

**Supplier
code**

ROSA
GRINDTECH



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The commitment of the ROSA ERMANDO S.p.A. Group

Rosa Ermando S.p.A. is a world leader in the design and manufacture of tangential grinding machines for surfaces and profiles, with horizontal axis spindle, universal grinding machines for guides and profiles, and creep-feed grinding machines.

The Company was founded in 1964 by Ermando Rosa, but the quality of the machines comes from further back: from an experience that has deep roots in the history of the family which, for over a century, since the foundation of the first workshop in 1890, worked at the service of the mechanical and mould construction industry.

Ermando Rosa has led the Company to achieve important, significant technological and entrepreneurial goals. The Rosa Ermando plant is not only modelled on the latest management techniques, but is organised on the basis of more innovative criteria and presents itself as a model of a highly technological work environment focused on protecting the environment and workers.

Rosa Ermando is committed to and aspires to maintain and develop a relationship of trust with its stakeholders, including its employees, its Suppliers, the local community and the environment in which Rosa Ermando operates.

In particular, we pay attention to the environmental impact of the products we purchase within the following categories:

- Office supplies and materials: preference for recycled and/or eco-sustainable material, paper that has not been treated with ammonia, inks for recyclable printers.
- Non-toxic sanitising material.
- Electronics: preference for Suppliers who manage the recovery of electronic and electrical waste.
- Product input: this document provides a general framework of the ESG requests that Rosa Ermando makes of its product Suppliers.

Scope of application

This Supplier Code defines the ethical principles, rules of conduct, and the behavioural expectations with which every Supplier is required to comply in their business dealings with Rosa Ermando.

It applies to all companies, entities, consultants, subcontractors and other third parties who, in any capacity whatsoever, provide goods or services to our organisation or who collaborate with it.

The Code is an integral part of the contractual relationship made with Suppliers and complying with it is considered an essential element for establishing and continuing such a relationship.

Adherence to these principles is essential in order to ensure a relationship of mutual trust and to contribute to sustainable, responsible growth throughout the supply chain.

By accepting this Code, Suppliers undertake to apply - and to comply with - the environmental, social and economic sustainability guidelines contained herein.

The goal is to create valuable business relationships that can generate multiple benefits for the Company and the Supplier. The Supplier Code should not be perceived as a control tool, but as a useful resource for improving production standards.

Compliance with this Code must be assessed by taking into account the diversity of individual stakeholders and the production, cultural and legal environments in which they operate. Rosa Ermando expects Suppliers to report any non-compliance with this Code, should compliance be partial, to the Company.

All workers involved in supply activities must be aware of the following Code, with the commitment to communicate it in the most effective way being at the discretion of the Company itself or the person in charge of applying the Supplier Code.

Supplier Selection

COMPLIANCE WITH CURRENT REGULATIONS

Suppliers undertake to operate in full compliance with all applicable laws, regulations, and rules in the countries in which they operate.

This obligation includes, purely by way of example and not limited to, the provisions on:

- labour law and the protection of workers;
- occupational health and safety;
- environmental protection;
- the protection of human rights;
- taxation and tax obligations;
- fair competition and anti-trust;
- anti-corruption and transparency;
- the protection of personal data.

It is the Supplier's responsibility to ensure that its employees, collaborators, subcontractors and partners also comply with current legislation and the provisions of this Code.

Rosa Ermando reserves the right to request documentary evidence of regulatory compliance and to perform checks, including through audits or self-assessment questionnaires.

Failure to comply with the applicable regulations or the principles laid out in this chapter may result in the termination of the contractual relationship, without prejudice to any further remedies provided for by law.

VIRTUOUS PRACTICES

Rosa Ermando S.p.A, recognises and promotes the importance of the adoption, by its Suppliers, of virtuous practices that go beyond mere compliance with contractual or regulatory obligations.

With this in mind, a commitment to responsible, sustainable and innovative behaviour is actively encouraged throughout the supply chain.

By way of example, here are some virtuous practices:

- adopting company policies oriented towards environmental sustainability, such as reducing the energy impact, recycling materials, and managing resources responsibly;
- promoting gender equality, diversity and inclusion in the workplace;
- investing in continuous training and enhancing the skills of employees;
- adopting certified management systems (e.g. quality, environmental, safety, social responsibility);
- using technologies responsibly and being attentive to cybersecurity;
- being actively involved in local communities and promoting positive social impact initiatives.

Rosa Ermando S.p.A. evaluates Suppliers positively who can demonstrate a concrete commitment to these areas, including through voluntary initiatives, international standards or industry best practices.

The dissemination of virtuous practices is a key element to building lasting, transparent and sustainable development-oriented relationships.

That is why Rosa Ermando will begin to request certified information from its Suppliers regarding their environmental impact, paying particular attention to issues such as:

- the energy impact
- water consumption
- greenhouse gas emissions
- waste management (toxic and non-toxic)
- the impact on biodiversity
- chemicals which are harmful to the environment and/or people

Areas of intervention

WORK

Rosa Ermando S.p.A. considers it essential that its Suppliers adopt working practices that respect human rights, the dignity of people, and fair and safe working conditions. In this context, Suppliers are required to ensure compliance with the following principles:

Prohibition of forced or compulsory labour:

Any form of forced, compulsory or involuntary labour is prohibited, including bonded labour, involuntary prison labour, and trafficking in human beings.

Prohibition of child labour:

It is prohibited to employ minors in breach of local laws on the minimum age for employment. Under no circumstances whatsoever will workers under the age of 15 be permitted, or under the age established by local regulations, whichever is higher.

Non-discrimination and equal opportunities:

Suppliers must ensure an inclusive, respectful work environment which does not discriminate on the basis of race, gender, age, religion, sexual orientation, disability, ethnicity or political opinion.

Freedom of association and the right to collective bargaining:

Workers must be free to associate, form or join trade unions and to bargain collectively, without fear of retaliation, intimidation or interference.

Occupational health and safety:

All the necessary measures must be taken to ensure safe and healthy working conditions, paying attention to measures to prevent accidents and occupational diseases, through training, appropriate equipment, and compliance with current regulations.

Fair working conditions:

Suppliers must recognise and guarantee the right to fair remuneration, working hours in accordance with the law, and transparent and fair contractual conditions.

Compliance with these standards is an essential prerequisite for establishing and continuing any business relationship with Rosa Erando. Failure to comply may result in corrective measures being taken or the termination of the contractual relationship.

DIVERSITY AND INCLUSION

Rosa Erando recognises diversity and inclusion as strategic levers for sustainable growth, innovation, and the creation of shared value. These principles constitute an essential component of the “**Social**” dimension of ESG commitments, to which the Company adheres with responsibility and consistency.

In line with these principles, Rosa Erando invites its Suppliers to adopt the same values, implementing them through concrete, traceable operating practices.

Suppliers are required to:

- Adopt policies and practices aimed at guaranteeing **equal opportunities**, without any form of discrimination based on gender, age, ethnicity, religion, disability, sexual orientation, gender identity or any other personal characteristic not related to professional merit;
- Actively promote an **inclusive and diversity-friendly** culture, valuing individual differences as a resource for innovation and collective performance;
- Integrate the principles of diversity and inclusion in the processes of selecting, training, and developing personnel and in their remuneration, on the basis of equity, transparency, and respect for the principle of equal opportunities.;
- Train staff and raise awareness of the issues of: **diversity, equity and inclusion (DEI)**, including through initiatives consistent with the stated ESG objectives;
- **Monitor and report**, where possible, progress on social inclusion and equal opportunities, in line with international standards and ESG best practices.

Failure to comply with these principles may be assessed negatively, with regard to the

commercial relationship, and, in the most serious cases, may lead to the collaboration agreement being reviewed or terminated.

ETHICS

The Company operates its business on the principles of integrity, transparency, fairness, and responsibility, considering ethics an essential element for building relationships of trust with all stakeholders. These values must be shared throughout the supply chain.

Suppliers undertake to:

- **Act with integrity** in all business activities, avoiding misconduct, deceptive practices or actions that might compromise the loyalty of dealings with the Company, with other business partners, or with public or private bodies;
- **Reject any form of corruption, bribery or extortion**, direct or indirect, active or passive, in any context and country, adopting adequate prevention and control systems;
- Avoid real or potential situations of a **conflict of interest**, promptly informing the Company in the event that a situation arises that might compromise impartiality;
- Respect the **confidentiality of the information** acquired in the context of the commercial relationship, avoiding the unauthorised disclosure of sensitive, strategic or contractually protected data;
- Ensure respect for **fundamental human rights** and labour standards, including along the subcontracting chain, in accordance with international conventions (such as the Universal Declaration of Human Rights, the Principles of the UN Global Compact, ILO conventions);
- Promote a corporate culture oriented towards **work ethics**, transparency in internal and external relations, and corporate social responsibility.

Failure to comply with the ethical principles set out above may result, depending on the severity, in the contractual relationship being reviewed and/or in the Company adopting appropriate measures.

ENVIRONMENT

The Company recognises safeguarding the environment as a priority value and an integral part of its sustainability strategy. In line with ESG commitments and international goals to combat climate change, it expects Suppliers to behave responsibly and pro-actively in managing the environmental impacts of their activities.

Suppliers undertake to:

- Comply with all applicable local, domestic, and international environmental regulations applicable to its activities, products, and services;
- Adopt management practices and systems aimed at **preventing, reducing, and mitigating environmental impacts**, with particular attention to greenhouse gas emissions, pollution, waste management, and the consumption of water and energy;
- Promote the **efficient use of natural resources** and the adoption of technologies with low environmental impact, favouring the use of renewable energies

- and circular economy models;
- Implement policies aimed at **reducing its environmental footprint**, including through measurable objectives and transparency in reporting;
- Raise awareness among its staff, subcontractors, and business partners of environmental issues, encouraging sustainable behaviour throughout the value chain;
- Collaborate with the Company, where required, in providing information and documentation on its environmental performance, in line with the sustainability standards adopted.

The Company reserves the right to periodically evaluate a Supplier's environmental commitment and to take corrective or remedial measures in the event of serious non-compliance.

Management and control system

MONITORING AND REPORTING

The Company undertakes to promote a responsible, transparent supply chain that complies with the ethical, environmental, and social principles expressed in this Code. To this end, it considers it essential to implement monitoring tools and reporting mechanisms that allow compliance with the required standards to be verified.

Suppliers undertake to:

- **Actively collaborate** with the Company by providing, upon request, clear, up-to-date, and documented information relating to compliance with the principles contained in the Supplier Code;
- Make available to the Company, where requested, evidence and reports relating to ESG (Environmental, Social, Governance) indicators and results, internal/external audits, certifications, and the policies and procedures adopted;
- Accept, upon reasonable notice, any **checks, audits or conformity assessments** carried out by the Company or by third parties duly appointed by it, in compliance with confidentiality and reciprocity;
- **Promptly report** any breaches, critical situations or behaviour that does not comply with the principles of this Code, including through confidential channels indicated by the Company;
- Implement, where necessary, **corrective plans** aimed at remedying any non-conformities that may have emerged during the verification or reporting, committing to comply with the agreed times and standards.

The Company reserves the right to monitor, on a continuous basis, the degree to which Suppliers meet the requirements of this Code and to consider these aspects in the process of evaluating and maintaining the business relationship.

Rosa Ermando undertakes to conduct an audit on at least half of the economic value of its supplies. These audits will focus on quality, the environment, social aspects, and

transparency in governance and shall be carried out every 24 months.

ENGAGEMENT SYSTEM: MEASURES

The Company believes it is essential that Suppliers not only know, but also actively comply with the principles, standards, and requirements laid out in this Code. To this end, it has defined a structured engagement system, which includes preventive, corrective, and sanctioning measures aimed at ensuring compliance throughout the supply chain.

The system of measures provides for:

- **Contractual clauses stating acceptance of the Code:** the acceptance of the principles of the Supplier Code is a necessary condition for establishing and continuing the business relationship. This acceptance is formalised contractually;
- **Improvement plans:** in the event of non-compliance or deviations from the expected standards, the Company may request specific corrective plans be implemented, with actions, times, and responsibilities being defined, compliance with which will be monitored;
- **Formal reminders:** in the presence of moderate breaches, the Company may issue written reminders, inviting the Supplier to adapt within a predetermined period;
- **Temporary suspension of the relationship:** in the event of repeated breaches or non-compliance with the commitments made in the corrective plans, the Company reserves the right to suspend the delivery of orders or ongoing collaboration;
- **Contract termination:** in the event of serious and/or systematic breaches of the fundamental principles of the Code (e.g. corruption, child labour, serious environmental damage), the Company may terminate the contract for just cause, without incurring any charge to itself;
- **Exclusion from future tenders or selections:** Suppliers who are responsible for serious breaches or who fail to cooperate in resolving critical issues may be excluded from subsequent engagement opportunities.

The Company adopts an approach based on dialogue, continuous improvement, and prevention, but it reserves the right to take every necessary measure to protect its values, legality, and corporate reputation.

SUPPORT FOR SUPPLIERS

The Company recognises the strategic value of its Suppliers and considers a transparent, continuous, and responsible collaboration a fundamental element for being able to achieve common objectives of quality, innovation, and sustainability.

In accordance with the above, the Company undertakes to:

- **Promote a constructive and open dialogue** with Suppliers, promoting relationships based on mutual trust, respect, and the sharing of common values;

- Offer **information and training support** aimed at facilitating the understanding and implementation of the principles laid out in this Code, with particular attention to ESG issues, ethics, legality, protecting human rights, and environmental sustainability;
- Collaborate with Suppliers in defining and implementing **improvement plans**, where interventions are necessary to align operational practices with the required standards;
- Promote the **inclusion of local Suppliers, SMEs, social enterprises and companies with a positive impact**, contributing to the economic development of the territories and the diversification of the supply chain;
- Evaluate, where compatible with company policies, **forms of incentive** or recognition for Suppliers that stand out for high performance in areas such as sustainability, responsible innovation, respect for rights, and pro-active collaboration.

The Company believes that sustainable and responsible growth is only possible through strong partnerships, based on mutual commitments and continuous improvement. For this reason, it makes itself available to provide tools, resources, and opportunities for discussion aimed at strengthening the quality and resilience of its supply chain.

Supplier commitment

By accepting this Supplier Code, each Supplier formally undertakes to respect and promote the principles, values, and rules contained herein, recognising them as an integral and binding part of the business relationship with the Company.

In particular, the Supplier undertakes to:

- **Read, understand and sign the Code**, assuming full responsibility for its application within their organisation;
- **Adopt behaviour which is in accordance with** the ethical, social, and environmental principles laid out in the Code in all activities carried out in relation to the Company;
- **Extend and promote** these principles, including towards its employees, collaborators, subcontractors, and partners along the supply chain;
- **Implement measures**, processes and internal controls aimed at ensuring continuous compliance with the Code and preventing any non-compliance;
- **Cooperate with the Company** in the event of checks, audits, requests for information or the implementation of corrective actions;
- **Promptly report** any actual or suspected breach of the Code to the Company, using the dedicated communication channels and ensuring the greatest collaboration in the event of an investigation.

Failure to comply with this commitment may result, depending on the severity and the circumstances, in measures being adopted by the Company up to the possible termination of the contractual relationship.

The Supplier's commitment to share and implement the principles of this Code constitutes a distinctive and qualifying element of the partnership, contributing to the creation of a more ethical, sustainable, and resilient value chain.



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