



PROCUREMENT POLICY

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Introduction

One of the core elements of the mission of SERI Industrial S.p.A. (hereafter also SERI Industrial or the Company) and its subsidiaries (hereafter also the "Group") is to act within a framework of fair competition with honesty, integrity, fairness, and good faith, respecting the legitimate interests of shareholders, employees, customers, partners, local communities and various stakeholders with whom we come into relationship.

In particular, our Group actively promotes Social Responsibility and a sustainable supply chain, integrating attention to social and environmental issues within its strategic vision.

We believe that close collaboration with our supply chain is essential to achieving high levels of quality in our products, services, and production activities.

Establishing collaborations, dissemination of *best practices*, and cooperation in different areas (technology, environment and society) are the ways to involve and interact with Group's supplier base.

Suppliers are strategic allies who support us in building successful products that offer customers the best in quality, innovation, and performance.

Today, globalization requires supply chain management methods that ensure the integration of sustainability criteria in supplier selection and involvement.

Procurement managers are responsible for global supplier management, and to this end they work with different parties to integrate key environmental, social, and governance aspects into purchasing processes, thereby laying the foundation for long-term and responsible success.

The selection of suppliers and the determination of procurement conditions, carried out by Group companies, must be inspired, also, by the provisions of the "Supplier' Code of Ethics", adopted by the Company and the Group, and based on an objective assessment of quality, price and the ability to provide and guarantee services of an adequate level and to propose innovative solutions.

Ultimately, the primary objective of the Procurement Policy is to communicate the Group's commitment to strengthening the development of strong and lasting relationships with our partners, who we ask to espouse the principles and rules that inspire us to pursue together a common goal of sustainable development.

1. EXPECTATIONS OF OUR SUPPLIERS

1.1 Partnership

The Group believes that selecting innovative and reliable supplier partners, who are willing to build joint success with us from a high degree of value creation, commitment and flexibility, is the basic requirement for a lasting relationship. The goal is to establish a long-term partnership characterized by transparency and collaboration.

Development, growth, and efficiency begin precisely during the analysis of the supplier with whom to initiate collaboration, which must take place according to a documented procedure that guarantees impartiality and equal opportunity for all involved.

Through the use of specific purchasing methodologies calibrated to different product categories, the Group strives to obtain the best conditions in terms of performance, price, quality, throughout the entire product life cycle.

In addition, the supplier, as a component specialist, is increasingly involved in the initial phase of the project so that technical and economic commitments are shared with the end customer.

1.2 The economic customer/supplier relationship

The Group aims to avoid situations of mutual dependence; therefore, on the one hand, it takes care not to build monopoly supply conditions within the same product segment, and on the other hand, it tries to limit as much as possible the degree of dependence of suppliers on purchase orders that come to them from Group companies.

1.3 The rules of the relationship

General terms of reference, which form the basis for supply relationships with major Group companies, have been implemented and are being continuously updated.

1.4 The core aspects of the relationship

The guiding principle is to acquire the necessary goods/services with the best quality/price ratio to meet the goal of cost containment, ensuring quality and service levels appropriate to the satisfaction of the end customer, with due consideration of operational risks and complying with general guidelines on the environment, labor safety and the overall sustainability of the choices made, in terms of social impact.

The Group expects suppliers and subcontractors to assume their responsibility along the entire *end-to-end* supply chain, from manufacturer to supplier to end user, comply with safety and environmental regulations, and thus maintain behavior that respects the values that guide the company; for this reason, Group companies make sure to actively involve different partners and suppliers in its processes.

1.4.1 Innovation

Innovation lies at the heart of entrepreneurial action; permanent development is the driving force of a company and an integral part of the culture of the SERI Industrial Group, which has made the high technological content of its products a distinguishing feature.

Continuous adaptation to new conditions, and the constant search for better solutions for our clients are the values that guide us in our daily work and that we also ask our suppliers to follow.

1.4.2 Quality

Suppliers are selected after an analysis to ensure product quality, safety and environmental protection, program compliance, achievement of economic goals, customer satisfaction, company image. The assessment parameters cover technical-productive and service capabilities, financial strength, quality business systems, safety management.

This also entails the obligation to ensure the identification of products. In this way, in the event of any quality defects, it is possible to identify the affected products, supplies or impacted production periods.

1.4.3 Occupational health and safety

Occupational health and safety are essential values for the Group and are a priority in the supplier 's analysis.

Ensuring a safe, health-friendly work environment is a necessary condition for the present and for building the future, and it represents a driver of growth, in terms of efficiency and quality.

The Group affirms its focus on Occupational Health and Safety in order to maintain and develop its performance through the establishment of specific and targeted improvement objectives.

The company is committed to play an active role in occupational protection and safety, and is fully committed with all its management and human resources to spreading the culture of Workplace Safety at every level, and in every area of the company, and to safely manage the activities and tasks related to its own employees and employees of contractors.

It is the intention of Group companies to keep their policy active and operational, with a commitment to disclose it to employees and the entire supplier base.

1.4.4 Environment

The Group believes that its mission is to be a model of excellence also for the maximum protection of the environment that it achieves in carrying out its activities, and therefore makes the following principles of environmental sustainability, in the short, medium and long term, its own in its strategic choices and business processes at different levels:

- preventive approach;
- environmental impact reduction;
- continuous improvement;
- maintaining of regulatory compliance;
- responsible management of the production chain;
- promoting knowledge and awareness among human resources;
- communication.

The Group's Environmental Policy represents the expression of management's will towards the environment, and it is binding on all company employees and all outside companies operating within the Group's facilities.

This commitment has resulted in the implementation and maintenance of an Environmental Management System at major production sites with the goal of extending it where missing and appropriate.

1.4.5 Business ethics and integrity

The Group promotes a corporate governance system that integrates, and promotes, a culture of internal sustainability, spreads respect for the law and prevention of corruption, and that is inspired by the highest standards of integrity, honesty and fairness.

Compliance with applicable laws, regulations and procedures in the areas in which you operate is a prerequisite for doing business with our company.

We expect our suppliers in their conduct of business not to tolerate any kind of bribery, extortion, or

misappropriation.

The offer or promise of direct or indirect payment, in monetary or any other form in an attempt to obtain or retain work or for any other benefit, thereby gaining an improper advantage over other potential suppliers will not be tolerated.

Ultimately, we firmly believe that long-term partnership relationships should be based on mutual fairness and transparency, in a context of full respect for the rules of business and the ethical-reputational aspects of related activities.

2. PRINCIPLES AND RULES OF CONDUCT

Loyalty, Ethics and Respect, Merit, Excellence and Innovation, but also Protecting the Health and Safety of workers, Environment, Quality and Performance, Sustainable Growth, Internationality as well as Customer Rights and Customer Focus are the core values underlying Group's *modus operandi*, values on which Seri Industrial bases and promotes its relationship of trust with all its stakeholders, whether shareholders, employees, suppliers or customers.

The Group makes every effort to ensure that these principles are adhered to, without distinction or exception, all those who work in Italy, and abroad, on behalf of or in favor of the Group, or who have business relations with it; these principles also apply to procurement operations, thus establishing a good relationship with suppliers, made up of concreteness, complete integrity and common sense.

2.1 Code of Conduct

Employees are responsible for their own actions and never lose sight of people, society, safety and the environment. They comply with laws and all other external and internal requirements, behaving with integrity. With regard to the relationship with suppliers, specific commercial clauses have been included, that also require them to abide to the principles contained in the Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001.

Particular attention is paid to the management of conflict of interest.

2.2 Fight against corruption

Anti-corruption provisions apply to the entire Group.

The increasingly broader geographic context in which the Group operates makes it necessary to reinforce the attention that Group companies have always paid to a global anti-corruption policy, that defines expectations for conducting business in strict compliance with the best international standards for anti-corruption legislation.

The main companies of the Group have adopted the Anti-Corruption Policy during 2022.

2.3 How to act in respect of roles

Collaborators involved in *procurement* activities must act according to the following criteria:

- professional conduct and common sense;
- interaction with colleagues in a climate of mutual respect;
- doubtful business practices must be rejected and reported to the appropriate bodies within the company;

- individual and cultural differences are respected;
- fair competition is established in the procurement process;
- information is treated confidentially;
- the company's *know-how* and intellectual property are safeguarded;
- suppliers are involved in the development of innovative products.