano Controls.

Suppliers are required to recognise and adopt the same principles and ensure compliance throughout the supply chain regarding:

- **Legal compliance:** suppliers must comply with all applicable laws, regulations and standards in the territories in which they operate, including those related to health and safety, child labour, human rights, environment, competition and anti-corruption.
- **Business ethics:** suppliers must conduct their business with integrity, honesty and transparency, avoiding fraudulent or misleading practices.
- **Human and labour rights:** suppliers must respect the basic human rights of their employees, including the prohibition of child labour, respect for trade union freedom, and fair and non-discriminatory treatment of all employees.
- **Environment:** suppliers must adopt sustainable practices to reduce the environmental impact of their operations by complying with environmental regulations and constantly striving to improve their environmental performance.
- **Health and safety:** suppliers must provide a safe and healthy working environment for their employees by implementing incident prevention measures and providing the necessary training to ensure safety in the workplace.
- **Supply chain management:** suppliers must promote ethical practices within their own supply chain, ensuring that sub-suppliers follow the same ethical and compliance standards.
- **Quality, transparency and accountability:** suppliers must meet quality requirements and be transparent in their operations, providing accurate and complete information to Giordano Controls and actively cooperating to resolve any problems or disputes in a timely and flexible manner.
- **Innovation:** suppliers should promote innovation and the search for improved technical solutions.
- **Information security and privacy:** suppliers must protect the security and integrity of exchanged data and information in all their use and storage.

Compliance with and signing this Policy is a necessary condition for establishing and maintaining a business relationship with Giordano Controls. Any violation of this Policy will entitle Giordano Controls to terminate the business relationship.

2. Reference documents

This Policy should be read in conjunction with the following documents, which prescribe the principles and values Giordano Controls is committed to:

- Code of Ethics [Codice Etico];
- Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001, General Part and Special Part [Modello di organizzazione, gestione e controllo ai sensi del D.Lgs. n. 231/2001];
- Giordano Controls Sustainability Report;
- internal guidelines related to improving energy efficiency and limiting other environmental impacts;
- policies and procedures of the corporate risk management system;

- documents supporting the health and safety management system in accordance with legal requirements;
- the Ten Principles of the United Nations Global Compact;
- the UN 2030 Agenda for Sustainable Development.

Suppliers are required to comply with the regulations and standards in force in the countries in which they operate. If local regulations are less stringent than the principles contained in this Policy, suppliers undertake to adopt, within a reasonable period, the necessary measures to comply with the principles and behaviours defined below.

Useful links

- [Code of Ethics](#)
- [Organisation, Management and Control Model pursuant to Legislative Decree 231/2001](#)
- [Sustainability Policy](#)
- [Giordano Controls Sustainability Report](#)
- [United Nations Global Compact Ten Principles](#)
- [UN 2030 Agenda for Sustainable Development](#)
- [Privacy and Whistleblowing](#)

3. Guidelines and principles

3.1. Labour and human rights

In accordance with international standards and with a view to social protection and sustainability, Giordano Controls requires its suppliers to prevent and avoid activities that may cause or contribute to human rights violations. Suppliers are required to:

- **not use child labour.** They shall not, under any circumstances, employ anyone under the age of 15, unless it is a youth work experience, training or apprenticeship programme authorised by the government and of evident benefit to the participant;
- **not use any form of forced labour.** They must not tolerate disciplinary practices involving physical or psychological violence and must oppose any form of human trafficking and modern slavery;
- recognise, respect and fully guarantee the **right to work and free association** of employees in all facilities and apply forms of collective bargaining where regulations and/or the social system provide for them, working constructively with employees or any organisation representing them;
- **not tolerate any form of harassment and/or discrimination** based on gender, minority membership, political opinion, religious belief, age, ethnicity, civil status, family status, disability or any other personal condition, and recognise and promote the positive value of diversity;
- comply with applicable regulations on the management of **working hours**;
- promote the material well-being of employees as much as possible. **Salaries and allowances** shall be paid in accordance with current regulations;
- consider **local people and communities** among the key stakeholders in any type of community project they plan to implement.

3.2. Ethics

- Giordano Controls, as expressed in the Code of Ethics and the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001, does not allow any form of

corruption and is committed to complying with anti-corruption laws in force in all countries in which it operates. Suppliers are therefore required to act with transparency and integrity, complying with anti-corruption laws in all countries in which they operate.

- **Any form of bribery, instigation to commit crimes, extortion or embezzlement is strictly prohibited.** Suppliers shall not offer, promise, pay or request money, directly or indirectly, to obtain an undue advantage.
- **Fair competition** is a fundamental prerequisite for business success, positive financial performance and value creation. Suppliers must act in accordance with competition, antitrust and trade regulations applicable in each country in which they operate.
- Suppliers must report any relevant **conflict of interest**, actual or potential, in the performance of their activities. A conflict of interest exists when a personal interest or activity interferes, or could interfere, with the business relationship with Giordano Controls.
- Suppliers must firmly **oppose all forms of money laundering** and take measures to ensure that each economic and financial transaction is properly traced and transparent.
- Suppliers must **respect third-party intellectual property rights and protect information and personal data**.
- The **adoption of a Code of Ethics** or Code of Conduct and periodic audits to monitor its implementation are strongly recommended.

3.3. Quality

Giordano Controls promotes the continuous improvement of suppliers' performance and their involvement in product innovation processes, with a view to strategic partnership.

To ensure maximum product safety and quality, Giordano Controls is committed to involving suppliers from the earliest stages of a project's development, adopting a preventive and proactive approach that allows critical issues to be anticipated and resolved.

Giordano Controls recommends that suppliers have a certified Quality Management System.

3.4. Health and safety at work

Giordano Controls makes the protection of health and safety at work a key principle of its actions and its way of doing business. Therefore, suppliers are asked to define and maintain **health and safety policies** aimed at providing safe and healthy working conditions to employees in compliance with applicable legal requirements. In particular:

- suppliers are required to embrace the principles of management systems inspired by ISO 45001, or equivalent standards, promoting continuous performance improvement;
- suppliers commit to disseminating and consolidating a safety culture that promotes responsible behaviour by workers;
- if a production process has been outsourced to the supplier, the supplier undertakes to adopt the applicable legislation, eliminate hazards to workers' health and safety where possible, assess residual risks and implement solutions to reduce them to a minimum level.

3.5. Environment

Giordano Controls fully endorses the principles of sustainable development and is committed to minimising the consumption of non-renewable resources. To pursue this goal, the contribution of the entire supply chain is a fundamental and indispensable element.

One of Giordano Controls' priorities is the **reduction of CO₂ emissions** during the entire product life cycle. To reduce the impact of the supply chain on the carbon footprint of its products, Giordano Controls requests transparency from suppliers regarding the disclosure of emissions from business

processes and upstream activities and the commitment to implement effective measures to reduce direct and indirect CO₂ emissions.

Suppliers are invited annually to submit information to sustainability@giordanocontrols.it regarding their company's climate change policy, sustainability report where available, Scope 1, Scope 2 and Scope 3 emissions where measured, emission reduction targets where established, participation in initiatives such as the Science Based Targets initiative, and any sustainability assessments such as EcoVadis or similar.

Definitions: Scope 1 emissions are direct emissions from sources owned or controlled by a company. Scope 2 emissions are indirect emissions from purchased electricity, steam, heat and cooling. Scope 3 emissions are all other emissions associated with a company's activities, including purchased goods and services, business travel, employee commuting, waste generated in operations, transportation and distribution.

In general, to minimise the impact of their production activities on the environment, suppliers must:

- optimise the use of natural resources and reduce environmentally harmful emissions, including those responsible for the greenhouse effect;
- design products and processes that minimise impacts on the environment throughout their life cycle, progressively reducing consumption and avoiding contamination and the use of energy whose production is responsible for climate-altering emissions;
- progressively reduce the use of energy from fossil sources by encouraging on-site self-generation projects and energy supply from renewable sources;
- appropriately manage the treatment and disposal of waste in accordance with current regulations, reducing as much as possible the production of waste for landfill in favour of recoverable waste;
- avoid the use of hazardous substances, including CMR substances, where technically feasible and, where substitution is not feasible, manage them in accordance with applicable regulations, including Regulation (EC) No. 1907/2006 - REACH and subsequent updates;
- adopt optimised logistics procedures and encourage the use of means of transportation that minimise impacts on the environment;
- drive their own supply chain in minimising environmental impacts in accordance with the commitments adopted by Giordano Controls and requested of its suppliers.

3.6. Information security

Giordano Controls believes that information security is an indispensable factor for the protection of its own assets and stakeholders' assets and is constantly committed to implementing the technical and organisational measures necessary to ensure the integrity, confidentiality and availability of its information assets and those of customers, partners, suppliers and employees.

Giordano Controls requires its suppliers:

- to handle information provided by Giordano Controls appropriately and to implement administrative, physical and technical controls regarding information security;
- to properly treat confidential information, ensuring that Giordano Controls' information is segregated from that of other customers and suppliers;
- to implement and maintain additional security controls, as agreed between Giordano Controls and the supplier;
- to notify Giordano Controls in a timely manner of breaches of information security and make best efforts for immediate resolution and prevention of future breaches.

3.7. Reporting violations

Suppliers are required to promptly report to Giordano Controls any violations of the principles listed in this Policy by their employees. Suppliers are also required to report any conduct contrary to these principles implemented by Giordano Controls employees within the scope of the supply relationship.

Reports should be submitted using the e-mail address: odv@giordanocontrols.it.

Giordano Controls guarantees the confidentiality of the identity of those who make reports in good faith and of those involved in alleged violations of this Policy.

3.8. Monitoring

Giordano Controls requests information from its suppliers related to the above-mentioned issues through specific questionnaires and surveys and reserves the right to carry out verifications through audits conducted by Giordano Controls personnel and/or third parties, after appropriate communication, on the matters covered by this Policy.

In the event that the supplier violates the principles of this Policy, fails to actively contribute to providing the required information, or where non-compliance is found and appropriate improvement plans are not set up and implemented, Giordano Controls reserves the right to suspend and/or terminate the business relationship with immediate effect, as well as to seek compensation for any loss, damage, expense or other costs incurred as a result of any default and/or conduct by the supplier.

4. Approval and follow-up

- **Approval:** this Policy has been prepared by the competent corporate functions and is approved by the Board of Directors of Giordano Controls S.p.A., reflecting senior management's commitment to responsible procurement, business integrity and sustainability across the supply chain.
- **Follow-up:** the Sustainability Committee, together with the Purchasing function and the competent departments, oversees the implementation of this Policy and reports relevant matters to the Board of Directors where appropriate.
- **Review:** this Policy is reviewed periodically, at least once every two years, or whenever significant regulatory, organisational, strategic or operational changes occur. The competent Policy Owner is responsible for proposing updates, coordinating internal reviews and ensuring alignment with applicable laws, the Code of Ethics, the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 and the Company's sustainability governance framework. Substantial revisions are submitted to the Board of Directors for approval. Editorial or non-substantial updates may be managed by the competent corporate functions, if they do not alter the scope, commitments or responsibilities defined by the Policy.
- **Availability:** Giordano Controls makes this Policy available to suppliers, business partners and interested parties who may be affected by, or expected to contribute to, its implementation.

5. Revision History

Version	Date	Approved by	Description of changes
v1.0	[date]	Board of Directors	First issue

Supplier's commitment

By signing the Commitment Form below, the supplier acknowledges having read and understood the contents of the Code of Ethics, the Organisation, Management and Control Model and this Policy, and assumes the obligation to comply with the principles set forth therein and with the general principles of the United Nations Global Compact relating to labour management and human rights.

The supplier also accepts all principles, terms and conditions contained in this Policy for the supply of goods and the performance of services for Giordano Controls.

The Commitment Form must be signed by a Legal Representative of the Company.

Commitment Form

Company name:	
VAT ID:	
Address:	
Full Name:	
Job title:	
Date:	
Signature:	