



# SUSTAINABLE PROCUREMENT POLICY

Rev.00 - Year 2025

 **RANCILIO** GROUP

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# INTRODUCTION

Rancilio Group recognises the strategic value of sustainability in procurement as a key aspect for responsible growth in parallel with our mission: offering advanced solutions in the world of professional coffee while respecting people and the environment. In line with our ESG (environmental, social, governance) principles and with a constant commitment to sustainable innovation, we integrate environmental and social criteria in our procurement processes to minimise impacts along the value chain and promote responsible practices among our partners and suppliers.

This policy falls under our broader company management system, which is inspired by international standards such as ISO 9001-14001-45001 and aims to continuously improve our environmental, social, and operational performance.

With an approach focused on selecting suppliers and managing procurement, Rancilio Group intends to strengthen its contribution in the transition to a low-impact business model, supporting the spread of ethical, transparent, and sustainable practices in its sector of reference.



# BASIC PRINCIPLES

Our sustainable procurement policy is based on four principles that guide company decisions and steer choices along the entire supply chain:

## ENVIRONMENTAL SUSTAINABILITY

Rancilio Group promotes efficient and responsible management of natural resources, with the goal of reducing environmental impacts throughout the product life cycle. We encourage the use of recycled materials and low-emission production processes, adopting practices inspired by the circular economy and waste reduction. When selecting suppliers, we prioritise those that demonstrate compliance with international environmental standards and investments in innovative low-impact solutions, in line with our commitment to sustainable production.

## INNOVATION AND QUALITY

Innovation is a pillar of the Rancilio Group culture. We select goods and services that meet the highest requirements in terms of quality, efficiency, energy, and durability, based on a long-term view and reduction of our environmental impact.

We work with suppliers focused on research and development, those that integrate advanced and sustainable technological solutions in their processes with attention to certified materials and eco-friendly design. In doing so, we are building a resilient supply chain that really contributes to achieving the our sector's goals of decarbonisation and responsible innovation.

## TRANSPARENCY AND GOVERNANCE

We select commercial partners via structured processes based on objective, measurable criteria. We use self-assessment tools and audits to guarantee that each supplier is aligned with our ESG principles and company standards. We strive to strengthen suppliers' traceability and digitalisation using dedicated systems that improve performance monitoring and support conscious, verifiable choices that comply with the standards.

## SOCIAL RESPONSIBILITY

We focus on respect for human rights, working conditions, and work ethics. We require suppliers to comply with rigorous standards against any form of exploitation, guaranteeing safe, inclusive, and dignified working environments. We are inspired by the primary international references, implementing control mechanisms and periodic monitoring to establish a transparent, equitable, and socially responsible supply chain.

# SCOPE OF APPLICATION

The **Rancilio Group** Sustainable Procurement Policy applies to all purchasing and supply-chain activities related to the company, as well as affiliated companies and operating units that manage goods, services, or materials for the Group. The goal is to ensure a harmonised, transparent, and responsible approach to procurement that is consistent with ESG principles and our Group's dedication to sustainable industrial excellence.

Figures Involved:

## **INTERNAL PERSONNEL**

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All our purchasing, logistics, and supply chain management staff, plus our ESG committee, are required to comply with the principles set out in this policy. The team's active contribution is essential for integrating sustainability in everyday decision-making processes, fostering a widespread culture of responsibility. To this end, we organise training courses, updates, and awareness campaigns on responsible procurement practices.

## **SUPPLIERS/PARTNERS**

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Rancilio Group requires direct and indirect commercial suppliers and partners to adhere to strict environmental, social, and ethical standards. We expect them to adopt transparent and sustainable production practices, respect workers' rights, and comply with international standards in terms of governance and compliance. Collaboration with certified suppliers and the progressive implementation of monitoring and traceability systems reinforce the integrity and resilience of the supply chain.

## OUTSOURCED SUPPLIERS

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Third-party suppliers are an important strategic and operational element for Rancilio Group, as they are directly involved in producing and processing parts and semi-finished products. In contrast to traditional goods and service suppliers, these providers often rely on their own assets but are closely integrated with our Group's industrial processes, with a significant influence on the quality, traceability, and sustainability of the final product. This is why Rancilio requires that outsourced suppliers not only fully comply with the ESG principles outlined in this policy, but also adopt operating practices consistent with our Group's production model: environmental management of production cycles, respect for safety and occupational standards, product traceability, openness to joint audits, and insertion in continuous improvement programmes. Qualification of these suppliers meets specific, dedicated criteria, considering the particular features of their work and shared responsibility with respect to the end customer.

# SUSTAINABLE PROCUREMENT CRITERIA

Rancilio Group procurement processes are structured to progressively integrate measurable and transparent ESG (environmental, social, governance) criteria, promoting a resilient, ethical, and efficient supply chain. Each purchasing decision aims to reduce environmental impacts, promote social responsibility, and strengthen governance following a model of continuous improvement.

## **SUPPLIER SELECTION**

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We use digital tools to collect reliable information on our suppliers' environmental, social, and ethical practices. Over time, these tools are accompanied by audits and on-site inspections to ensure consistency between the stated policy and actual behaviour. We acknowledge the added value of suppliers with recognised international certifications (for example, ISO 14001, SA8000, EcoVadis).

## **MATERIALS AND PRODUCTS**

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In procurement, we favour materials that are certified, recycled, or produced in sustainable supply chains. We increasingly favour the use of eco-friendly packaging (for example, FSC/PEFC certification), long-lasting materials, and solutions based on eco-design principles, minimising the ecological footprint throughout the product life cycle.

## **SERVICES**

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We also apply sustainability criteria when selecting services, with a particular focus on consistency with company values and the resulting impacts. We value suppliers that adopt responsible management practices to guarantee quality, efficiency, and respect for the environment. Where services are concerned, we prioritise solutions that reduce consumption, optimise resources, and promote ethical, transparent behaviour throughout the entire value chain.

## **ENERGY EFFICIENCY**

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Energy efficiency is a strategic requirement when selecting equipment and machinery. We value certified solutions and systems that provide for updates, repairs, and regeneration, in line with a regenerative, circular economy.

## **WASTE MANAGEMENT**

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Purchasing focuses on minimising waste and favouring reusable, compostable, or recyclable materials. For electronic devices, we favour agreements with suppliers that offer certified collection and recycling services, helping to reduce WEEE in compliance with European Directive 2012/19/EU and promoting ethical management of the product end of life.

# IMPLEMENTATION AND TOOLS FOR SUPPORT

Responsibility for implementing the Sustainable Procurement Policy is entrusted to the Purchasing Department and possible Group companies with operational powers. These figures implement the following technical tools to guarantee consistency, monitoring, and traceability:

## **OPERATIONAL GUIDELINES**

Manuals for integrating ESG criteria in technical specifications and supply contracts.

## **QUALIFIED SUPPLIER BOARD**

An updated, centralised database of suppliers verified and certified according to ESG criteria.

## **MONITORING PLATFORMS**

Digital tools for continuous supplier performance assessment and ESG risk management.

## **PERIODIC AUDITS AND INSPECTIONS**

Documentary and on-site inspections and audits to guarantee respect for the standards and foster continuous improvement.

## **CHECKLIST FOR SUSTAINABLE EVENTS**

Practical tools to guide the planning and management of company events for a low environmental impact.

# GOVERNANCE AND MONITORING

To guarantee effective implementation of the Sustainable Procurement Policy, **Rancilio Group** has adopted a structured governance system to coordinate activities, monitor performance, and continually improve processes related to the supply chain. General responsibility falls on **Operations Management**, tasked with guiding the integration of ESG criteria in purchasing strategies, promoting an approach marked by efficiency, traceability, and environmental responsibility. In this respect, the **Purchasing Manager**, in coordination with Operations Management, is responsible for the correct operational implementation of the policy for both the internal purchasing department and possible subsidiaries or logistics partners. The policy is implemented by adopting specific operational tools and protocols, including:

## **TECHNICAL GUIDELINES**

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To integrate the sustainability criteria in specifications, contracts, and bidding procedures.

## **A DATABASE OF QUALIFIED ESG SUPPLIERS**

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Regularly updated and validated.

## **DIGITAL PLATFORMS**

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For monitoring environmental, social, and governance performance along the supply chain.

## **TARGETED AUDITS AND PERIODIC INSPECTIONS**

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To assess suppliers' compliance with established standards.

## **MEASURABLE ESG OBJECTIVES**

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Monitored through environmental and social KPIs.

In parallel, Rancilio Group invests in continuous training for personnel involved in procurement to strengthen skills, raise awareness of sustainability issues, and guarantee conscious, consistent decisions. Results, progress, and emerging good practices are shared regularly with stakeholders in periodic updates, ensuring transparency and active involvement in the transition towards increasingly sustainable and responsible purchasing models.

# UPDATES AND REVISIONS

The Rancilio Group Sustainable Procurement Policy is subject to continual updates aimed at guaranteeing its effectiveness and alignment with changes in international standards, industry regulations, and best ESG practices. Such revisions are structured and occur regularly in consideration of regulatory evolution, changes in the contexts of reference, and feedback from internal and external stakeholders, such as suppliers, customers, and strategic partners.

Each update is carefully assessed to ensure that the policy continues to reflect our Group's sustainability objectives and remains a tangible tool for promoting a responsible and innovative supply chain driven by continuous improvement. Any modifications are communicated promptly to the relevant departments, guaranteeing consistent implementation common to the entire organisation.

Adopting a dynamic, responsive, and proactive approach, our company strengthens its commitment to transparency, regulatory compliance, and sustainable innovation, helping to build a solid, resilient supply chain fully in line with the values of excellence and responsibility that have always distinguished Rancilio Group.



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