



SUPPLIER CODE OF CONDUCT

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FIRST ISSUE

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00 | Intro

Dear Partner,

*The transition to a **Benefit Corporation** made in September 2022 represents Galdi's desire to renew and clearly affirm the company's commitment to a **sustainable and ethical growth path**.*

*We have indicated in the Corporate Bylaws the key points we intend to pursue: they are our **goals for common benefit** and coincide with the values we believe in and want to stand for.*

***Sustainable innovation, environmental protection, employee welfare** and active participation in the **community** are already an integral part of Galdi's identity; they constitute the active contribution we can and want to make as a Group, today and in the future.*

The challenge is to continue to improve ourselves, including by creating lasting quality partnerships with partners who can support our growth, creating a stronger, united and competitive supply chain, promoting the same principles.

A challenge we share with you, with an open invitation for discussion and collaboration.

Together for shared growth.

*Antonella Candiotta
CEO & President*



01 | Purpose of the document

Commitment to Corporate Sustainability is based on 3 main pillars, namely Environmental, Social and Governance pillars, to which relations with the local community and other stakeholders should be added. The approach to Sustainability in Galdi is inspired by international standards, such as International Labor Organization (ILO) Standards; Sustainable Development Goals defined by the United Nations in Agenda 2030 (SDGs) and the Universal Declaration for Human Rights.

With the desire to make an active, cross-cutting and profuse contribution towards Sustainability, Galdi Srl henceforth [Galdi] in this document, is committed to reflecting the core values relating to sustainability that must be adopted in relationships with suppliers of all types of goods and services and at every level of the supply chain and procurement.

The expectation is that all suppliers Galdi does business with will establish and maintain a management system that ensures compliance with this Code of Conduct.

This Code of Conduct is inspired by the main existing national and international regulations, guidelines and documents on Corporate Social Responsibility, Corporate Governance, protection of human rights, safety and the environment, as enshrined in

International Institutions and Conventions. Suppliers are expected to ensure that the requirements of this Code of Conduct are applied at all levels of the company. Suppliers are encouraged to conduct assessments of their own business operations and throughout their supply chain.



02 | Legislative compliance, ethics and business integrity

Suppliers must act in full compliance with all applicable laws and regulations in the countries in which they operate. The company's business activities must be conducted in a lawful and honest manner, with the aim of ensuring constant respect for human rights, occupational health and safety, as well as environmental protection. In particular, suppliers must:

- 01 Comply with all applicable laws and regulations in the country in which they operate, as well as the Requirements described within this Code;
- 02 Maintain valid licenses, authorizations, permits, and certificates required by the law of the country of origin;
- 03 Ensure mandatory requirements related to compliance with ESG standards such as human rights, environmental impact, health and safety.



03 | Labor and human rights

CHILD LABOR

In the area of child labor, the supplier shall:

- 01 Comply with local laws regarding the minimum age of workers;
- 02 Not employ persons under the age of 15 or the age for completion of compulsory education in accordance with local laws;
- 03 At the recruitment stage, request formal identification and proof of age of workers, keeping all relevant documentation;
- 04 Comply with all legal restrictions imposed on authorized child workers, including maximum number of overtime hours, night work, authorized duties, and mandatory medical examinations.

FORCED AND/OR COMPULSORY LABOR

Any form of physical and mental coercion, slavery or human trafficking is strictly prohibited. In the matter of forced and/or compulsory labor, the supplier shall:

- 01 Not resort to forced, and/or compulsory labor of trafficked persons, or any other form of involuntary labor;
- 02 Commit not to keep employees' original ID or any other type of document that may restrict their freedom to travel or their ability to leave the workplace or the job itself;
- 03 Commit not to require workers to pay dues or deposits in connection with their employment.



03 | Labor and human rights

NON-DISCRIMINATION, HARASSMENT AND ABUSE

All workers must enjoy equal opportunity. Suppliers must prevent all forms of employment discrimination, even with respect to hiring, compensation and termination of employment.

The supplier must:

- 01 Ensure that his employees in the workplace are free from harassment, cruel treatment, violence, intimidation, corporal punishment, physical or psychological coercion, verbal abuse and any form of harassment;
- 02 Do not implement any kind of discrimination based on color, caste, religion, age, nationality, social or ethnic origin, pregnancy status, sexual orientation, gender, disability, union membership or political opinion.

FREEDOM OF ASSOCIATION TO UNIONS

Suppliers must respect the right of their employees to join or not join any labor association without fear of retaliation. Therefore, the supplier must:

- 01 Not interfere with the right of workers to join or form unions;
- 02 Ensure that workers' representatives are able to carry out their activities and that they are provided with the necessary information;
- 03 Not discriminate against workers who are members of workers' organizations or representatives because of their union activities.



03 | Labor and human rights

SALARIES, BENEFITS AND WORKING HOURS

Workers' compensation shall comply with wage and benefit legislation, and thus also with laws relating to minimum wage, overtime, legally prescribed allowances, and hours of work. Any wage deductions shall comply with local legislation. Wage terms and conditions shall be communicated to workers in a clear and timely manner. The supplier shall:

- 01 Comply with all regulations related to wages and working hours, including compensation, benefits, and overtime;
- 02 Remunerate labor by paying at least the minimum wage stipulated by local laws or binding collective agreements;
- 03 Pay workers on a regular basis in accordance with legal requirements;

- 04 Disburse all benefits provided by law, such as paid vacation, permits, leaves, etc;
- 05 Ensure that workers have sufficient time for meals and breaks in accordance with legal requirements;
- 06 Maintain a record related to working hours that includes a list of times in and out for each working day;
- 07 Not implement any form of punishment, sanction or disciplinary action if workers refuse to work overtime.



04 | Health and Safety

Suppliers must promote safe, secure and healthy work environments by implementing all necessary measures to reduce the risk of accidents, injuries or exposure to harmful substances, especially in the presence of hazardous materials.

Suppliers must adopt established safety procedures, preventive maintenance and use protective equipment as required by law. Suppliers must effectively manage all health and safety risks in the workplace and take appropriate measures to limit and counter them, and provide effective health and safety training to all workers.

Machines and equipment must comply with legal requirements and be equipped with the necessary safety devices.

Workers must be provided with appropriate personal protective equipment (PPE). PPE must be free, readily available, properly maintained and replaced.

Suppliers must comply with legal requirements for fire protection and emergency management; in particular, emergency exits and escape routes must comply with legal requirements in terms of number, size and location; these must be visible and marked with luminous devices, without access being obstructed at any time, and must always be open to the outside.



05 | Workplaces

The supplier shall ensure that all workers are provided with potable water, an adequate number of toilets and personal hygiene facilities. Toilet facilities must be properly cleaned and maintained.

Canteens and refreshment areas must comply with legal requirements in hygienic and sanitary matters and be properly cleaned and maintained in good condition. Dormitories, if any, shall comply with health and safety requirements.



06 | Intellectual property and privacy

Suppliers shall safeguard Galdi's intellectual property rights, trade secrets and proprietary information.

Suppliers must protect the confidential information they come into possession of in accordance with the applicable legislation in their country concerning the protection of privacy.



07 | Conflicts of interest

Suppliers are expected to maintain the highest integrity at all times in their dealings with Galdi employees and to act solely in the best interests of the Company.

Suppliers must inform Galdi of any possible conflict of interest, such as if one of their employees, or a person related to the employee by family or friendship, is in contact with a Galdi employee who might make decisions that could affect the supplier's business, or if a Galdi employee has any interest in the supplier's business.

Suppliers also must avoid agreements or actions that illegally restrict market trade or competition.



08 | Business integrity

Providers are required to:

- 01 Maintain accurate financial records and hold a regular business license;
- 02 Not offer bribes, gifts, discounts or other illegal payments or compensation in dealings with public officials or other individuals in the private sector, including employees or representatives of Galdi, to influence any decision in order to obtain a business advantage;
- 03 Avoid agreements or actions that illegally restrict market trade and/or competition.



09 | Responsibility towards the environment

Suppliers must comply with all environmental laws and regulations applicable to their operations and their products and services with respect to the environment. Galdi encourages suppliers to reduce the environmental impact of their operations and to safeguard the natural resources on which we all depend. In particular, the supplier must commit to:

- 01 Ensure that pollution levels are regularly monitored and controlled to ensure compliance with both legal and permit requirements;
- 02 Ensure that chemicals and wastes are stored, used, transported and disposed of in accordance with legal requirements;
- 03 Minimizing adverse effects on the environment and natural resources while preserving health and safety;
- 04 Identify and manage all chemical or other materials that, if released, could be hazardous to the environment to ensure their safe processing, handling, storage, recycling or reuse and disposal;

- 05 Reduce waste as much as possible, including water and energy waste;
- 06 Reduce atmospheric emissions of volatile organic chemicals, aerosols, corrosive substances, particulates, ozone-damaging chemicals. Combustion by-products generated by activities as much as possible should be characterized, monitored, controlled, and treated as prescribed before discharge;
- 07 Have proper waste management and compliance with current legislation. Solid waste and wastewater from activities, industrial processes and sanitary facilities shall be monitored, controlled and treated as prescribed before discharge or disposal;
- 08 Chemical and hazardous substances and materials must be stored and used properly, including storage, handling, reuse, and safe disposal, to avoid any form of contamination of soil, subsoil, and water.



10 | Final Provisions

Suppliers must comply with what is described within this Code and should commit to promoting its principles to their stakeholders, including the supply chain. Where local laws provide for more stringent requirements than those set forth in this Code, suppliers must comply with the provisions applicable in the country in which they operate.

Suppliers shall promptly report to Galdi any violations with respect to what is outlined within this Code of Conduct. Failure to comply with respect to this Code shall constitute grounds for Galdi to cancel or terminate existing contractual obligations.





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