



Antonio Merloni
PRESSURE VESSELS s.r.l.

Suppliers' code of conduct

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Antonio Merloni
PRESSURE VESSELS s.r.l.

since 1954

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1. GENERAL CONSIDERATIONS

ANTONIO MERLONI PRESSURE VESSELS S.r.l. (hereinafter referred to as Antonio Merloni) places great emphasis on rules, practices and universal values in relation to ethics, social responsibility, health and workers' safety, anticorruption and protection of the environment.

For this reason, its suppliers are required to comply with the ethical values covered BY the Suppliers' Code of Conduct and guarantee adherence to such values from their own suppliers and subcontractors.

Antonio Merloni undertakes to conduct its business in full compliance with applicable national and international laws, rules and regulations and follow widely accepted best practices in relation to ethics, social responsibility and protection of the environment.

Antonio Merloni expects the same level of compliance from its suppliers while conducting their respective activities. Antonio Merloni expects all employees, suppliers, production plants, subcontractors and their suppliers full compliance with the aforementioned regulations.

When national or applicable regulations cover a specific category of conduct which is also covered by this Suppliers' Code of Conduct, the superior or the most restrictive provisions shall prevail. If a provision of this Suppliers' Code of Conduct should be contrary to existing regulations, the latter shall prevail.

Antonio Merloni will only work with suppliers willing to adhere to the provisions of this Suppliers' Code of Conduct and to the values prescribed by the Conventions on the International Labour Organization, the Universal Declaration of Human Rights, the Global Compact of the United Nations, the guidelines of the OECD for multinational corporations and the Women's Empowerment Principles of the UN.

Our suppliers stand as guarantors of the work performed by their respective subcontractors and suppliers and ensure that they adhere to the Suppliers' Code of Conduct and fulfil their respective duties.

In case of a breach of this Suppliers' Code of Conduct by a supplier or a supplier's subcontractor or supplier, Antonio Merloni reserves the right to assess and at its own discretion terminate any business relationship in accordance with applicable regulations, including when such business relationship was never formalised in a legally binding agreement and without prejudice to any other rights or measures that Antonio Merloni might rely upon or adopt.

2. LEGAL PROVISIONS ON LABOUR AND SOCIAL RESPONSIBILITY

Antonio Merloni expects all its suppliers to exhibit exemplary conduct in relation to social responsibility.

Child labour prohibition: the employment of persons younger than 16 is strictly prohibited. In countries where according to local laws a different minimum employment age is in force or countries in which mandatory education extends beyond the age of 16, such different ages shall apply. Any type of work that is

likely to have a detrimental impact the physical, moral or mental health or the safety of juveniles, should only be performed by adults.

Prohibition of forced labour: our suppliers are strictly prohibited from engaging in forced labour, slavery and human trafficking or unlawful withholding of identification documents or work permits. Furthermore, it is strictly prohibited for the employer to perceive guarantees in the form of monies or impose other types of limitations. All employees are free to accept and renounce employment. Our suppliers shall not force their employees to work for the repayment of debts incurred by the workers with such suppliers or with third parties.

Illegal, clandestine and undeclared work prohibition: our suppliers shall comply with applicable regulations on the prevention of illegal, clandestine or undeclared work.

Prohibition of harassment and abuse: we expect our suppliers to treat their workers with respect and dignity. Our suppliers shall refrain from applying to their workers any form of bodily punishment, physical, sexual, verbal or psychological violence and refrain from any other form of abuse.

Prohibition of discrimination: we expect our suppliers to treat their employees in an equal and just manner. Our suppliers are strictly prohibited from engaging in any type of discriminatory behaviour and in particular with regards to retribution, hiring, access to training, maternity leave and dismissal based on criteria such as gender, ethnicity, religion, age, disability, sexual orientation, political opinions, trade unions membership, nationality, gender identity or social background.

Compensation and contributions: our suppliers are expected to pay their workers on time at least on a monthly basis and compensate any overtime by applying the increased rates provided for by the Law and comply with all the legal provisions on social security contributions. If the Law of the relevant country does not provide for a minimum wage or a minimum rate for overtime, the supplier shall ensure a level of compensation that is at least equal to the average pay of the relevant industry and that overtime pay is at least equal to the hourly rates for normal working hours. It is strictly prohibited to apply pay withholdings on disciplinary grounds. Our supplier shall guarantee to all their employees the benefits provided for in the applicable collective bargaining agreements, the company agreements and any other applicable individual or collective agreement.

Working time: in relation to working time, our suppliers shall adhere to applicable local rules and regulations. In any case, such working time may not exceed maximum working times specified by widely accepted international regulations, such as but not limited to, the regulations of the International Labour Organization. Our suppliers may not impose excessive overtime. The total number of work hours in a week, overtime included, may not exceed the limits established by the Law. The employees have the right to enjoy the minimum rest days established by local regulations and in any case at least one day off every seven days.

Trade union rights: our suppliers shall recognize and uphold the right of their workers to enter collective bargaining agreements and create or become members of trade unions at their own discretion. The exercise of this right shall not attract sanctions, discriminations or harassment.

Guaranteed health and safety: our supplier shall ensure a safe and healthy working environment for their workers in order to prevent accidents and bodily harm that may directly or indirectly arise from the work performed by such workers and from the use of work equipment or during work travel. The suppliers shall implement training procedures and protocols with the aim of identifying, preventing and mitigating by all reasonable means any potential risk that may negatively impact the health, the hygiene and the safety of their personnel; furthermore, our suppliers shall comply with all national and international regulations applicable to the aforementioned matters. The same applies to the living quarters made available by the suppliers.

3. ENVIRONMENTAL REGULATION AND PROTECTION

Antonio Merloni takes specific action for the protection of the environment in the form of a dedicated programme by which all suppliers are requested to act in accordance with best practices all over the production chain.

Antonio Merloni expects the same level of commitment from its suppliers towards initiatives aimed at reducing the environmental impact of their activities in general and in relation to the use of environmentally friendly technologies in particular.

Antonio Merloni expects its suppliers to observe all national and international environmental regulations, obtain the required environmental permits and demonstrate actual compliance with the following requirements:

- Acknowledgement of own environmental impact;
- Improvement of the environmental performance of their resources and production plants particularly with regards to waste management, air, water and ground pollution, reduction of greenhouse gas emissions through the use of renewable energy sources, reduction of water and energy consumption and adequate management of dangerous chemical waste;
- Implementation of measures that guarantee traceability and legal compliance of employed raw materials and substances;
- Best practices over the entire production chain that support animal welfare;
- Improvement of environmental performance of the products manufactured for Antonio Merloni over their entire lifecycle;
- Ensuring that personnel conducting activities that may have a direct impact on the environment are adequately trained and in possession of the skills and means required for the performance of their duties in the most efficient manner.

4. PROFESSIONAL INTEGRITY REQUIREMENTS

Antonio Merloni expects exemplary behaviour from its suppliers as far as professional integrity is concerned.

Legal requirements: in the pursuit of their business activities, our suppliers shall always comply with applicable local, national and international regulations.

Rejection of any type of corruption: Antonio Merloni adopts a zero-tolerance policy towards corruption and trading in influence. Our suppliers shall practice strict adherence to applicable regulations on corruption and take appropriate measures to prevent, identify and sanction any direct or indirect form of corruption in their industry.

Conflict of interest prevention: we expect our suppliers to observe all applicable regulation on the conflict of interest and endeavour to prevent any such events from happening over the course of their relationship with Antonio Merloni.

Fight against money laundering: money laundering may arise when the final goal of an action is to hide the true source of an amount of money or capital deriving from illegal activities. Our suppliers shall make every reasonable effort to prevent their business being used for such purposes.

Fair competition: our suppliers shall observe the regulations on fair competition applicable in the relevant country. This provision also refers to the abuse of a dominant market position, cartel practices and any other unlawful agreement between competitors.

Confidentiality: our suppliers shall make every reasonable effort to safeguard trade secrets and the confidential nature of any information that is not in the public domain and was not transmitted to Antonio Merloni in the normal course of business.

Respect for privacy: our suppliers are expected to observe all applicable laws and regulations on personal data protection.

Customs authorities and safety: our suppliers are expected to comply with applicable customs regulations, including the legal provisions on import and the prohibition of transshipment.

Commercial restrictions and international sanctions: we ask our suppliers to adhere to all commercial restrictions and to any regulations on international sanctions taking into consideration any relevant amendments and additions as well as the laws and rules governing export activities.

Gifts and invites: gifts and invites are acceptable expressions of commercial courtesy in the context of existing business relationships, if their intrinsic value is limited and as long as they are offered publicly and openly and as long as the goal of the same is to express gratitude and respect and are offered freely without expecting anything in return. In some cases, such practices may be relevant for the fight against

corruption and other legal matters and our suppliers must familiarize themselves and comply with the relevant regulations.

Assets safeguarding: our suppliers shall make every reasonable effort to safeguard the assets and resources of Antonio Merloni and in particular its intellectual property rights. Our suppliers undertake to foil any counterfeiting attempt through prevention, cooperation and communication. As an example, the supplier shall destroy all finished or semi-finished products that bear unauthorized distinctive markings of Antonio Merloni and were not ordered by Antonio Merloni or were rejected following instructions from Antonio Merloni.

Public Statements: our suppliers shall practice extreme caution in relation to their public statements, even more so on the Internet and social networks. They must ensure that their statements or social media posts are not attributable in any way to Antonio Merloni and comply with the relevant privacy and trade secrets obligations.

Information transparency: our suppliers shall provide coherent and accurate information on employed resources and methods, on their production plants and the characteristics of supplied products or services and shall refrain from making any misleading statements.

5. DOCUMENTS

We hereby invite all interested parties to make an accurate and prompt use of the documents identified in the quality control system, such as:

P-ACQ01 Suppliers assessment;

P-ACQ01-01 Quality management system Supplier assessment sheet;

P-ACQ01-02 List and qualified suppliers reassessment;

P-ACQ02 Acquisitions management;

P-ACQ02-01 Search and acquisition request;

P-ACQ02-02 Equipment/plant conditions report.



6. CONTROL AND AUDIT

Control: we reserve the right to assess compliance with the values and principles described in this document and conduct compliance audits with our suppliers but also with their suppliers and subcontractors. Our suppliers shall provide all relevant information and allow access to the representatives of Antonio Merloni tasked with assessing compliance with the requirements of this Code. Our suppliers shall endeavour to improve or correct any ascertained compliance deficiencies. Furthermore, Antonio Merloni undertakes to offer support and advice to its suppliers in relation to applicable best practices in order to correct any minor non-compliance.

Records accuracy and access to information: our suppliers shall keep accurate records on any measures taken to ensure compliance with this Suppliers' Conduct Code and provide our representatives complete, truthful and accurate records.

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|--|--|
| Date | |
| Supplier's name and address | |
| Name and position of the supplier's representative | |
| Signature | |
| Stamp (if applicable) | |