



Manifattura Pezzetti S.r.l.

CODE OF ETHICS

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Foreword

1. This Code of Ethics adopted by the governing board of Manifattura Pezzetti S.r.l. (hereinafter also referred to as the “Company”), sets out the ethical values and rules of conduct the Company aligns its business activities to.
2. The members of corporate boards, employees, suppliers, customers, collaborators and partners of the Company (the “Addressees”) have been informed about these provisions, so that they comply with them and constantly bring their own conduct in line with said provisions, in whatever settings they are called upon to take action.
3. Conduct that fails to comply with this Code of Ethics will be prosecuted and may be subject to sanctions.

It is the duty of all Addressees to take steps to ensure that the principles, values and contents of this Code of Ethics are effectively observed, and, therefore, all Addressees are obligated to report any breach, even potential or suspected, of this Code of Ethics and any behaviour deviating from the rules of conduct adopted by the Company. Such reports may be sent to the Company Management (even by e-mail to man.pezzetti@pezzetti.it), or submitted anonymously by dropping them in the special box located in the canteen.

The Governing Body of the Company, assisted at times by the HR Department and other department heads, shall assess the grounds for the reported violations and conduct the necessary investigation to identify and sanction those who are responsible.

Article 1 – General Principles of Business Conduct

- 1.1. The company is constantly pursuing growth of its business while observing the law and safeguarding the values of fairness and integrity.
- 1.2. Every business decision made by the Company is aimed at creating value while following competitiveness and competition criteria, looking after the interests of customers and the rights of stakeholders.
- 1.3. The Company does not pursue unlawful purposes and does not resort to unlawful means to reach its objectives in its relations with institutions, public bodies and officials, or its relations with private enterprises, the community, or employees, collaborators, partners, suppliers or customers.
- 1.4. The Company shuns any fraudulent, abusive and collusive behaviour as well as circumvention of the rules.
- 1.5. The Company shall make every effort to prevent that its business activities cause any unfair damages.
- 1.6. The company harmonises its business activities and its role in the socio-economic sectors it is required to interact with. Nonetheless, the social, economic and cultural peculiarities of the environments and contexts in which the Company operates do not constitute grounds for disregarding the principles and values underlying Company business.

Article 2 – Administration, Organisation and Control

- 2.1. The Company observes the principles and rules of fair administration, constantly ensuring the adequacy, fairness and effective functioning of its organisational and administrative system.
- 2.2. The organisational, management and control models and systems of rules adopted by the Company are in line with the provisions of this Code of Ethics.
- 2.3. The procedures adopted by the Company for making and implementing decisions, managing resources and control ensure that its actions are lawful, legitimate, coherent, appropriate, recorded and verifiable.
- 2.4. All decisions pertaining to the management of the company are taken in compliance with the allocated powers and duties and the required authorisations.
- 2.5. The Company ensures the proper use of its IT and telecommunications systems and safeguards the integrity of data, information and programmes.

Article 3 – Human Resources and Corporate Resources

3.1. – Protection of human resources

3.1.1. The Company considers human resources essential elements for its existence and growth and considers the professionalism and commitment of its employees and collaborators essential values for achieving its objectives.

In accordance with relevant national and international laws, the following principles confirm the importance of respecting human rights, ensure fair treatment of employees and collaborators and shun any form of direct and/or indirect discrimination against them.

3.1.2. The Company ensures compliance with all rules of labour law. In particular, the Company does not employ in any way whatsoever, directly or indirectly, Italians or foreigners who have not been properly hired, or workers under 16 years of age. Those under 18 years of the age shall not be employed to work at night or assigned hazardous duties or tasks which, by their very nature and/or the circumstances in which they are carried out, may interfere with their education or harm their health or physical, mental, spiritual, moral or social development. The Company also undertakes not to establish or maintain economic relationships with suppliers that employ child labour or Italians or foreigners who have not been properly hired as defined above.

3.1.3. The Company respects and protects the dignity, health, safety and privacy of its employees and collaborators, and informs them, upon being hired and following any process changes, about their rights and the risks they may incur during performance of their work.

3.1.4. In particular, the Company protects the physical and moral integrity of its employees and collaborators, by providing working conditions that comply with occupational health and safety regulations in force.

3.1.5. The Company safeguards the dignity of its employees and collaborators and ensures that no one carries out any acts of violence or psychological coercion, or has an attitude or behaviour that offends individual dignity.

3.1.6. The Company provides and ensures that non-EU nationals, who are illegal aliens in Italy, are not employed by the Company either directly or indirectly by its suppliers or partners.

3.2. – Relations with employees and collaborators

3.2.1. During the selection of employees and collaborators, the Company shall refrain from in any discriminatory behaviour, and shall assess candidates exclusively on the basis of merit, skills and professionalism, and consider the actual needs of the company, including those relating to its safety and security and the bond of trust.

3.2.2. The principle of equal opportunities and the recognition of each individual's professional potential, skills and achievements are guiding principles for the professional advancement and training of employees. Any bonus systems are based on objective and transparent criteria and on setting realistic goals consistent with the company's performance.

3.2.3. The head of each office or department must ensure that, in all work-related aspects, such as hiring, training, remuneration, promotions, transfers and termination, employees are treated in a manner consistent with their ability to meet the requirements of the position they are assigned to, and shall avoid any form of discrimination on the grounds of race, gender, sexual orientation, social status, health condition, disability, age, nationality, political ideas, religion or personal beliefs.

3.2.4. When entering into contracts with employees and collaborators, the Company shall comply with the rules laid down by current legislation and collective bargaining.

In handling relations with employees and collaborators, the Company recognises and safeguards all their respective rights, even considering their subordination to those with management, organisational and supervisory powers.

3.2.5. The Company shall ensure that no one induces or coerces, directly or indirectly, employees or collaborators to behave contrary to the provisions of the law, the articles of association, this Code of Ethics or company procedures.

3.2.6. The Company protects and promotes the training of its employees and collaborators in order to enrich their experience and professional and cultural background. The Company also encourages communication between management personnel and collaborators, in order to provide them with behavioural and professional guidelines. Internal communication is carried out through the use of tools differentiated by objectives, addressees and content.

3.3. – Safeguard of the working environment

3.3.1. The Company does not tolerate any kind of harassment, whether at the workplace or elsewhere, related to race, gender, sexual orientation, religious belief, political opinion or other personal characteristics, intended to offend the dignity of the harassed person.

3.3.2. All employees, collaborators and other Addressees must contribute to keeping a serene, dignified and collaborative working environment, in which everyone's dignity is always protected and respected.

3.3.3. All employees, collaborators and other Addressees must avoid any behaviour, even teasing or insinuations that may create an intimidating or offensive environment for colleagues or subordinates for the purpose, intended or unintended, of marginalising or discrediting them at work.

3.4. – Relations with the Company

3.4.1. The conduct of each manager, employee and collaborator must conform to the principles of legality, loyalty, fairness, transparency and professionalism upheld by the Company, as well as to the rules of this Code of Ethics, the legal and contractual regulations governing the employment contract and company procedures. Employees and collaborators must refrain from conduct and statements that may hurt the image or the identity of the Company.

3.4.2 Each employee represents the professional values of the Company in the public and private sphere, including on social networks and personal websites. For this reason and in order to preserve the Company's image and reputation, every manager, employee and collaborator is required to act with integrity and professional discernment when expressing opinions on matters that are, directly or indirectly, related to the Company. Therefore, each employee and collaborator shall avoid causing any confusion between their personal actions, opinions and interests and those of the Company.

3.5. – Company resources

3.5.1. Employees and collaborators are required to use company property, vehicles and resources in accordance with their intended use and look after them so they keep working properly. When using company property, vehicles and resources, they are, therefore, bound to behave responsibly and in line with the operating procedures established to govern their use.

3.5.2. Each employee and collaborator is responsible for company property, vehicles and resources entrusted to him/her and must promptly inform Company Management every time they are used in a manner contrary to their intended purpose. Employees and collaborators must avoid all irresponsible and irrational use of company resources.

3.6. – Obligations

3.6.1. This Code is an integral and substantial part of the employment contract of every manager and employee of the Company. The Company requires all managers, employees and Addressees to strictly comply with every provision of this Code.

3.6.2. Any breach of this Code will be seriously assessed and may lead to appropriate sanctions which, in particular serious cases, may go as far as termination of employment.

3.6.3. All employees, collaborators and Addressees are required to:

- a. read and understand this Code and attend any training courses as deemed appropriate by the Company;
- b. behave in a manner consistent with this Code and refrain from any conduct that may harm the Company and/or compromise its image;
- c. promptly report any violations of this Code to Company Management by e-mail (man.pezzetti@pezzetti.it), or by means of the special mailbox by the canteen;
- d. cooperate with any investigations carried out in relation to violations of this Code, and keep such investigations strictly confidential.

3.7. – Employees in supervisory positions

3.7.1. Whoever is in a supervisory position, sector or department head or manager at the Company, must set an example for other employees and foster a serene, dignified and collaborative environment, by serving as a role model reflecting the principles of this Code.

3.7.2. All supervisors, sector or department heads and managers are required to promptly report any case of non-compliance with this Code and are responsible for ensuring the protection of those who have reported violations of this Code and for adopting and applying, after consultation with the company's senior managers, sanctions commensurate with the violations committed and sufficient to deter further violations.

Article 4 – Market

4.1. The Company's presence in the marketplace is based on full respect for competitors and the rules and laws that protect them, by observing domestic and international rules in force in the various areas where it carries on business.

4.2. No employee or collaborator of the Company may take any action aimed at unfairly influencing the market.

4.3 The Company and its employees and collaborators shall refrain from seeking unlawful price control agreements, or agreements on territorial allocation of the market or any other action that is likely to create conditions of unfair advantage or to distort the rules governing the free market.

4.4 The Company and its employees and collaborators condemn all forms of association aimed at pursuing unlawful and immoral purposes.

Article 5 – The Environment and the Community

5.1 The Company ensures compliance with all legal regulations on protection of the environment and the terrain.

5.2 The use of potentially harmful or hazardous products is carried out in strict compliance with the regulations in force.

5.3 The required measures shall be taken to avoid accidents that could harm the community or the environment.

5.4 The Company guarantees the safety of the products and services it offers.

Article 6 – Occupational Hygiene and Safety

6.1. The company complies with the current labour legislation, with particular attention to child labour laws and undertakes to ensure that its suppliers do the same.

6.2. The Company ensures compliance with all occupational health and safety regulations.

6.3. All decisions taken by the Company at all levels shall be taken in compliance with the following basic occupational health and safety principles and criteria:

- a. avoiding risks;
- b. assessing unavoidable risks;
- c. reducing risks at their source;
- d. adapting jobs to man, in particular as regards the design of workplaces and the choice of work equipment and working and production methods, in particular to mitigate monotonous and repetitive work and to reduce the effects of such work on health;
- e. taking into account the state of the art;
- f. replacing dangerous items with safe or less dangerous items;
- g. planning prevention, aiming at a coherent whole that integrates in the technique itself, organisation of the job, working conditions, social relations and the influence of factors of the working environment;
- h. giving priority to measures that can protect everyone rather than individual protection measures;
- i. giving workers adequate instructions.

Article 7 – Relations with Third Parties

7.1. – Relations with third parties in general

7.1.1 The Company strictly prohibits all forms of bribery and corruption, including favouritism, and to this end complies with the anti-corruption laws in force in each country where it does business.

Offering bribes concerns the unlawful offer or promise of advantages to anyone, at any time, either directly or indirectly, with the aim of instigating that person to take or not take a certain action. The concept of accepting bribes refers to the situation of the person who accepts a bribe. “Favouritism” refers to offers, promises, donations, gifts and advantages of any kind offered directly or indirectly to anyone for the purpose of obtaining recognition, employment, contracts or other decisions made in one’s favour.

7.1.2. Consistent with the principles of lawfulness, loyalty, fairness and transparency upheld by our legal system and by this Code, corporate board members, employees and collaborators of the Company must not give or promise to any third parties, either directly or indirectly, money or any other benefit, for the purpose of unduly furthering or favouring the Company interests, their own interests or the interest of third parties. Also, they must not accept for themselves or for others, any promise of money or any other benefit to unduly further or favour the interest of third parties. Giving or accepting gifts of a symbolic nature or of modest value, relating to promotional campaigns

or kindness, is only permitted by following internal procedures. The very act of asking for, accepting or encouraging the giving of gifts by suppliers, customers or other counterparts, may imply a conflict of interest or even constitute bribery.

7.2. – Relations with the Public Administration and other relevant parties

7.2.1. Relations between (a) corporate board members, employees and collaborators, on the one hand, and, on the other with (b) the Public Administration, whether Italian or of another country, European Union Institutions, Organizations, Entities or International Agencies or, in general, public officials or persons charged with a public service, even in their capacity as private agents, must always be inspired by the principles of legality, loyalty, fairness and transparency upheld by our legal system.

The Company undertakes to avoid taking any form of undue advantage of any personal relationship, or family relationship, with Public Administration officials and other relevant persons indicated in paragraph (b) above.

7.2.2. Corporate board members, employees and collaborators of the Company must not give or promise to give to Public Administration officials or employees or other relevant persons referred to in the foregoing paragraph 6.2.1., letter (b), not even indirectly, money or other benefit, for purposes of unduly furthering or favouring the interests of the Company, their own interests or the interests of third parties. Giving gifts of a symbolic nature or of modest value, attributable to promotional campaigns or kindness, is only permitted by following internal procedures.

In particular, it is forbidden for corporate board members, managers, employees and collaborators to: promise or give money or other benefits, or submit false declarations or certifications, or use tricks or deception in order to unduly obtain concessions, licences, permits, contributions, grants, loans, social security or welfare benefits or other measures from the Public Administration, or other relevant persons referred to in paragraph 6.2.1., letter (b) above; prevent or hinder the exercise of inspection and supervisory duties of the Public Administration or other relevant persons referred to in paragraph 6.2.1., letter (b) above; behave in a fraudulent, deceptive or unfair manner that could mislead the Public Administration or other relevant persons referred to in paragraph 6.2.1., letter (b) above, during or at the outcome of public procedures and other negotiations.

7.2.3. Proposals and offers, within the framework of procedures for the award of public contracts or in the definition of contracts with the Public Administration and other relevant parties indicated in paragraph 6.2.1., letter (b) above, are drafted consistently with the Company's strategies, plans and procedures, with particular reference to the related assessment of costs and investments for the Company.

7.2.4. In assessing production in compliance with legislative, regulatory and administrative rules, in the fields of interest to the Company, it always conducts itself fairly and transparently, avoiding any collusive or coercive attitude.

7.2.5. The Company keeps up relations with all Authorities that perform inspection, supervisory, regulatory and guarantee services, based on full and effective cooperation, making available, in a

timely manner, any information legitimately required during investigations and complying with the provisions issued.

7.2.6. The Company shall refrain from and reprehends any initiative aimed at inducing directors, statutory auditors, employees, collaborators or third parties in general not to make statements to the judicial authorities, or to make reluctant and/or false statements to the same.

7.3. – Relations with Political Parties, Trade Unions, Associations and other Representative Agencies

7.3.1. All Company relations with trade unions, political parties and other entities and their representatives or candidates are kept up with the highest principles of transparency and fairness by strictly observing applicable laws.

The Company refrains from making contributions in cash, goods, services or other benefits, directly or indirectly, to Trade Unions or to Associations or other entities representing collective or widespread interests. Any contributions made by employees of the Company, as well as the services performed by them, are to be understood as having been made exclusively on a personal and voluntary basis.

Likewise, members of the Company shall refrain from any form of pressure aimed at obtaining undue favours or preferential treatment from political parties, trade unions or other representative bodies, even in order to influence their conduct in the context of judicial proceedings against it or in order to prevent any disputes concerning its initiatives or activities.

7.3.2. However, it is possible for the Company to help the efforts of Political Parties, Organisations and Associations and other representative bodies, even by donating financial resources, only in the cases and in the ways provided for by law. In any case, it may do so within the scope of specific projects and initiatives clearly identified, by observing precise criteria of conduct, such as the clear allocation and record keeping of resources and the express authorisation by the governing body.

7.4. – Suppliers and Contractors

7.4.1. The Company's main objective is to build relationships with suppliers and contractors that are inspired by the principles of legality, fairness, loyalty and transparency, and ensures that negotiations and bargaining relations with suppliers and contractors are characterised by the utmost fairness and seriousness and are conducted in compliance with current legislation.

In its selection of suppliers and contractors and its relations with them, the Company assesses, objectively and consistently with corporate planning, affordability to the Company, with particular reference to profitability and liquidity goals, as well as to market positioning, technical capabilities and the overall reliability of its representatives.

In particular, the Company considers elements such as financial soundness, experience gained in the sector, reliability demonstrated in relations with the Company, resources and technical and design capabilities, even on the basis of specific tests of related products, production capacity and

the adoption of company quality control and product safety systems consistent with those required by the Company.

7.4.2. Relations with suppliers and contractors are governed by specific agreements, which are characterised by utmost clarity and comprehensibility.

7.5. – Consultants, brokers and intermediaries

7.5.1. The Company's main objective is to establish relations with consultants, brokers, intermediaries and other service providers inspired by the principles of legality, fairness, loyalty and transparency.

7.5.2. In selecting its consultants, brokers, intermediaries and other service providers, the Company relies exclusively on criteria of merit, reliability, competence and professionalism.

7.5.3. Relations with consultants, brokers, intermediaries and other service providers are governed by specific agreements, characterised by utmost clarity and comprehensibility.

7.6. – Customers and principals

7.6.1. The Company's main objective is to fully satisfy the needs of its customers and principals and to establish relations based on the principles of legality, fairness, loyalty and transparency.

7.6.2. The Company shall ensure that negotiations and bargaining relations with customers and principals are characterised by the utmost fairness and conducted in compliance with current legislation; it shall also ensure that long-term agreements with customers and principals are always in line with company principles and policies.

7.6.3. Relations with customers and principals are governed by specific agreements, which are characterised by utmost clarity and comprehensibility.

7.7. – Sponsorships and auspices. Relations with the press and the media. Conventions, exhibitions, fairs and other events

7.7.1. Sponsorships and auspices may be related to sports or events of a cultural, social, humanitarian or environmental nature or other topics of general interest, provided that they offer a guarantee of worthiness and quality.

In any case, when entering into sponsorship or auspice contracts, the Company shall conduct itself in a fair and transparent way, avoiding pressuring the concerned parties in any way.

7.7.2. Relations with the press and other media, and participation in conventions, trade fairs, exhibitions and other events on behalf of the Company are managed solely by the competent corporate divisions; the Company shall in any case ensure that the information disseminated at these venues is truthful, transparent and consistent with company policies.

Article 8 – Trademarks and Distinctive Signs – Copyrights

- 8.1. The Company guarantees the protection of trademarks and distinctive signs namely patents, models and drawings.
- 8.2. The company does not use industrial property rights or intellectual works of third parties apart from the cases permitted by law.
- 8.3. All employees and collaborators shall treat as confidential and safeguard ideas, models and other forms of intellectual property developed within the scope of work at the company for which the latter may obtain patent protection or other forms of protection of intellectual property rights on its behalf, without prejudice to the individual rights of employees and collaborators granted by law.
- 8.4. The Company undertakes not to carry out projects and/or make products that may infringe on the intellectual property rights of third parties.
- 8.5. The Company shall ensure that among its internal and external collaborators, the duplication, reproduction, possession, use, rental, distribution and dissemination of copyrighted works is carried out in accordance with copyright law applying to both preparation of training materials and the use of videos, software, photographic images, etc.
- 8.6. All employees and collaborators are bound to comply with the terms of the licence agreements in all cases where the Company is permitted under licence to use the property of a third party.

Article 9 – Accounting and Control

- 9.1. The Company ensures the adequacy as well as the fairness and effective functioning of the accounting system adopted, and provides for regular bookkeeping and accurate recording of management events in bookkeeping entries, in compliance with regulations and regulatory principles.
- 9.2. The Company ensures that the financial statements correspond to bookkeeping entries and that they comply with the standards and regulatory principles.
- 9.3. The Company adopts planning and control models consistent with and appropriate to its accounting framework.
- 9.4. The Company ensures that all executed transactions are duly authorised, documented, verifiable, legitimate, consistent, recorded and accounted for.

9.5. The Company adopts business processes that ensure that managerial decisions are based on rigorous economic analyses and prudent risk assessments, to guarantee the optimal use of assets and resources.

9.6. The company ensures the lawful origin of the money, goods and benefits used.