



la marzocco

**POLICY - Corporate Supplier Code
of Conduct**

P-SCoC
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LA MARZOCCO GROUP – CORPORATE SUPPLIER CODE OF CONDUCT

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1. Purpose and scope of application

1.1 General provisions

La Marzocco Group, meaning the parent company La Marzocco International LLC and the companies directly or indirectly controlled by it (each and all of them hereafter referred to as 'LM'), commits to this Supplier Code of Conduct (the "SCoC" or the "Code").

This Code reflects LM core values, as indicated on the Corporate Code of Ethics, that shall be implemented when dealing with business partners, first-tier suppliers, sub-suppliers, sub-contractors, as well as any other entity related, in any way, to the supply chain involved both in the manufacturing of LM products and/or their parts, attachments and components, as well as in providing services (collectively hereinafter, the "Suppliers").

Suppliers are requested to observe the principles set out in this Supplier Code of Conduct.

Suppliers' activity shall be performed in observance of applicable labor, occupational health and safety and environmental local laws and international principles.

In the absence of applicable laws and regulations Suppliers are required to meet, as a minimum, the *Mandatory requirements* of this SCoC.

The *Good management practices* set in this SCoC are not intended to be mandatory, but they are considered as a continuous improvement effort to be pursued by all LM suppliers.

Therefore, unless otherwise specified, it is understood that Suppliers are consequently requested to incorporate these standards and provisions into their own operations, as well as to embrace and assure their suppliers and/or sub-contractors shall observe this SCoC, with reference to the following principles and relevant requirements.

Suppliers are required to assure the requirements of this Code are understood within the entire organization, including the top management, and they are communicated to all the employees.

Suppliers shall ensure the full enforcement of the dispositions of this SCoC without exception. In particular, Suppliers shall remove, or refrain to apply, any rule that might prevent such a successful enforcement.

1.2 SCoC interaction with legal requirements

LM commitment is to comply with applicable regulatory provisions, which is a fundamental principle in the performance of its business and not negotiable in any way. In some cases, this Code may require the respect of requirements which go beyond the ones required by the law; in such cases, LM expects its Suppliers to comply with the more stringent standard set forth by the *Mandatory requirements* of this Code.

2. Fundamental principles

2.1 Integrity and ethical business

Suppliers must operate in full compliance with all applicable laws and regulations of the countries in which they operate and with LM Mandatory requirements, as defined by this Code.

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Business is conducted lawfully and with integrity, with the aim to guarantee human rights, occupational health and safety, and environmental protection are continuously pursued.

Mandatory requirements

- To comply with all the applicable laws and regulations of the country in which the Supplier operates and the mandatory requirements of this Code;
- to have documentation of updated and applicable laws and regulations;
- to retain valid licenses, authorizations, permits and certificates required by the law.

Good management practices

- To have a process to ensure all applicable laws and regulations are effectively implemented (procedures, responsibilities, monitoring);
- to conduct a regular risk assessment to identify and address key compliance risks regarding labor, human rights, environment, occupational health and safety;
- to conduct appropriate due diligence checks in order to be sure the requirements of this Code are met, eventually extended to sub-suppliers and sub-contractors;
- to carry out appropriate and effective internal training out to create a culture of integrity and mitigate key risks, extended to the senior management;
- to implement appropriate actions to improve Supplier's performance on human rights, occupational health and safety, environment;
- to have a code of conduct, guidelines or policies for workers covering the elements of this Code (child labor, environmental impact, equal opportunities and non-discrimination, forced labor, health and safety, human rights, harassment and abuse, working conditions);
- to have a code of conduct or responsible sourcing policy for sub-suppliers and sub-contractors;
- to have policies regarding bribery and corruption, complaints and grievances, human resources;
- to have a person/team responsible for managing Supplier adherence to LM Supplier Code of Conduct;
- to have a system in place which allows workers to report social compliance issues directly to management or through worker committee, health and safety committee, trade unions;
- to have a whistle-blower mechanism which allows workers to raise concerns and complaints anonymously and confidentially;
- to have management systems in place according with international standards (e.g. SA8000, ISO14001, ISO45001).

2.2 Labour and Human Rights

2.2.1 Written labor contracts

Suppliers shall provide all employees (including temporary workers, trainees and interns) with written labour contracts, clearly specifying all the employment terms and conditions, including wages and benefits and communicate them to all employees, providing a proper pay-slip for every pay period in a format and language well understood by employees.



2.2.2 Child labor

Suppliers must comply with laws and regulations regarding the minimum age of workers. In accordance with International Labor Standards (ILS), the minimum age of workers must be 15 years of age or the age of completion of compulsory education. In case of local laws provide stricter requirements regarding workers minimum age, Suppliers which observe them are considered compliant with this Code. Therefore, any worker who is younger than the minimum age is considered as an illegal under-age employee.

When young workers are employed, Suppliers must comply with all legal requirements for the work of authorized young workers, which must not be exposed to physical risks that could adversely affect physical, mental or emotional development. In case no regulations for the protection of young workers exist, or in case such regulations are not in accordance with the internationally recognized principles and requirements, such as the International Labor Organization (ILO) dispositions, Suppliers shall observe, at minimum, the principles incorporated in SA8000 requirements.

Mandatory requirements

- To provide all employees (including temporary workers, trainees and interns) with written labour contracts;
- to comply with local laws regarding the minimum age of workers;
- not to employ person under the age of 15 or under the age for completion of compulsory education, as requested by local laws;
- to require formal identification and age documentation of workers in recruitment process and maintain all age documents;
- to comply with all legal restrictions placed on authorized minors which include maximum number of overtime hours, hazardous work, night work or mandatory medical examinations.

Good management practices

- To put in place policies and documented procedures for prevention of child labor and management of child labor cases, which have to be maintained and effectively communicated;
- to provide appropriate training to all relevant supervisors to respect the provisions for young workers, especially with respect to hours of work, night shift and heavy or dangerous work;
- to have in place a system for monitoring the effectiveness of Supplier's system to prevent the hiring of under-age workers and to assure the protection of authorized young workers.

2.2.3 Forced or compulsory labor

Any form of mental and physical coercion, slavery and human trafficking are strictly prohibited. Labor is a free opportunity and a free choice. LM does not tolerate any form of forced, involuntary or trafficked labor or whichever form of bonded labor.

On the other hand, LM consents to any re-educational labor opportunity aimed at social reintegration, as long as in line with applicable local Law provisions.

Employees shall not be subject to rules of any kind, which might limit their rightful freedom. In particular, compulsory deposit of money and/or holding the identity documents as a condition to be employed, are coercions.

Mandatory requirements



- To employ all workers voluntarily, without using forced, bonded, indentured or trafficked labor or any other form of involuntarily labor or modern slavery;
- not to retain employees' original identification document or any kind of document which might limit the workers' status/compliance, freedom to travel or ability to leave the workplace or the job;
- not to require workers to pay any fee or deposit in connection with their employment, including migrant workers and workers supplied through labor agencies;
- to employ foreign or migrant workers in compliance with applicable law, including immigration regulations, and without any threat of termination or deportation.

Good management practices

- To have in place Hiring policies and documented procedures against forced labor, which are maintained and effectively communicated;
- to provide appropriate training to the person responsible to the hiring process, managers and supervisors;
- to regularly review policies, procedures and training to ensure they are effective in preventing forced labor;
- to have in place monitoring system and controls to prevent not allowed behaviors and practices;
- to have in place a system for ensuring migrant workers do not pay recruitment costs.

2.2.4 Non discrimination

All employees shall enjoy equal rights and shall have equal opportunities. Suppliers must assure the absence of any form of discrimination in employment, including hiring, compensation, advancement, termination or retirement, based on religion, age, nationality, social or ethnic origin, status, pregnancy, sexual orientation, gender, gender identity, disability, union membership or political views.

Employees shall be treated with respect. Suppliers shall set tasks to their employees in accordance to the employee's capability, that is refraining from setting the employee any task which is excessive or demeaning to the employee's skills and dignity.

Mandatory requirements

- not permit and tolerate discrimination in any form in employment, including hiring, compensation, advancement, discipline, training, termination or retirement;
- to base all employment decisions on the ability to do job, not on personal characteristics or beliefs;
- not to tolerate pregnancy test or other forms of health screening that might result in discrimination.

Good management practices

- To have a policy prohibiting any form of discrimination and procedures to implement it, which include objective selection criteria for all human resources decisions;
- to train the employees responsible for hiring, paying, promoting, training, disciplining or to avoid discrimination;
- to have a monitoring system and controls to prevent discriminatory behaviors and practices;
- to conduct regular assessments regarding discrimination and any non-conformance situations are addressed;
- to set specific targets and programs to address the needs of workers considered vulnerable to discrimination and to assure equal opportunities;

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- to implement, if legally allowed grievance mechanism to anonymously and confidentially raise concerns to senior management level. Employees' submission and resolution progress shall be recorded.

2.2.5 Harassment and abuse

All workers are treated with respect and dignity. Any kind of corporal punishment, psychological, sexual or verbal harassment and abuse, as well as any other form of intimidation or violence is prohibited.

Disciplinary measures shall be in line with national laws and with internationally recognized human rights. Employees who raise complaints based on this SCoC document, shall not be subject to any form of disciplinary measure or reprisal.

Mandatory requirements

- Not to engage in, or support, mental, physical, sexual or verbal harassment, or any kind of intimidation or abuse;
- to clearly communicate disciplinary policy and practices to all employees and to maintain disciplinary actions records;
- not to use disciplinary actions illegal and excessive and to not include monetary fines deducted from earned wages;
- not to tolerate abusive security practices, as opposite sex frisking and removal of clothes.

Good management practices

- To have in place policies and documented procedures against harassment and abuse, which are maintained and effectively communicated;
- to train managers and supervisors regarding policy and practices in relation to harassment and abuse and to avoid them;
- to train all employees about not tolerated behaviors;
- to have in place monitoring systems and controls to prevent not allowed behaviors and practices.

2.2.6 Freedom of association and collective bargaining

Suppliers must recognize and respect the rights of workers to freedom of association, including joining or not joining any association, and collective bargaining. Workers are not intimidated or harassed in the exercise of their rights.

Mandatory requirements

- Not to interfere with the right of workers to join or form trade unions or collectively bargain, including the right of not joining any association;
- to ensure workers' representatives are able to carry out their functions and they are provided with needed information;
- not to discriminate or intimidate workers who are members of workers' organization or workers' representatives due to union activity/membership;
- to ensure the effective implementation of legally binding collective bargains;
- to facilitate consultation and co-operation between management and workers and their representatives;
- to keep and make available records of this consultation, upon request.



Good management practices

- To have in place policies and procedures to ensure the right of freedom of association;
- to train managers and supervisors to respect workers' right to freely associate and form/join trade unions;
- to establish social dialogue on all aspects of work with workers;
- to have in place monitoring system and controls to prevent not allowed behaviors and practices.

2.2.7 Wages and benefits

Workers are paid at least the minimum compensation required by applicable law, including overtime compensation, benefits and paid leave.

Overtime work shall be reimbursed in accordance with the law.

All workers shall receive equal pay for equal work and qualification.

For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor shall be within the limits of the local law.

Mandatory requirements

- To compensate work according to at least the local minimum wage specified by law or binding collective agreements, if higher;
- to compensate workers for all hours worked, accordingly to legal requirements;
- to pay workers in a regular and timely manner in accordance with legal requirements;
- earned wages must not be withheld;
- to prohibit deduction from wages as a disciplinary measure, other than the ones permitted by law, such as any other deduction made without the expressed permission of relevant workers, except for the legally mandated ones (taxes, social insurance etc.);
- to provide written employment contract, hiring letter or equivalent legally recognized documentation to employees before starting work, which include information related to wages and terms of employment. To give each contract or equivalent documentation one original bearing stamp and signature of the employer;
- to maintain payment wages records for all workers, including piece-rate and temporary workers.
- to provide workers with payroll register, attendance records and paystub, in a language they understand. Payroll register includes information as normal and overtime rate compensation, working hours, wage for benefits and deductions;
- to provide all benefits required by the law;
- to respect any applicable Law for covering work-related accidents including the ones resulting in loss of working ability.

Good management practices



- To pay for a wage that covers the current costs of living plus some discretionary income, in case the local law does not provide for any minimum wage level, or in case such a legal minimum is not enough to guarantee a living condition above poverty line;
- to have in place a written policy to address wages, benefits and contracts requirements, in case there is not a local law that establishes wages and salaries;
- to establish a process to ensure the lowest wage level is at least adequate to meet the basic needs of workers, which is periodically assessed;
- to train workers on their pay, production bonuses and deductions;
- to implement proper systems for tracking working time and calculating pay.

2.2.8 Working hours

Workers are not, on a regularly scheduled basis, required to work more than regular and overtime hours allowed by the law of the country where workers are employed.

Mandatory requirements

- To comply with legal requirements relevant to working hours, applicable in the country in which they operate, as long as local laws provide for stricter requirements, compared to the ones of this Code;
- to provide workers with sufficient time off for meals and breaks, in accordance with legal requirements;
- to maintain working hours records for each employees, including piece-rate, temporary workers and contracted workers, listing in and out times for every day worked;
- to inform workers on scheduled working hours and overtime hours; workers must have the right to refuse overtime without punishment, penalty or disciplinary actions.

Good management practices

- To have in place written policies and procedures regarding regular and overtime hours of work;
- to plan peak period to avoid excessive overtime by using appropriate scheduling systems;
- to have in place a system to effectively monitor hours of work and excessive overtime working;
- to record working hours by workers using automated timekeeping system;
- to have a system for workers to volunteer overtime.

2.2.9 Health and Safety and working conditions

The working places and their environmental conditions shall not be harmful for the employees' health and safety. Suppliers must comply with all the laws and regulations for occupational health and safety in the country in which they operate. Workers are provided with a safe and healthy working environment to prevent accidents and injuries arising from, linked with, or occurring in the course of working operations. Business should be conducted with the aim of continuous improvement on workers' health and safety protection.

General



- To provide workers with a safe and healthy workplace in compliance with all the legal requirements, certificates and permits;
- to identify, assess and effectively manage all health and safety risks in the workplace and take appropriate actions to control and address them;
- to record injuries and accidents , identify and take corrective actions to prevent work-related injuries and illness;
- to provide all workers with an effective health and safety training, including on-site training and job-specific training, when needed, before starting work and on a regular basis;
- to periodically update the training in accordance with legal requirements and, in any case, for personnel reassignment, technology and/or other significant changes, introduction of new equipment or substances or when incidents have occurred;
- to train workers exposed to specific risks, as chemicals, hazardous materials and dangerous equipment, on safe operation and handling. To maintain records of training;
- to identify workers routinely exposed to occupational hazards and risks and to submit them to medical surveillance, which includes pre-job, on-the job and post-job medical surveillance. In any case, not to use medical examination to ascertain pregnancy;
- to provide good working conditions with adequate lighting, temperature, ventilation, sanitation, air quality, noise level and ergonomics conditions;
- to ensure that machinery and equipment meet all legal requirements, are equipped with the necessary safety devices (ex. emergency stop buttons, two-hands control device, gates, guards and other barriers) and are appropriately maintained, tested and regularly inspected. To make available records of maintenance and inspection;
- to ensure that facility systems, including wiring and plumbing systems, conform to legal requirements, are maintained in good conditions and periodically tested. To make available records of maintenance and test;
- to provide workers with appropriate personal protective equipment (PPE). To ensure that PPE are free of charge, readily available, properly maintained and replaced with no deduction of wages for usage or damage.

Chemicals and dangerous substances

- To correctly manage chemicals and dangerous substances and materials, which include safety storage, handling, reusing and disposal;
- to implement and continuously update an inventory of chemicals used with the relevant material safety data sheet;
- to label and identify chemicals containers;
- to correctly store and handle chemicals to avoid any form of contamination of soil, subsoil, groundwater and release into sanitary or sewer systems, including emission on air in case of fire or gas releases; to avoid mixture of incompatible chemicals.

Fire prevention and emergencies management

- To comply with fire safety protection and emergencies management legal requirements;
- to make available appropriate first aid equipment, easily accessible and regularly checked by designed personnel. To ensure first aid kit equipment content, quantity and location is adequate to the number of workers and type of activity performed, as they shall be installed as a minimum on each floor and building;



- to make available and properly maintain, accordingly with legal requirements, appropriate fire prevention equipment and devices, such as fire extinguishers, fire hydrants, fire detection, alarm systems, sprinkler, fire pumps etc.;
- to ensure that equipment and devices are properly marked, easily accessible, regularly inspected and maintained in order to assure their functioning. To document records of maintenance;
- to ensure that the number and placement of firefighting equipment conform to local laws and regulations;
- to ensure that emergency exits and escape routes conform to legal requirements, with regard to number, size and placement. To mark them with illuminated signs, visible and accessible without obstruction at any time. To always maintain unlocked emergency exits;
- to install appropriate evacuation alarm system and emergency lighting and to properly test and maintain them to assure their functioning;
- to define an evacuation plan and to post the relevant map in identified areas.
- to regularly conduct evacuation drills and ensure they cover all areas and shifts. To document record of evacuation drills;
- to train all workers about evacuation procedures.
- to assure an appropriate number of workers are regularly trained about fire prevention and first aid management, considering the number of workers, departments and shifts, which must be all covered. To keep a record of training.

Facilities

- To provide all workers with clean drinking water, available at a reasonable distance from working areas;
- to make available an adequate number of toilets and washing facilities, appropriately cleaned and maintained. Not to establish restriction or monitoring of workers' use of toilet;
- to ensure canteens or eating areas comply with all sanitation and hygiene legal requirements and they are regularly cleaned and maintained in good conditions;
- to ensure housing facilities and dormitories, if provided in specific systems, comply with health and safety requirements.

Good management practices

- To have in place written policies and procedures relevant to occupational health and safety;
- to clearly communicate policies and procedures to all workers;
- to have in place monitoring system and controls to assure health and safety requirements are properly met;
- to designate "Occupational Health and Safety committee" with clearly defined roles and responsibilities;
- to have in place an "Health and Safety Management System" according with international standards (ISO 45001).

2.2.10 Conflict Minerals

LM is committed to supply minerals from responsible sources and to avoid the use of minerals that have contributed to human rights abuses or to fuel conflict in the Democratic Republic of Congo, in adjoining countries or in other CAHRS (Conflict Affected and High Risk Areas). Suppliers are both expected to support LM effort to identify the origin of designated minerals used in products and to abide by the same standard.

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LM expects its Suppliers do not directly and indirectly finance or benefit of human rights violations or abuses in conflict-affected areas.

Mandatory requirements

- to report the presence and origin of tantalum, tin, tungsten or gold contained in products, parts or components supplied to LM.
- If required by the law, to be compliant with all applicable legislation, among which Regulation EU 2017/821 concerning conflict materials management and due diligence, in accordance with OECD standard (OECD Guidelines for multinational enterprises).

Good management practices

- To have in place policies and management system accordingly with OECD “Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-affected and High-risk areas” (https://www.oecd.org/en/publications/oecd-due-diligence-guidance-for-responsible-supply-chains-of-minerals-from-conflict-affected-and-high-risk-areas_9789264252479-en.html) and Regulation EU 2017/821, if Suppliers are not subjected to the mandatory application of the above mentioned regulations.

2.3 Environment

2.3.1 Environmental protection and sustainable business

Suppliers must comply with all environmental laws and regulations applicable to their activities, products and services. Business should be conducted with the aim of improving environmental performance, by reducing environmental impacts, protecting and preserving the environment.

Mandatory requirements

- To comply with all applicable laws and regulations related to air emissions, water discharge, ground and groundwater contamination, noise emission, dangerous substances and waste, including waste handling and disposal;
- to keep and make available all permits, licenses and records relevant to applicable environmental legal requirements and demonstrate they are completely met. To maintain and document all records required by law and/or permits, available and up to date;
- to install and keep functional appropriate environmental protection facilities and equipment;
- Suppliers must assure pollution is regularly monitored and tested to ensure all legal and permit requirements are met.
- to appropriately identify hazardous chemicals and mixtures ensuring that they are handled, used, transported, stored, recycled and disposed in a safely way;
- in order to advance social responsibility and business ethics concerning management of materials, to go beyond the compliance with legal provisions, national laws and regulations, drawing upon technical “best practices” and internationally recognized standards as well.

Good management practices



- To have written policies and procedures relevant to processes and activities with significant environmental impacts, including a procedure to effectively react in case of emergency;
- to clearly communicate policies and procedures to all workers;
- to establish and document a process to identify and assess significant environmental aspects of Supplier's processes and activities, both direct and indirect. The assessment shall include natural resources use, air emissions, water discharge, ground and groundwater contamination, noise emissions, chemicals and waste management;
- to implement and keep updated a system for monitoring and reporting on significant environmental aspects. It shall include, but not limited to, energy consumption, water consumption and water discharge, air emissions, hazardous and not-hazardous waste production;
- to set objectives and targets for significant environmental aspects;
- to implement appropriate actions to reach environmental objectives and targets and to improve Supplier's environmental performance, as well as corrective actions in case of non-conformance situations or to prevent them;
- to ensure that workers involved in operations linked to environmental impacts are competent on the basis of appropriate training;
- to have in place a process to identify and address environmental impacts linked to products and packaging, such as raw material impact and end-of-life product disposal, which includes the use of recyclable packaging and material into products;
- to have in place an "Environmental Management System" accordingly with international standards (e.g. ISO 14001, EMAS);
- to integrate a sustainable approach in the Supplier's processes and activities with the aim to reduce environmental impacts, with regard especially to waste generation, greenhouse gas and carbon emissions, water consumption, nature and biodiversity protection, enhance and deforestation halt, raw material demand.

2.3.2 Biodiversity and Natural resources Preservation

Mandatory requirements

- to stop any contribution to deforestation, forest degradation and/or conversion;
- to adopt the mitigation hierarchy model (avoid, minimize, restore & offset) to protect and enhance biodiversity, when operating in sites containing critical biodiversity;

Good management practices

- to identify, trace, monitor and upon request also share with LM their use of natural resources (e.g. raw materials, freshwater, fossil and renewable fuels, etc.), analyzing their material impacts, their level of influence, the actions to be implemented and the targets to be pursued in order to reduce natural resources use and consumption;
- to have in place a system to manage Supplier's impact on raw material extraction, which includes the mapping of environmental risk associated with raw material extraction by business and supply chain.

2.3.3 Circular Economy

Mandatory requirements



- To support the use and the development of renewable and recycled raw materials;
- to develop processes and product/services clearly designed to optimize the use of the resources, progressively substituting non-renewable resources with renewable or recycled ones, to be recyclable and recoverable, to prevent the waste production, to reduce their hazardousness and maximize the percentage of waste sent to recovery operations and preferably to material recycling, in line with the Circular Economy.

2.3.4 Gases emission reduction

Good management practices

- To provide transparency regarding emissions data from their own operations as well as from upstream activities.

2.3.5 Water Preservation and Plastic use

Mandatory requirements

- to responsibly preserve and manage water resources, optimize the water use, and return water with a quality suitable for the interested ecosystem, with special care of those located in water stressed areas or those with a high environmental and biodiversity value, possibly beyond the legal requirements.

Good management practices

- To set targets to reduce the exploitation of water resources;
- to use the best effort to the progressive phase-out of single-use plastic and, upon request, to share with LM the roadmaps and targets towards achieving this goal.

2.4 Business Ethics

Suppliers' responsibility is to require that their suppliers, involved in manufacturing products and their parts or in providing services supplied to LM, comply with the requirements of this Code. Upon request, Suppliers may be required to inform LM about the suppliers they use and demonstrate their knowledge of this Code provisions.

Mandatory requirements

- To use sub-suppliers or sub-contractors which comply with the mandatory requirements stated in this Code;
- to comply at least with the minimum standard established by national, international, regional and/or local laws and regulations.
- not to engage nor tolerate any form of fraud, embezzlement, extortion, insolvency crime, illegal payment or other illegal act.

Good management practices

- To define Supplier Code of Conduct and to communicate it to all Suppliers;

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- to promote compliance also with the best international practices, including the standards defined by the relevant international organizations (e.g. International Organization for Standardization (ISO)).
- to have in place responsible sourcing policy and process for selecting new Suppliers;
- to have in place policies and procedures to evaluate Suppliers social compliance and/or social performance, including actions to be taken in case of non-conformance situations;
- to have in place a system to monitor the social compliance and/or social performance of Suppliers, which includes assessment and periodical review;
- to take actions to support Suppliers to make improvements on social performance, including Suppliers training;
- to integrate a sustainable approach in purchasing practices by considering their impact on the business.
- to inform LM about the suppliers they use, upon request.

2.4.1 Corruption and bribery

Mandatory requirements

- To reject and prevent any active and/or passive corruption, carried out directly or indirectly, in any context, shape or form, in any affected jurisdiction and even where such activity is acceptable in practice, tolerated, or not prosecuted.

2.4.2 Giving and accepting gifts or other benefits

Mandatory requirements

- Not to give (either directly or via third parties), promise or offer to LM Group any gift (money, goods, services or other benefit) that might even only be simply interpreted as exceeding normal business practices or courtesy, or be understood as aimed at acquiring favorable treatment in the conduct of any activity capable of being connected to the Group companies, or which is aimed at conditioning the beneficiary and forcing them to conduct themselves in a way that is contrary to their official duties, their obligations of loyalty or in any way able to falsify competition (e.g. promises of economic benefits, favors, referrals, job offers, bonus trips of a dubious nature).
- In countries where it is the custom to offer gifts to customers or to other parties as a sign of courtesy, such gifts must be of the appropriate type and value and must not conflict with the current law and regulations of the countries concerned or in any way be interpretable as a quid pro quo in requests for favours and/or advantages.

2.4.3 Conflicts of Interest

Mandatory requirements

- to maintain the highest degree of integrity when dealing with LM employees and to act solely in the best interest of the Company.
- to disclose actual or potential conflicts of interest to the Company, thereby allowing LM to evaluate the situation. A conflict of interest arises whenever employee's personal interests compromise that employee's ability to fully and objectively perform their responsibilities for the benefit of LM. The situations that generate

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this type of conflict usually involve an effort to obtain some sort of personal or family benefit, or the pursuit of an outside business interest, in a way that conflicts with the economic or reputational interests of LM Group.

2.4.4 Fair competition and antitrust

Mandatory requirements

- To operate in compliance with the national, international, regional and/or local laws and regulations to protect and promote fair and free competition;
- not to carry out practices nor enter into arrangements or agreements with competitors, suppliers, customers or other third parties devoted to restrict or potentially restrict fair and free competition, such as illegal price-fixing, exchange of sensitive information, market sharing, customer allocation or any other illegal or improper practice, at any level of the production or distribution chain. Not to abuse a possible market dominant position.

2.4.5 Export controls and sanction compliance

Mandatory requirements

- To monitor the evolution of the main national and international sanctions related to laws and regulations addressing, among others: export bans and controls, commodity trade restrictions, financial and banking constraints, arms, repression or dual use equipment embargoes and travel bans;
- Not to engage with sanctioned parties (both natural and legal persons) and, where necessary, to disclose promptly and fully to LM any issue arising from such possible engagement.

2.4.6 Data protection

Mandatory requirements

- To protect the personal data of (i) LM's representatives and contact persons and (ii) any other individual whose personal data LM needs to share with Suppliers for whatever purpose, in accordance with any national, international, regional and/or local laws and regulations;
- to implement adequate organizational and technical security measures to protect said personal data. Where necessary, to promptly and fully disclose to LM all possible breach of information security leading to the accidental or unlawful loss, unauthorized disclosure, alteration, destruction of, or access to, the personal information transmitted, stored or otherwise processed by Supplier.

2.4.7 Protection of industrial and intellectual property

Mandatory requirements

- To guarantee the protection and proper usage of LM Group assets and to take steps to avoid their damage, theft or unauthorized use, including damages deriving from Cyber- attacks (whenever applicable); All types of assets are in the scope of this requirement, including physical, intangible and financial assets, as well as intellectual property such as patents, trademarks, copyrighted works and trade secret;

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- to protect non-public confidential information that, if disclosed, would cause harm to LM.

3. Due Diligence and Compliance Procedure

In order to guarantee the compliance with the SCoC, LM reserves the right to undertake any assessment deemed relevant to its Suppliers, and Suppliers are encouraged to perform assessments towards their own business operations and throughout their supply chain in this regard. Suppliers shall duly make available any documentation necessary to demonstrate full compliance with the present SCoC and must provide LM with access to that documentation, if requested.

Upon request, Suppliers shall also allow LM assessment team to interview internal personnel to check awareness and consistency of all information provided.

In the event of non-compliance with the SCoC, LM is available to co-operate with Suppliers and support them towards any corrective action deemed appropriate, also in terms of timeframe.

Additionally, LM reserves the right to conduct due diligence in accordance with current and future European and international regulations, including but not limited to the EU Corporate Sustainability Reporting Directive (EU CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), as well as other relevant legislation.

If, following the agreed corrective actions and the provided support, the Supplier is not able or fails to align with the minimum *Mandatory requirements* of this SCoC, LM reserves the right to end the commercial relationship.

3.1 SCoC violations reporting system

Suppliers and their employees, who become aware of a potential violation of this Code, or of any other unlawful or non-compliant behaviour with law and regulations in force, may report through the reporting system implemented within the LM website, and available at <https://segnalazioni.lamarzocco.com/#/>.

Alternatively, they may get in contact with a reference person in LM Legal Department. It is Suppliers' responsibility to report suspected or potential violations of the Code. Reports will be investigated as appropriate by subject matter experts in a manner that maximizes confidentiality and all reported cases will be tracked until their completion.