

# **SUPPLIER CODE OF CONDUCT**

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## LIST OF CONTENTS

1.	Purpose and scope of application	21.1.	General provisions	31.2	SCoC interaction with legal requirements	
	41.3	SCoC violations reporting system	42.	Fundamental principles		
	42.1	Compliance, integrity and ethical business	42.2.	Labor and Human Rights		
	52.2.1.	Child labor	52.2.2	Forced or compulsory labor	62.2.3	Non discrimination
	72.2.4	Harassment and abuse	82.2.5	Freedom of association and collective bargaining		
	92.2.6	Wages and benefits	92.2.7	Working hours	102.3.	Health and Safety and working conditions
	112.4.	Environmental protection and sustainable business	142.5	Conflict minerals		
	152.6	Supply Chain Management	163.	Giving and accepting gifts or other benefits		
	174.	Conflicts of Interest	175.	Protection of industrial and intellectual property	17	

## 1. Purpose and scope of application

### 1.1. General provisions

This Supplier Code of Conduct (the “SCoC” or the “Code”) reflects De’ Longhi Group (“DLG”) core values 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 in the manufacturing of DLG products and/or their parts, attachments and components, and in providing services (collectively hereinafter, the “Suppliers”). Suppliers are requested to observe the principles set out in this Supplier Code of Conduct, as well as to commit to the Group’s sustainability priorities, publicly available on the Group’s website.

Suppliers’ activity shall be performed in observance of applicable labor, occupational health and safety and environmental local laws and international principles, such as ILO (International Labor Organization) and SA8000 Standards.

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 DLG preferred suppliers.

Therefore, unless otherwise specified, it is understood that our 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 for the observance of 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.

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

In order to guarantee the compliance with the SCoC, DLG 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 the full compliance with the present SCoC and must provide DLG with access to that documentation, if requested.

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

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

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, DLG reserves the right to end the commercial relationship.

## 1.2 SCoC interaction with legal requirements

De'Longhi Group 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, DLG expects its Suppliers to comply with the more stringent standard set forth by the *Mandatory requirements* of this Code.

## 1.3 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 De'Longhi Group Integrity Platform, and available at <https://www.delonghigroup.com/en/governance/whistleblowing>.

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

## 2. Fundamental principles

### 2.1 Compliance, 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 DLG Mandatory requirements, as defined by this Code.*

*Business is conducted lawfully and with integrity, with the aim to guarantee human rights, occupational health and safety, 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;

- to have a responsible person/team to manage the consistency with mandatory requirements relevant to social compliance (human rights, environmental impact and health and safety).

*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;
- appropriate and effective internal training is carried out to create a culture of integrity and mitigate key risks, extended to the senior management;
- appropriate actions are implemented 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 DLG 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 accordingly with international standards (SA8000, ISO14001, ISO45001).

## **2.2. Labor and Human Rights**

### **2.2.1. 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 for 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 SA8000 requirements.*

### ***Mandatory requirements***

- to comply with local laws regarding the minimum age of workers;
- no person shall be employed 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***

- policies and documented procedures for prevention of child labor and management of child labor cases are in place, which have to be maintained and effectively communicated;
- appropriate training is provided 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;
- a system for monitoring the effectiveness of Supplier's system is in place to prevent the hiring of under-age workers and to assure the protection of authorized young workers.

## **2.2.2 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. DLG does not tolerate any form of forced, involuntary or trafficked labor or whichever form of bonded labor.*

*On the other hand, DLG 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***

- all workers must be voluntarily employed without using of forced, bonded, indentured or trafficked labor or any other form of involuntarily labor;
- Suppliers must not 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;
- Suppliers must not require workers to pay any fee or deposit in connection with their employment, including migrant workers and workers supplied through labor agencies;
- foreign or migrant workers shall be employed in compliance with applicable law, including immigration regulations, and they must not be subjected to any threat of termination or deportation;

#### *Good management practices*

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

#### **2.2.3 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 colour, caste, 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. Our 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***

- discrimination in any form must not be permitted and tolerated in employment, including hiring, compensation, advancement, discipline, training, termination or retirement;
- all employment decisions must be based on the ability to do job, not on personal characteristics or beliefs:

- pregnancy test or other forms of health screening that might result in discrimination are not tolerated.

*Good management practices*

- a policy prohibiting any form of discrimination is in place and there are procedures to implement it, which include objective selection criteria for all human resources decisions;
- the employees responsible for hiring, paying, promoting, training, disciplining or terminating are trained to avoid discrimination;
- monitoring system and controls are in place to prevent discriminatory behaviors and practices;
- regular assessment are conducted regarding discrimination and any non-conformance situations are addressed;
- specific targets and programs are in place to address the needs of workers considered vulnerable to discrimination and to assure equal opportunities;
- if legally allowed, grievance mechanism is in place to anonymously and confidentially raise concerns to senior management level. Employees' submission and resolution progress shall be recorded.

**2.2.4 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 engage in, or support, mental, physical, sexual or verbal harassment, or any kind of intimidation or abuse;
- disciplinary policy and practices must be clearly communicated to all employees and disciplinary actions records shall be maintained;
- disciplinary actions must not be illegal and excessive and must not include monetary fines deducted from earned wages;
- abusive security practices, as opposite sex frisking and removal of clothes, are not tolerated.

*Good management practices*



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

### **2.2.5 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;
- workers who are members of workers' organization or workers' representatives must not be discriminated or intimidated 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;
- records of these consultations are kept and made available, upon request.

#### ***Good management practices***

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

### **2.2.6 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.*

### *Mandatory requirements*

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

### *Good management practices*

- 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, Suppliers are bound to pay for a wage that covers the current costs of living plus some discretionary income.
- a written policy is in place to address wages, benefits and contracts requirements;
- a process is in place to ensure the lowest wage level is at least adequate to meet the basic needs of workers, which is periodically assessed;
- workers are trained on their pay, production bonuses and deductions;
- proper systems are in place for tracking working time and calculating pay;
- monitoring system and controls are in place to prevent not allowed behaviors and practices.

#### **2.2.7 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***

- Suppliers must 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;
- workers are provided with sufficient time off for meals and breaks, in accordance with legal requirements;
- working hours records shall be maintained for each employees, including piece-rate, temporary workers and contracted workers, listing in and out times for every day worked;
- workers must be informed on scheduled working hours and overtime hours; workers must have the right to refuse overtime without punishment, penalty or disciplinary actions.

***Good management practices***

- written policy and procedures are in place regarding regular and overtime hours of work;
- peak period are planned to avoid excessive overtime by using appropriate scheduling systems;
- a system is in place to effectively monitor hours of work and excessive overtime working;
- works hours are recorded by workers using automated timekeeping system;
- a system is in place for workers to volunteer for overtime.

**2.3. 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 of, 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.*

***Mandatory requirements***

**General**

- workers must be provided with a safe and health workplace in compliance with all the legal requirements, certificates and permits;
- Suppliers must identify, assess and effectively manage all health and safety risks in the workplace and take appropriate actions to control and address them;
- injuries and accidents shall be recorded and corrective actions shall be identified and taken to prevent work-related injuries and illness;
- all workers shall be provided 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. The training is periodically updated 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. Workers exposed to specific risks, as chemicals, hazardous materials and dangerous equipment, shall be trained on safe operation and handling. Records of training must be maintained;
- workers routinely exposed to occupational hazards and risks shall be identified and submitted to medical surveillance, which includes pre-job, on-the job and post-job medical surveillance. In any case, medical examination must not be used to ascertain pregnancy;
- Suppliers must provide good working conditions with adequate lighting, temperature, ventilation, sanitation, air quality, noise level and ergonomics conditions;
- machineries and equipment must meet all legal requirements, equipped with the necessary safety devices (ex. emergency stop buttons, two-hands control device, gates, guards and other barriers) and appropriately maintained, tested and regularly inspected. Records of maintenance and inspection shall be available;
- facility systems, including wiring and plumbing systems, must conform to legal requirements, maintained in good conditions and periodically tested. Records of maintenance and test shall be available;
- workers must be provided with appropriate personal protective equipment (PPE). PPE shall be free of charge, readily available, properly maintained and replaced with no deduction of wages for usage or damage.

### **Chemicals and dangerous substances**

- chemicals and dangerous substances and materials must be correctly managed, which include safety storage, handling, reusing and disposal;
- an inventory of chemicals used with the relevant material safety data sheet is implemented and continuously updated;
- chemicals containers are appropriately labelled and identified;
- chemicals are correctly stored and handled 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; mixture of incompatible chemicals must be avoided.

### **Fire prevention and emergencies management**

- Suppliers must comply with fire safety protection and emergencies management legal requirements;
- appropriate first aid equipment must be available, easily accessible and regularly checked by designed personnel. First aid kit equipment content, quantity and location shall be adequate to the number of workers and type of activity performed, they shall be installed as a minimum in each floor and building;
- appropriate fire prevention equipment and devices, such as fire extinguishers, fire hydrants, fire detection, alarm systems, sprinkler, fire pumps etc., are available and properly maintained, accordingly with legal requirements. They shall be properly marked, easily accessible and regularly inspected and maintained in order to assure their functioning. Records of maintenance shall be documented;
- the number and placement of firefighting equipment must conform to local laws and regulations; if any requirement is specified the maximum distance between each firefighting devices shall be 25 meters;
- emergency exits and escape routes shall conform to legal requirements, with regard to number, size and placement. They must be marked with illuminated signs, visible and accessible without obstructions at any time. Emergency exits must always be unlocked;
- appropriate evacuation alarm system and emergency lighting are installed and properly tested and maintained to assure their functioning;
- an evacuation plan must be defined and the relevant map shall be posted in identified areas. Evacuation drills shall be regularly conducted (at least every 12 months) and they must cover all areas and shifts. Record of evacuation drills shall be documented;
- all workers must be trained about evacuation procedures. Suppliers must assure an appropriate number of workers are regularly trained about fire prevention and first aid management, by considering the number of workers, departments and shifts, which must be all covered. Record of training shall be kept.

### **Facilities**

- all workers shall be provided with clean drinking water, available at a reasonable distance from working areas;
- adequate number of toilets and washing facilities must be available, appropriately cleaned and maintained. No restriction or monitoring of workers' use of toilet must be in place;
- canteens or eating areas shall comply with all sanitation and hygiene legal requirements and they must be regularly cleaned and maintained in good conditions;
- housing facilities and dormitories must comply with health and safety requirements

### *Good management practices*

- written policies and procedures are in place relevant to occupational health and safety;
- policies and procedures are clearly communicated to all workers;

- monitoring system and controls are in place to assure health and safety requirements are properly met;
- “Occupational Health and Safety committee” has been designated with clearly defined roles and responsibilities;
- an “Health and Safety Management System” is in place accordingly with international standards (ISO 45001).

## 2.4. 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***

- Suppliers must 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;
- Suppliers must keep and made available all permits, licences and records relevant to applicable environmental legal requirements and demonstrate they are completely met. All records required by law and/or permits must be documented, available and up to date;
- appropriate environmental protection facilities and equipment must be installed and kept functional;
- Suppliers must assure pollutions are regularly monitored and tested to ensure all legal and permit requirements are met;
- chemicals and waste must be stored, handled, transported and disposed in accordance with legal requirements and, in any case, to avoid environmental risks. Hazardous chemicals storage must be equipped with secondary containment to avoid ground and groundwater contamination. Hazardous and non-hazardous waste shall be stored separately in pre-defined and dedicated areas;
- contractors for waste collection, transport, storage and disposal must be properly licensed, when legally required, and the relevant requirements fulfilment must be regularly assessed by Suppliers to avoid unauthorized contractors are used.

### ***Good management practices***

- written policies and procedures are in place relevant to process and activities with significant environmental impacts, including a procedure to effectively react in case of emergency;

- policies and procedures are clearly communicated to all workers;
- a process to identify and assess significant environmental aspects of Supplier's processes and activities, both direct and indirect, is in place and documented. The assessment shall include natural resources use, air emissions, water discharge, ground and groundwater contamination, noise emission, chemicals and waste management;
- a system for monitoring and reporting on significant environmental aspects is in place and regularly evaluated and updated. It shall include, but not limited to, energy consumption, water consumption and water discharge, air emissions, hazardous and not-hazardous waste production;
- objectives and targets are set for significant environmental aspects;
- appropriate actions are implemented 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;
- workers involved in operations linked to environmental impacts shall be competent on the basis of appropriate training;
- a process is in place 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;
- an "Environmental Management System" is in place accordingly with international standards (ISO 14001, EMAS);
- sustainable approach is integrated 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;
- Suppliers duly monitor and publicly disclose their Scope 1 and Scope 2 GHG emissions, calculated according to the most reliable international standards, guidelines and methodologies (e.g. GHG Protocol);
- Suppliers duly monitor and publicly disclose their Scope 3 GHG emissions, calculated according to the most reliable international standards, guidelines and methodologies (e.g. GHG Protocol);
- Suppliers have in place an emissions reduction target aligned to/approved by the most reliable international standards, guidelines and methodologies, among which the Science Based Target initiative. The target shall be measurable, have clear baseline and target year, and shall be publicly disclosed against. The target shall regard at least Scope 1 and Scope 2 GHG emissions;
- a system is in place 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.

## 2.5 Conflict minerals

*DLG is committed to avoid the use of minerals that have fuelled conflict in the Democratic Republic of Congo or in adjoining countries. Suppliers are expected to support DLG effort to identify the origin of designated minerals used in our products.*

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

***Mandatory requirements***

- Suppliers must report the presence and origin of tantalum, tin, tungsten or gold contained in products, parts or components supplied to DLG.
- if required by the law, Suppliers must 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***

- policies and management system are in place accordingly with OECD “Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-affected and High-risk areas” (<https://www.oecd.org/corporate/mne/mining.htm>) and Regulation EU 2017/821, if Suppliers are not subjected to the mandatory application of the above mentioned regulations.

**2.6 Supply Chain Management**

*Our Suppliers’ responsibility is to require that their suppliers, involved in manufacturing of products and their parts or in providing services supplied to DLG, comply with the requirements of this Code. Upon request, our Suppliers shall inform DLG about the suppliers they use and demonstrate their knowledge of this Code provisions.*

***Mandatory requirements***

- Suppliers must use sub-suppliers or sub-contractors which comply, at least, with the mandatory requirements stated in this Code;
- Suppliers shall inform DLG about the suppliers they use, upon request.

***Good management practices***

- a Supplier Code of Conduct is defined and communicated to all Suppliers;
- responsible sourcing policy and process are in place for selecting new Suppliers;
- policies and procedures are in place to evaluate Suppliers social compliance and/or social performance, including actions to be taken in case of non-conformance situations;
- a system to monitor the social compliance and/or social performance of Suppliers is in place, which includes assessment and periodical review;



- actions are taken to support Suppliers to make improvements on social performance, including Suppliers training;
- sustainable approach is integrated in purchasing practices by considering their impact on the business.

### **3. Giving and accepting gifts or other benefits**

Suppliers are not permitted (either directly or via third parties) to give, promise or offer to De'Longhi 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.

### **4. Conflicts of Interest**

Suppliers are expected to always maintain the highest degree of integrity when dealing with De'Longhi employees and to act solely in the best interest of the Company.

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 DLG. The situations that generate 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 the De'Longhi Group. Our workforce and suppliers are required to disclose actual or potential conflicts of interest to the Company, thereby allowing DLG to evaluate the situation.

### **5. Protection of industrial and intellectual property**

Suppliers are responsible for the protection and proper usage of De'Longhi Group assets and should 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 secrets. Suppliers must protect non-public confidential information that, if disclosed, would cause harm to DLG.