

CODE OF ETHICS FERALPI GROUP

"PRODUCE AND DEVELOP
WHILE RESPECTING HUMANKIND AND THE ENVIRONMENT"



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1. Introduction

The Code of Ethics produced by the Feralpi Group (hereinafter also Feralpi or the Company) provides a reference tool for promoting, publicising and managing ethics at work and in business operations.

This Code of Ethics outlines the ethical responsibilities and commitments required of anyone conducting business operations for Feralpi and their subsidiaries, be they managerial or non-managerial employees.

The Company hopes these principles will be observed, shared and distributed voluntarily, as they have been until now, and requires anyone working for, or coming into contact with, Feralpi to observe and apply this Code, and contractual penalties and disciplinary measures will apply to any infringements.

Therefore, this Code of Ethics underpins the Company's Governance Model and Internal Auditing System, in the belief that business success is based on ethical business operations.

The definition of a Code of Ethics involves a preliminary analysis of the company values that form guiding principles for all Feralpi personnel in their daily activities i.e., the fundamental values. These values have resulted from a basic principle expressing the corporate identity, originally defined in the words of its founder - *to produce and develop while respecting humankind and the environment* - a principle that fosters harmony and understanding between people, technology and nature.

This principle, further articulated with specific reference to the environment, has been handed over to the new generation currently running and developing the company, and applied by the management supporting them.

Feralpi's mission is a result of this vision, and targets sustainable growth through the manufacture and development of quality products, by seeking the best operating conditions for job performance.

In pursuing its mission Feralpi focuses on developing trusting relationships with all stakeholders, in other words the people, groups and organisations that are essential for its achievement, or those who are involved or have a legitimate interest in the resulting outcome.

Feralpi's stakeholders include the shareholders, employees, customers, local and national government departments, the public and the local communities in which the Group's facilities are situated.

2. Recipients

The principles and provisions set out in this Code of Ethics (hereinafter the Code) are binding for all Feralpi directors and employees (hereinafter employees), and any party working with Feralpi in any kind of relationship (including, by way of example but not limited to, consultants, agents, intermediaries, contractors - hereinafter collectively defined as Collaborators).

This Code has also been adopted to reinforce the auditing system designed to prevent the infringements set out in Legislative Decree no. 231/2001.

The principles and provisions in this Code specify the general obligations of diligence, integrity and loyalty that qualify as fulfilling job responsibilities, and the conduct required by all employees and collaborators.

Feralpi considers compliance with the rules and provisions in the Code of Ethics as an essential and integral part of contractual obligations resulting from employment agreements for employees in accordance with article 2104 of the Italian civil code, or contractual regulations for contractors. Feralpi requires everyone in a relationship with the Group (associate companies, subsidiaries, partners, customers, suppliers) to operate in line with the general principles of this Code, communicating its contents to anyone who commences a relationship with any of its companies. Breaching the aforementioned rules shall constitute non-compliance with employment or collaboration obligations, and result in legal and contractual disciplinary measures. Everyone must observe and ensure compliance with the Code and report any infringements, according to their duties and area of responsibility.

3. General principles

3.1. Respect

In line with the founder's mission, Feralpi's values focus on respect for people, which underpins not only internal relationships, but also relationships with individual and collective external stakeholders. Special consideration is given to respecting the needs of local communities in the countries in which we operate, and the rights of future generations with regards to wellbeing, quality of life and the environment.

Personal data on employees, customers and suppliers is processed in accordance with legislation on confidentiality, and is based on the utmost respect for the dignity of data subjects. Information gathered by employees and collaborators belongs to Feralpi, and must not be used, communicated or disclosed without specific authorisation.

Feralpi considers human rights and fundamental freedoms as essential for everyone without any distinction, and chooses to adopt the principles to protect these rights by making sure they are implemented and promoted in the day-to-day activities in the value chain.

Feralpi does not tolerate conduct or statements that offend the beliefs and moral or personal preferences of others. Feralpi undertakes to prevent any form of discrimination on the basis of age, gender, sexual orientation, health, race, nationality, political opinions, membership of trade unions or religious belief.

3.2. Transparency

Feralpi is committed to providing stakeholders with complete, transparent, comprehensible and accurate information. Transparency underpins loyal and sincere relationships, so that every stakeholder can make informed decisions knowing the facts and interests involved.

Transparency in bilateral relationships is achieved with clear, comprehensible contracts agreed between the parties. In external relationships, Feralpi implements financial and environmental reporting activities to assess corporate sustainability, and is committed to achieving the best international certification.

3.3. Truthfulness

Conduct in accounting and administration procedures is based on principles of truthfulness in such information, not just with regard to legislation or requirements for obtaining certification. Truthfulness, transparency and honesty must form the basis of daily relationships between personnel, and are necessary for mutual trust and for providing external stakeholders with reliable information.

3.4. Honesty

The company's reputation is built on honesty, and is therefore part of the moral fabric of Feralpi. Operations carried out by collaborators working for the Feralpi Group must comply with legislation, this Code and internal regulations. The Company understands that honesty requires ongoing compliance with legislation, and is therefore committed to adopting practices that are consistent with the Code, even in national situations where legislative requirements and rights are lacking. Under no circumstances can pursuing the interests of the Company justify a failure to comply with relevant rules and legislation.

3.5 Trust and loyalty

Feralpi recognises and promotes a climate of trust in relationships between parties. Internal and external relationships are built on mutual trust. Internal relationships are also based on loyalty and recognising that everyone is acting in good faith. Trusted employees operating in good faith work with commitment, and pursue excellence and not just precision in their work tasks. All tiers of personnel must refrain from making decisions that could result in a conflict of interests with the Company.

Feralpi's business operations are based on fair trade practices, in strict compliance with the legislation in the countries in which the Group operates.

3.6. Fairness

The Company models its relationships with collaborators on principles of fairness, aiming to ensure equal, balanced treatment that is based on merit. The management also undertakes to pursue and safeguard a fair balance of recognised interests in relationships with stakeholders.

3.7. Collaboration

Feralpi recognises the value of collaboration between everyone involved in company operations, and undertakes to develop a team spirit. Successful collaboration is also pursued with external stakeholders, who are provided with conditions and practices

that foster close engagement and communication.

3.8 Diligence and professionalism

Feralpi's operations focus on high standards of product and service quality. Contracts and work agreements must be delivered in line with the requirements of both parties, and require a personal commitment from collaborators to use their expertise to carry out their duties to the best of their ability.

Feralpi believes that contributions made by individuals and teams to work processes and their improvement are essential for company and personal development. As a result, the Company encourages professional development through internal training at all levels.

3.9. Safeguarding the environment and sustainable development

Feralpi realises that its production activities have environmental significance, therefore the Company instils respect for the environment in and outside of its premises, to protect all stakeholders. To do this, it is committed to continually improving production technologies and practices, to ensure compliance with legislation in the countries in which it operates and to adopt the best available technologies (recommended in the EU BREFs), with the development of research programmes in this field.

3.10 Protecting health and safety

Feralpi provides safe, healthy workplaces and conditions that guarantee personal dignity in accordance with existing legislation on preventing accidents in the workplace and protecting employees, and is always striving to ensure employee wellbeing in the workplace. To do this, every effort is placed on improving work environments in terms of health and safety, by using cutting-edge production systems and continually seeking new solutions.

Feralpi encourages employees to participate, within their remit, in processes to prevent risks to personal health and safety, and that of their colleagues and third parties.

4. Principles of conduct

4.1. Principles of conduct in relationships with shareholders

Executives make decisions that aim to create value for shareholders in the medium to long term.

The Board of Directors is committed to continually engaging with shareholders in the spirit of understanding and respecting reciprocal roles.

In carrying out the responsibilities set out in the Articles of Association, the Chair of the Board of Directors works to ensure that the Board can pass resolutions with a full understanding of the issues involved, except in urgent situations which dictate otherwise, and encourages balanced, in-depth discussion which ensures that each member can contribute.

Executive directors exert their authority to the extent that these powers have been granted by the Board of Directors, to which they report promptly and comprehensively in line with mutual responsibilities.

Non-executive directors contribute to formulating corporate decisions by making their specific experience and expertise available, to facilitate in-depth, articulated discussion that considers different perspectives.

Only the following types of non-executive directors may be classed as independent: 1. those who have not had, or do not have, significant economic relationships with companies in the Feralpi Group; 2. those who do not hold enough shares for this to influence decisions; 3. those who do not have family connections with anyone for whom numbers 1 and/or 2 apply.

Executives and auditors must keep documents and any information they obtain when fulfilling their roles strictly confidential. Insider information which they hold and which could affect the markets is controlled by the Managing Director, who deals with its potential communication to the public, while ensuring that any such communication is not selective, untimely, incomplete or inappropriate.

Executives ensure that an effective internal auditing system is in place to safeguard company assets and ensure the effectiveness and efficiency of Group operations, the reliability of financial information and compliance with legislation and regulations. Indeed, every employee must work to ensure that management information is represented in accounting procedures in an accurate, timely and truthful manner, and that documentation can always be tracked and consulted.

Company financial statements are checked by leading independent auditing firm appointed by the Shareholders' Meeting. The Board of Auditors is responsible for overseeing the independent nature of the auditing firm, while considering the extent of the services other than auditing that they provide for the companies in the Feralpi Group.

With regarding to managing special operations in particular (e.g. mergers, demergers, acquisition of significant shareholdings, issue and/or placement of financial instruments), company representatives must strictly comply with legislation to protect the integrity and effectiveness of company capital, and avoid undermining guarantees of creditors and third parties in general, ensuring that the Board of Auditors and its members have the necessary information in a comprehensive and timely manner.

The Board of Directors identifies situations in which an executive has a direct or third-party interest. Every executive must carry out all operations with related parties, or where they have a direct or third-party interest, transparently in relation to the Board, and in accordance with substantive and procedural integrity.

4.2 Principles of conduct in relationships with employees and collaborators

The personnel selection procedure uses general criteria that comply with policies to ensure equal opportunities, and prevent discrimination on the basis of the private life and opinions of applicants. Suitable measures are applied to prevent favouritism and cronyism in selection and recruitment procedures.

Feralpi does not permit casual work under any circumstances. Furthermore, anyone involved in the personnel selection and recruitment process must ensure that permanent and temporary foreign employees have a valid permit to stay in the country, and check that it is renewed as required by legislation. Once recruited, everyone receives comprehensive information on their contract, legislation and salary, in accordance with collective bargaining agreements for the industry, in addition to rules of good conduct to protect health and safety and avoid risks connected with their role. Feralpi applies a personnel management policy that is based on individual and team merit and skills, prohibiting any type of discrimination based on principles other than merit, and refusing the spread of ideas and discriminatory or abusive behaviour due to race, ethnicity, nationality or faith. Anyone who feels they have suffered discrimination for reasons of age, gender, sexual orientation, health, nationality, political opinions, religious belief etc. can report it to the Supervisory Body, which will determine whether or not the matter constitutes an infringement of the Code. Differentiated treatment is not considered to be discriminatory where it is based on actual performance criteria.

The experience and skills acquired by personnel at all levels are viewed as a strategic resource, which the company undertakes to develop by providing standard and specialist training programmes and refresher courses for individuals and teams. Requests made by superiors to personnel to provide favours or services outwith those designed to achieve company objectives is classed as an abuse of power and authority. All employees and collaborators must be informed of their personal data held by the company, and the measures taken to protect it, and be guaranteed access to their data. Personal data will only be communicated to third parties with the consent of the data subject (without prejudice to the requirements of legislation). Feralpi provides its employees with safe, healthy working conditions, and endeavours to protect their physical and mental wellbeing.

The company has suitable management systems designed to identify, forecast and react to potential risk situations, to ensure the health and safety of all personnel. Feralpi is committed to promoting and spreading a culture of safety, by raising an awareness of risks, promoting responsible practices and ensuring the health and safety of all employees and collaborators, especially through prevention measures.

4.2.1. Responsibilities of employees and collaborators

All employees and collaborators must carry out their duties with commitment, focus, a sense of responsibility, loyalty and professionalism, in accordance with legislation, contractual requirements and company regulations and instructions.

In interpersonal relationships, behaviour and speech which is offensive or could upset other people must be avoided, in addition to images, consistent innuendo and any type of harassment. Anyone in coordination roles must treat everyone with courtesy and respect, promoting professional development. Employees and collaborators must work with diligence to protect company assets, acting appropriately and responsibly when using them, and refraining from using any equipment or materials improperly or inappropriately.

Anyone authorised to use the Company's IT systems and equipment must use them according to their authorisation level and legislative requirements, safeguarding their integrity and refraining from use that could change their functionality in any way.

All personnel must strictly observe confidentiality requirements in relation to data and information obtained during the course of their work, in accordance with the relevant legislation. Integrity, confidentiality and permitted access to company information must be ensured and protected. Employees and collaborators must avoid situations that could result in a conflict of interest, and refrain from drawing personal benefit from business opportunities which transpire when carrying out their duties. Employees and collaborators must inform the Company of any external activities that could constitute a conflict of interests. If a potential conflict of interests is ascertained, the person concerned must notify their line manager, who must inform the Supervisory Body, which decides on the actual extent of any conflict. If independent third parties (such as consultants, agents, suppliers, retailers and collaborators in general) use practices that are inconsistent with the principles of the Code of Ethics, employees must report it to their superiors immediately or to the Supervisory Body directly, and take measures that aim to eliminate such conduct.

Depending on the seriousness of the conduct, the Supervisory Body may require the relationship with the third party to be terminated. All employees and collaborators must comply with legislative requirements and standards on health, safety and the environment, and any measures set out in internal regulations and procedures. Employees and collaborators must follow instructions provided by parties the Company has appointed to ensure safety obligations are observed, and implement their own tasks carefully, closely observing all safety and prevention measures in place to prevent personal risk, and risks to colleagues.

4.3 Principles of conduct in relationships with customers

The companies in the Feralpi Group undertake not to show arbitrary discrimination towards their customers. Conduct with customers must be based on accessibility, clarity, respect, courtesy and a full understanding of their requirements, in the knowledge that customer satisfaction and loyalty represent intangible assets of strategic importance for the Company.

Customers must confirm that they have understood the Code of Ethics before agreeing contracts. Any customer who feels they have suffered discrimination may contact the Supervisory Body to assert their right to have the Code applied appropriately to them.

Customers must not offer gifts or benefits of any kind to Group employees and their relatives, which may encourage them to act against the Company's interests or moral compass. Customers are also encouraged to report any improper conduct regarding the personnel of both parties.

Employees and collaborators are prohibited from giving customers, directly or indirectly, gifts, benefits, hospitality, favours, except in cases where the value, nature and purpose of such a gift is legal and ethical and could not be interpreted as a means of obtaining favourable treatment, and does not compromise the Group's reputation. Feralpi undertakes to guarantee high-quality product and service standards based on levels recognised contractually and checked systematically.

The Company is continually striving to improve quality, and welcomes suggestions and feedback as part of continually improving customer relationships, which are monitored with customer satisfaction methods. Feralpi's network of representatives is subject to the same principles of conduct outlined above.

4.4. Principles of conduct in relationships with suppliers

The companies in the Feralpi Group undertake not to show arbitrary discrimination towards their suppliers, and to treat them in line with the principle of equal opportunity. As a result, the Company ensures that every tender process has sufficient competition, and procurement personnel must not exclude anyone who has the necessary prerequisites from participating in the contracting process.

Suppliers must confirm that they have understood the Code of Ethics before agreeing contracts.

Employees and collaborators who deal with suppliers are prohibited from receiving gifts or benefits of any kind or value under the working relationship, unless they are purely symbolic, and are also prohibited from giving them, directly or indirectly, gifts, benefits, hospitality, favours, except in cases where the value, nature and purpose of such a gift is legal and ethical and could not be interpreted as a means of obtaining favourable treatment, and does not compromise the Group's reputation. For the purpose of pursuing corporate sustainability and the ethical principles adopted, Feralpi undertakes to introduce environmental and/or social requirements for certain supplies (e.g. the presence of an environmental management system or the protection of workers' rights further along the chain). These aspects may constitute contractual clauses agreed between the parties, with penalties applied if they are breached.

In general, supplier relationships must be justifiable and consistent with actual internal requirements and approved by managers with the authority to incur the costs.

Agreements with suppliers must be clear and avoid any form of abuse.

Feralpi strictly prohibits the approval of invoices payable for wholly or partially fictitious or non-existent services, in addition to tax evasion practices.

4.4.1. Responsibilities of suppliers

Suppliers must operate in accordance with existing legislation on employment contract arrangements, contributions, health and safety in the workplace, and safeguarding the environment. Feralpi undertakes to carry out preliminary checks on suppliers and monitor them to ensure that they comply with legislation. These aspects are included in contractual conditions, and a penalty and/or cancellation of the contract may apply if they are breached. Suppliers must not offer gifts or benefits of any kind to Group employees and their relatives, which may encourage them to act against the Company's interests or moral compass. Suppliers are also encouraged to report any improper conduct regarding the personnel of both parties.

When carrying out their operations, suppliers must not use child or slave labour. Feralpi has a Group policy on human rights in this regard.

4.5. Principles of conduct in relationships with government departments

In accordance with legislation, Feralpi undertakes to collaborate with local, regional or central government departments, the works inspectorate, the Italian tax authority, the customs agency and government departments in general, providing clear, comprehensive and timely information.

Feralpi undertakes to communicate transparently and respectfully with government representatives, with an understanding of the complexity of issues concerning continually-evolving legislation and the responsibilities incumbent on a large company in relationships with different government departments. Feralpi contributes with its expertise to define agreed solutions based on mutual trust, whenever necessary. Feralpi adopts a stringent, transparent and consistent approach when protecting the company's interests in dealings with national and international public institutions.

In relationships with these parties, employees and collaborators must refrain from offering, even via another party, money or other benefits to public officials involved, their families, or any parties in any way related to them, or have alleged or existing privileged relationships with them, and refrain from seeking or establishing personal relationships with favours, influence or encroachment with the aim of influencing activities directly or indirectly.

Feralpi disapproves of any conduct that could be interpreted as a promise or offer of payment or other benefit to promote and further personal interest and gain advantage.

Gifts are only permitted if they are of modest value and could not be interpreted in any way as a means of receiving illegitimate favours, and must be authorised beforehand by an executive. The Company refuses requests for favours, gifts, benefits, assistance of any sort, even to benefit others, that come from representatives in local or central government departments, certification bodies or public institutions of any kind. Employees who are offered benefits directly or indirectly by public officials, civil servants or other employees working for government departments or public institutions must report it immediately to the Supervisory Body, or to the relevant point of contact if it is a third party who has received the offer.

The Company has a specific Governance Model and auditing procedures to prevent offences in dealings with government departments, in accordance with the requirements of Act 190/2013 concerning Provisions on Preventing and Tackling Corruption and Crime in Public Administration. In international business transactions, Feralpi operates in compliance with the OECD Anti-Bribery Convention.

Feralpi undertakes to provide the relevant authorities with timely tax declarations and payments, including customs charges, in accordance with legislation, and ensures the information sent is not false, contrived, incomplete or inconsistent with the facts in order to avoid paying tax.

The Company willingly collaborates with official audits arranged by the Italian tax authority and the customs agency, as part of fair, transparent examination.

4.6. Principles of conduct in relationships with the community

Feralpi ensures that all subsidiaries pursue their objectives while safeguarding the environment. To do this the company defines sustainable business development and environmental policies, and follows the evolution of environmental legislation, subsequently preparing guidelines to address new requirements. Environmental policy is also implemented in the knowledge that safeguarding the environment is a competitive advantage in a market that is increasingly aware and informed about such issues, and in a specific sector characterised by good innovation potential in this field.

Feralpi uses environmental management systems in line with this approach, which aim to continually improve performance and safety in accordance with international standards.

The company views the quality of relationships at a local level between its premises and host communities as strategic, as is constructive engagement with the representatives of local government departments. Feralpi undertakes to report on its operations and associated results regularly for all stakeholders, by publishing sustainability reports.

The Company's community-focused approach also includes sponsoring initiatives that improve people's quality of life, and social and ethical projects that are in keeping with Feralpi's values.

5. Methods of application

5.1. Supervisory body

The Supervisory Body checks that the Code of Ethics is applied and observed. Breaches of the Code can be reported to the Supervisory Body, or the relevant internal supervisor, and the anonymity of the person reporting the breach will be ensured, subject to legal obligations. Reports and any other breach of the Code discovered following an investigation will be assessed promptly by the Supervisory Body so that penalties can be applied where applicable.

5.2. Penalties

Observing the Code of Ethics is an essential part of contractual obligations placed on Feralpi employees. As a result, breaching the Code's principles constitutes non-fulfilment of work obligations or a disciplinary matter, and involves measures that are proportionate to the gravity or frequency of the infringement or level of blame, in accordance with article 7 of the Workers' Statute, and all legal consequences, also with regard to maintaining the work relationship and compensation for damages. The regulations in this Code also apply to, and must be observed by, temporary service providers. Breaches will result in disciplinary measures being imposed on them by their respective employment agencies. With regard to executives and auditors, breaching the Code's regulations may entail the Board of Directors or Board of Auditors applying measures that are proportionate to the gravity or frequency of the infringement or level of blame, or withdrawal of the mandate for just cause may be suggested at the Shareholders' Meeting. A breach of the Code by suppliers, external consultants, collaborators or third parties will be viewed as serious enough to cancel a contract where one exists, in accordance with legislation and contractual terms, and without prejudice to the right to claim compensation for any loss, and the possibility of criminal proceedings if an alleged crime is involved.

5.3. CSR Unit

The Feralpi Holding Board of Directors has set up a Corporate Social Responsibility (CSR) Unit, which is responsible for the following:

1. promoting an awareness and understanding of the Code in accordance with

Personnel Management;

2. checking that internal regulations are consistent with the principles of the Code;
3. assessing the effectiveness of management and audit tools in guaranteeing the principles of the Code, in agreement with the Supervisory Body;
4. suggesting Code reviews, if necessary;
5. promoting sustainability reporting in the Group;
6. producing an annual report for the Board of Directors on the status of the application of the Code in the Group's companies.

The CSR Unit is coordinated by the company's CSR manager, with the support of internal and external resources.



Feralpi Holding S.p.A.

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