



ANNEX B

Document **CODE OF ETHICS**

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Revision	Date	Reason for revision	Drawing up - verification	Approval - verification
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LETTERA FROM THE PRESIDENT AND CEO

Founded in 1938 as a company for the production of winding machines, Marsilli is now a multinational group with offices in Europe, America and Asia, and a comprehensive network of sales all over the world.

In its activities, an ethical approach to business is paramount for the application of the company values in management activities and in the relationships with its stakeholders. The Marsilli Group has therefore adopted this Code of Ethics as an integral part of its organizational and management model, and as a guideline and reference for everyone who, at various levels operate in the name and on behalf of the Group. Marsilli strongly believes in development based on economic, social and environmental sustainability and an ethical approach to business. In this regard, I urge all those who, for various reasons, operate in or maintain relationships with Marsilli to respect and enforce this Code of Ethics, as a synthesis of the values we believe in and which inspire us in our daily work.

Gian Battista Parati
President and CEO Marsilli S.p.A.



1. PURPOSE AND SCOPE

Marsilli is convinced that, in order to meet the principles of economic, social and environmental sustainability, development must rely on an ethical approach to business.

The purpose of the Code of Ethics is therefore to formalize the ethical principles that guide the company in the conduct of business procedures that comprise its business activities.

The Code of Ethics applies to all companies of the Marsilli Group, which incorporate it by deed of their administrative bodies, and, if contractually obliged, to those who operate in the name and on behalf of the Group and/or who the Group has relationships with, namely:

- Managing bodies of the Group companies.
- Employees.
- Goods and services Suppliers.
- Customers.
- Stakeholders in general.

The above said individuals are required to know the contents of the Code of Ethics, to contribute to its implementation and disclosure of the principles it represents, promoting respect also by all those who they have relationships with. The rules contained in the Code integrate the behaviour that the recipients are required to observe in accordance with the principles set forth therein and the civil and criminal laws in force in the countries in which they are located.

The implementation of the Code of Ethics is entrusted to the Managers of each company that is part of the Group and to people who form the companies at various hierarchical levels.

For Italian companies, supervision of compliance with the principles laid down in the Code of Ethics is entrusted to the Supervisory Boards of each company, where present, whereas in non-Italian companies, or companies without Supervisory Board, this function is played by their highest administrative body or another specifically appointed control body. For Italian companies, reports of any violation to the Code of Ethics will be addressed to the Supervisory Board of each company, where present, whereas for non-Italian companies, or companies without Supervisory Body, reports will be addressed to Marsilli S.p.A Supervisory Board.

2. REFERENCES

This document refers to the legislation in force in different countries, as well as to international standards and principles which Marsilli voluntarily adheres to.

3. TERMS AND DEFINITIONS

Definition of the acronyms used in this document:

- IT: acronym for Information Technology;
- MOGC: acronym for Model of Organization, Management and Control;
- ODV: acronym for Supervisory Board;

Definition of some terms used in this document:

- **Customers/users:** all those who access services provided by Marsilli and buy the goods it produces.
- **Collaborators:** all those who act in the name and/or on behalf of Marsilli under a mandate or other professional relationship.
- **Employees:** all Marsilli employees.
- **Management:** any person authorized by the Company to carry out steering, disposition and coordination functions.
- **Suppliers:** Marsilli's contractual counterparts such as service and consulting providers, subcontractors, technicians, designers, suppliers of raw materials and components suppliers both individual persons and legal persons with whom the company enters into any form of contractually regulated collaboration.
- **Marsilli:** also "Marsilli Group" or "the Group": all subsidiaries or affiliates of Marsilli S.p.A, as a whole.
- **Model of Organization, Management and Control:** system of corporate self-regulation adopted by the Italian companies of the Group, whose application is subject to the control of a Supervisory Board. It includes the procedures to follow while carrying out business activities, in order to prevent the commission of the offences referred to in Legislative Decree 231/2001, in accordance with the values and principles embodied in the Code of Ethics.
- **Organization:** group of people and means, with defined responsibilities, authority and interrelations.
- **Supervisory Board:** a body established in collegiate form pursuant to Legislative Decree 231/2001 for Italian companies.
- **Policy:** guidance formalized by management in relation to specific areas or management issues.
- **Procedure:** specified way of carrying out an activity or process.
- **Process:** a set of interrelated or interacting activities, which transforms inputs into outputs.
- **Organizational structure:** a set of responsibilities, authority and interrelations among people.

4. ETHICAL PRINCIPLES: GENERAL

Here follow the ethical principles for general application which should inform the behaviour and decisions of all personnel in carrying out their assigned tasks.

4.1 ETHICAL PRINCIPLES IN PERSONAL RELATIONS

— 4.1.1 Principle of the focus on the person

All employees and collaborators must consider respect for human beings as a central and priority value in relation to their work/tasks. This with particular reference to inalienable rights, such as freedom, dignity, personal development, respect for religious beliefs and political views. No operator employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage to the Group.

— 4.1.2 Principle of discrimination rejection

All employees and collaborators shall avoid any discriminatory behaviour based on age, gender, health condition, nationality, language, ethnicity, race, religion, culture and traditions, political opinions, lifestyles or different sexual orientation. No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage to the Group.

4.2 ETHICAL PRINCIPLES IN PROFESSIONAL RELATIONS

— 4.2.1 Principle of fairness

All employees and collaborators must regularly and rigorously comply with the principles of honesty, morality, fairness and good faith. No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage to the Group.

— 4.2.2 Principle of legality

All employees and collaborators in performing their related tasks must regularly and rigorously observe the laws and regulations in force in all countries in which the Group does business in.

All employees and collaborators must refuse in any possible way behaviour that may promote or facilitate practices peculiar to a culture or religion, which conflict with the country's rules of public policy and affect people's physical integrity for purposes considered illegal by the applicable law. No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage to the Group.

— 4.2.3 Principle of professionalism

All employees and collaborators in performing their related tasks must regularly and rigorously abide to principle of professionalism, performing their duties with efficiency, effectiveness and affordability making the best use of their resources and time, in compliance with fairness and legality constrains. All employees and collaborators must treat their customers, staff, suppliers, local community and institutions representing it, and any third parties with whom they build a business relationship with honesty, fairness, impartiality and without prejudice.

No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage to the Group.

— 4.2.4 Principle of transparency and information completeness

Marsilli is committed to provide its interlocutors with transparent, complete, clear and truthful information at all business levels. Therefore, it promotes collaboration between its employees and their interlocutors, in order to achieve maximum transparency of the disseminated information.

— 4.2.5 Principle of confidentiality

Marsilli guarantees the confidentiality of data possessed and commits to processing personal data in accordance with the applicable rules.

All employees and collaborators are obliged not to disclose confidential information for purposes unrelated to business activities and to protect the confidentiality required by their interlocutors. Marsilli adopts principles compliant with international standards to ensure observance of this principle.

— 4.2.6 Principle of responsibility to the community and the environment

Marsilli is committed to pursuing its objectives fully respecting the local community in which it operates. This applies to every activity, including activities carried out outside the headquarters. Marsilli considers the environment as primary asset available to the community and to this end is committed to constantly monitoring the environmental footprint of its activities and to adopting programs aimed at reducing energy consumption.

Marsilli always operates in complete compliance with the applicable regulation on waste disposal and environmental management, and encourages the training of its employees and collaborators in order to ensure correct management of environmental risks related to all business activities. Also in this field, Marsilli complies with technical regulation and the guidelines adopted internationally. Marsilli adopts managing principles compliant with international standards to ensure its utmost commitment to the protection of environmental resources.

5. ETHICAL PRINCIPLES: SPECIAL SECTION

In relation to general ethical principles previously described, the following shows the ethical principles that apply to the management of business operations and relationships with stakeholders. These principles are declined by each company of the Group, for the more operational aspects, in specific business policies or internal rules.

5.1 BUSINESS ACTIVITY

— 5.1.1 Ethical principles in administration

All employees and collaborators are required to keep timely, faithful and correct records of every economic, financial and equity transaction in accordance with the accounting standards and the tax and civil law in force. All employees and collaborators must fully cooperate with all inspection bodies by providing truthful and correct information about activities, goods and operations.. No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage for the Group and/or even for one or more companies belonging to the Group.

All employees and collaborators are required to keep records of receipts and payments using the available tools properly and avoiding cashflow for collections or payments. No collection or payment can be made without accounting documents compliant with the applicable laws. No employees and collaborators may waive or have waived the aforesaid even if it is in the interest or advantage for the Group and/or even for one or more companies belonging to the Group.

— 5.1.2 Ethical principles for using fixed assets

All employees and collaborators are to use the capital goods provided only for the purposes of the services they are intended for and in full compliance with the related security measures. No employee or collaborator can derogate from the above, even if it should represent a clear benefit or interest for the Group. All employees and collaborators must look after the capital goods in their possession according to due diligence principles. Goods that are unsuitable for use because faulty, need maintenance or not equipped with functional-technical characteristics that ensure their safe use must be identified in order to prevent them from being used. No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage for the Group and/or even for one or more companies belonging to the Group.

— 5.1.3 Ethical principles for using IT resources

All employees and collaborators shall comply with the Group's policy for management and use of Information Technology resources (e.g. computers and laptops, software, peripherals, email accounts, access to internet and other external systems). No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage for the Group and/or even for one or more companies belonging to the Group.

— 5.1.4 Ethical principles for the use of works protected by intellectual property rights

All employees and collaborators must use works protected by intellectual property rights (licences) in compliance with these rights (e.g. books, publications, software, databases). No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage for the Group and/or even for one or more companies belonging to the Group.

Marsilli guarantees full protection of its own industrial property rights (i.e., trademarks, patents, logos, drawings, industrial models, intellectual work) and those of others.

It is prohibited to counterfeit, alter, make use, sell, manufacture or industrially use tangible and intangible goods by usurping industrial property rights.

It is prohibited to sell or circulate intellectual work or industrial goods with names, trademarks or distinctive signs that

may mislead the customer about the origin or quality of the product or work. It is prohibited to copy, reproduce, forward or distribute intellectual properties protected by copyright, including for marketing purposes, without prior authorization and/or payment of necessary rights.

5.2 MANAGEMENT OF RELATIONS WITH THE PUBLIC ADMINISTRATION

The term Public Administration (abbrev. P.A.) a group of public bodies (i.e. town councils, provinces, regions, countries, ministries) and private entities (e.g. bodies governed by public law, agents) that perform administrative functions in the public interest.

In its relationships with the Public Administration, Marsilli pays particular attention to any act, behaviour or agreement so that they are imprinted with the maximum transparency, fairness and legality.

— 5.2.1 Ethical principles in relations with civil servants.

Operators are not allowed to offer or promise to civil servants and their families economic benefits, money or other goods that could be aimed at obtaining acts or omissions or altering judgement, directly or indirectly, in the interest or for the benefit of the Group and/or one or more companies of the Group.

Normal business courtesy gifts shall have limited monetary value, as defined in paragraph 5.5 Operators are not allowed to accept requests for favour or other services from civil servants, including when in the interest of the Group and/or one or more companies of the Group. Those who heard about performance of such acts are required to promptly report them, in accordance with the provisions of section 6.4.1 below.

No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage for the Group and/or even for one or more companies belonging to the Group.

— 5.2.2 Ethical principles in the management of relations with magistrates and police authorities

All employees and collaborators are required to cooperate with magistrates and police authorities by providing prompt, complete, precise and truthful information they may be aware of. No employee or collaborator can derogate from the above, even if it should represent a clear benefit or interest for the Group and/or one or more companies of the Group.

5.3 ETHICAL PRINCIPLES FOR MANAGING RELATIONS WITH THIRD PARTIES

All employees and collaborators are prohibited from receiving or accepting gifts, gratuity or similar, whose monetary value is more than symbolic, from suppliers, customers or other bodies who they come into contact with in the name or on behalf of Marsilli.

All employees and collaborators whose interest may conflict with Marsilli must refrain from engaging in such action and report the existence of the conflict to their Management so that appropriate assessments are made, such as designating another employee or co-worker who is not in the same situation. “Conflict-of-interest carriers” are those situations where those who work in the name and on behalf of the Group (be them employees, corporate bodies members or others who, even in case of occasional assignments) have to make decisions where the interest expected from the nature of the relationship or assignment conflicts, directly or indirectly, with a personal interest. This conflict is always envisaged in relationships with “related parties” with particular reference to relationships between the Group’s companies.

The conflict of interest and the decisions taken in this regard must be reported to the Supervisory Board, regardless. Moreover, it is not allowed to pursue one’s own interests to the detriment of the Group’s interests, nor hold, directly or indirectly, any interest in competing companies. If there were direct or indirect interests in customer or supplier companies or companies in charge of the certification of accounts, notice must be given according to section 6.4.1. Any conflict of interests report must be sent within the first 10 days of the rise of the conflict. No employee or collaborator can derogate from the above, even though it represented a clear benefit or interest for the Group and/or one or more companies of the Group.

5.4 INFORMATION MANAGEMENT

All information or other material concerning the activity of the Group, which the recipients become aware of, related to their working or professional relationship, are strictly confidential and exclusively property of Marsilli S.p.A. and/or each company of the Group. This information may concern present and future activities, information and news not yet disclosed, although soon to be released.

Particular importance is given to confidential information related to data of customers, suppliers and those who interface with Marsilli.

To this end, the Group guarantees confidentiality in data processing through the adoption of specific organisation measures defined in accordance with the law.

Information and/or any news, document or data, which are not public knowledge and are related to actions and operations or each role, shall not be disclosed nor communicated for different purposes and without authorization.

— 5.4.1 Ethical principles in the management of third parties personal data

All employees and collaborators (managers or people in charge of data processing) who deal with third parties personal data in carrying out their tasks must comply strictly with the purpose of the processing required by law or the Group's policy.

All employees and collaborators who deal with third parties personal data in carrying out their tasks must comply strictly with the provisions aimed at guaranteeing an adequate safety levels.

Provisions on security of information, in addition to regulatory requirements, comprise:

- Policies and objectives on security of information;
- Procedures on security of information.

All employees and collaborators must preserve the integrity, availability and confidentiality of data and documents entrusted to them. No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage for the Group and/or even for one or more companies belonging to the Group.

— 5.4.2 Ethical principles in the management of Company data

All employees and collaborators who deal with any kind of data, i.e. administrative, economic, financial or technical data, in paper or digital format, while carrying out their tasks, must comply with Marsilli provisions in order to guarantee security, integrity, availability and confidentiality of these data.

No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage for the Group and/or even for one or more companies belonging to the Group.

— 5.4.3 Ethical principles in the use of IT systems

Information Technology and digital resources are key instruments for the Group's proper running and competitiveness, as they ensure quick and accurate information flows necessary to an efficient management and control of business activities. All information stored in the company's computer and electronic systems, including email, are owned by Marsilli and shall be used only to carry out its activities, with the procedures and limits set out by Marsilli.

All employees and collaborators that use IT systems while carrying out their activities, also to connect to third parties' IT systems, must comply with strictly professional and restricted purposes within the scope of their duties. Moreover, they must strictly comply with the applicable provisions on information security.

Provisions on security of information, in addition to regulatory requirements, comprise:

- Policies and objectives on security of information;
- Procedures on security of information.

To ensure compliance with the privacy regulations, all company operators must use computer and digital tools correctly and legitimately, avoiding any procedure which may damage information, data, programs or other people's computer systems and/or illegal interception, impediment or disruption of other people's electronic communications.

Access to computer systems and programs shall be made in compliance with third parties' rights to said systems and programs, using only procedures and access keys legitimately acquired.

Transmission of data and information to public entities by computer and electronic means regarding documents that can be used as evidence, shall meet criteria of legitimacy, truth and exact correspondence to facts and circumstances portrayed.

All employees and collaborators must preserve the integrity, availability and confidentiality of data and documents entrusted to them. No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage for the Group and/or even for one or more companies belonging to the Group.

5.5 MANAGEMENT OF GIFTS AND BENEFITS

There shall be no gifts of any type that might be interpreted as exceeding normal commercial practice or courtesy or aimed at obtaining favourable treatment in conducting any activity related to Marsilli. It should be noted that this regulation applies both to gifts given, promised or offered as well as those received, meaning all kind of benefit (e.g. attendance at conferences requiring free multi-day stays; free magazine subscriptions, discounts or free memberships to clubs/gyms/swimming pools, whose amount exceeds the modest value below).

Gifts may be given, promised or offered to third parties exclusively by company Management or specifically delegated people; they must be of modest value and adequately documented in order to allow the necessary controls. If the gift cannot be considered of modest value according to the legislation of the country where Marsilli is doing business, and if it exceeds €100, the Administrative Body or another body appointed by the Group's companies must be informed.

employees and collaborators can only receive gifts of other benefits of modest value. Gifts that exceed €100 are not considered of modest value.

In case of receipt of gifts that are not considered of modest value, given the absolute presumption above, if a value exceeds €100, immediate notice shall be given to the administrative Board or other body appointed by the Group companies, which shall assess the appropriateness and notify the sender of the company's policy thereof.

PEOPLE

5.6 HUMAN RESOURCE MANAGEMENT

— 5.6.1 Ethical principles for the recruitment and selection of human resources

Human resources are an essential factor for Marsilli existence, development and success. For this reason, Marsilli protects and promotes the value of human resources in order to enhance and increase the assets and competitiveness of each operators' skills in the organizational context.

All employees and collaborators responsible for recruiting human resources, both directly and indirectly through the provision of information and opinions, must comply to the policy of pursuing only the best match between the candidates profiles and the professional qualifications needed for the position in question, to strictly abide by the principle of equal opportunity irrespective of age, gender, health condition, nationality, language, ethnicity, race, religion, culture and traditions, political opinions, lifestyles or different sexual orientation.

All employees and collaborators responsible for recruiting human resources, both directly and indirectly through the provision of information and opinions, must respect the candidates' personal opinions and private lives, restricting the information requested during the job interview to merely verify that the candidate's characteristics fulfil those sought.

All employees and collaborators who are in charge of assessing human resources, both directly and indirectly through the provision of information and opinions, are to avoid favouritism of any kind, with particular reference to candidates whose employment may directly or indirectly be linked to the pursuit of interests or advantages of illicit nature. In case of conspicuous and blatant potential conflict of interest (see paragraph 5.3), appropriate information is provided, according to section 6.4.1.

— 5.6.2 Ethical principles for the creation of employment

All employees and collaborators in charge of concluding an employment contract with a new resource shall provide the latter with all information on contractual aspects, his/her role and tasks.

— 5.6.3 Ethical principles for human resource management

All employees and collaborators invested with the power of hierarchical or functional coordination of human resources allocated to them shall conduct the work relationship with their subordinates in strict compliance with moral integrity of individuals and rejecting any discrimination. The following are deemed intolerable:

- threats, psychological pressures or simply requests that induce human resource to behave illegally, in discriminatory or aggressive ways, even if in the interests or for the benefit of the Group and/or one or more companies of the Group;

- any act of physical, psychological, moral (“mobbing”) violence or any conduct or demand against human resources, which entails the violation of this Code of Ethics, even if performed in the interest or to the advantage of the Groups and/or one or more companies of the Group;
- requests to human resources, perceived as a duty, for services, personal favours (including to third parties external to the Group) or any conduct that may constitute a violation of this Code of Ethics, even if in the interest or to the advantage of the Group and/or one or more companies of the Group.

— 5.6.4 Ethical principles for the evaluation of human resources

All employees and collaborators who are responsible for assessing the performance and growth potential of human resources for career purposes must comply with the principles of meritocracy, transparency, fairness and objectivity in the assessment of the achievement of the assigned objectives to ensure that everyone has the same opportunities for professional and career development.

— 5.6.5 Ethical principles for the provision of training and coaching

All employees and collaborators who are directly or indirectly responsible for recognizing the training needs of human resources shall acknowledge said training needs in respect of internal requirements in order to fulfil regulatory requirements (mandatory and technique), to improve the quality of services provided by Marsilli to its customers, to develop the professional potential of individuals.

In no case is an instrumental, discriminatory or improper use of training mechanisms allowed, albeit positive or negative, even if it were to be in the interest or advantage of the Group and/or one or more companies of the Group.

All employees and collaborators directly or indirectly responsible for managing funded training projects, including projects in partnership with third parties, shall operate in full compliance with the laws in force and ensure the effective provision of the approved training project and the related timely and accurate reporting.

All human resources subject to training plans must participate in said programs as normal performance of their duties. Employees responsible for functional and hierarchical coordination of human resources subject to training shall facilitate their participation in said activities.

All new entry human resources or those who have been assigned new duties must be subject to a specific period of training.

Under no circumstances shall the employees and collaborators derogate from these principles, even if it should represent a clear benefit or interest for the Group and/or one or more companies of the Group.

— 5.6.6 Ethical principles and compliance with the applicable safety legislation

Marsilli protects the psychological and physical integrity of its collaborators by offering dignified working conditions as well as safety and healthy working environments, in compliance with the applicable legislation on the prevention of accidents at work and protection of employees.

Every decision related to safety and health at work must take into account the following principles and fundamental criteria:

- reduce risks that cannot be avoided;
- train staff to be aware of risks;
- eliminate risks at their source;
- adapt work to the individual in particular with regard to the organization of work, conception of work, the choice of equipment and work method;
- take into account the degree of technical development;
- replace what is dangerous with what is not or is less;
- give priority to collective protective measures with respect to individual protection measures;
- promote the culture of well-being and safety within the company;
- promote at all hierarchical levels awareness of the role in relation to health and safety in the workplace.

Marsilli plans prevention, aiming at a coherent policy which integrates technique, organization, working conditions, social relationships and the influence of related to the working environment.

Marsilli is committed to promoting and consolidating among his employees a culture of safety, raising risk awareness and promoting responsible behaviour, including through appropriate instructions.

All employees and collaborators contribute to the process of risk prevention and protection of health and safety, with respect to themselves, their colleagues and third parties, subject to individual liability under the provisions of the applicable law.

Accordingly:

- all employees and collaborators must systematically, regularly and scrupulously comply with the provisions on health and safety in the workplace.
- all employees and collaborators responsible for human resource coordination must enforce regularly compliance with the provisions on health and safety in the workplace.
- all employees and collaborators responsible for coordinating and interfacing with suppliers, providers and external collaborators must enforce regularly and scrupulously compliance with the provisions on health and safety in the workplace.

As part of the company's activities it is absolutely prohibited to use alcohol or drugs smoking is prohibited in the workplace in compliance to the laws in force and in any case where smoke can cause danger to the facilities and company assets or to the health and safety of colleagues and third parties.

In its effort to achieve the highest level of health and safety protection, Marsilli has been adopting management principles compliant with international standards.

No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage for the Group and/or even for one or more companies belonging to the Group.

ENVIRONMENT

5.7 MANAGEMENT OF ENVIRONMENTAL ISSUES

— 5.7.1 Ethical principles in the management of aspects and impacts on the environment

The environment is a primary asset to the community. Therefore, Marsilli wishes to contribute to its safeguard as part of its sustainability targets. To this end, the company plans its activities seeking a balance between economic undertakings, energy consumption, production and emissions, discharge, waste and environmental needs, in compliance with the applicable law and regulations, providing its utmost cooperation to the authorities responsible for overseeing and protecting the environment.

All employees and collaborators contribute to safeguard the environment. In particular, all employees and collaborators must systematically, regularly and strictly comply with the environmental regulatory requirements.

No employee or collaborators may waive or have waived the aforesaid even if it is in the interest or advantage for the Group and/or even for one or more companies belonging to the Group.

As previously stated, Marsilli has been adopting management principles for environmental protection compliant with international standards.

CUSTOMERS AND SUPPLIERS

5.8 MANAGEMENT OF RELATIONS WITH CLIENTS

Marsilli's primary goal is the full satisfaction of its customers, through reliable and correct behaviour aimed at providing high-quality goods and services. Marsilli defines contracts and relations with its customers in a correct, complete and transparent way, in compliance with the regulations of the Code of Ethics and internal procedures. Marsilli meets its customers' expectations, concluding contracts with fairness and good faith. Employees and collaborators are prohibited from entertaining business relations with customers or potential customers who are known or suspected to be involved in illegal activities.

5.9 MANAGEMENT OF RELATIONS WITH SUPPLIERS

Marsilli relations with suppliers, including their financial contracts and consulting, are closely monitored through a regular supplier assessment process.

Selection of suppliers and determination of purchasing conditions are to be based on an objective assessment of the quality and price of goods and services offered the ability to ensure timely and adequate level of goods and services to meet the company needs.

All suppliers are required to comply with the regulatory requirements in force, in particular regarding health and safety at work, money laundering and handling of stolen goods and the regulation on criminal and mafia-type organizations. No employee or collaborator can derogate from the above, even if it should represent a clear benefit or interest for the Group and/or one or more companies of the Group.

All employees and collaborators are called upon to negotiate and conclude contracts with suppliers must comply with the applicable regulatory requirements and adhere to the principles of good faith, fairness, transparency and accuracy and avoid benefiting from contractual loopholes or unforeseen events, exploiting the supplier's deficiencies.

Accordingly:

- no contract clearly and excessively unfair to the supplier must be undersigned;
- all contracts and orders must be documented in writing and registered, including in the form of open supply contracts;
- no supplier shall be preferred to another because of personal relationships, favouritism or other benefits.

No employees and collaborators may waive or have waived the aforesaid even if it is in the interest or advantage for the Group and/or even for one or more companies belonging to the Group.

5.10 RELATIONS WITH SHAREHOLDERS

— 5.10.1 Value for shareholders, efficiency and transparency

Marsilli S.p.A. is not a listed company, thus having to consider as limited the indirect influence of the activity on the global financial market.

Marsilli believes that shareholders should be able to make informed choices within the limits of their competences. Marsilli is therefore committed to ensure the utmost transparency and promptness of shareholders information, in accordance with the applicable regulation.

5.11 MANAGEMENT OF INTRA-GROUP RELATIONS

Marsilli strongly believes that the achievement of the goals set in a sustainability context depends on maximization of synergies among the companies of the Group.

To this end, Marsilli adopted this Code of Ethics as a management tool and actual item of the Group's policy and organization.

The mutual benefits of Group membership are sought in compliance with the applicable law and the interest of each company in the creation of value.

In the event of takeovers, Marsilli undertakes to verify that the activities, organization and management of the company to be acquired are consistent with the principles set out in its Code of Ethics.

SOCIETY AND TERRITORY

5.12 MANAGEMENT OF RELATIONS WITH EXTERNAL ASSOCIATIONS

— 5.12.1 Ethical principles in the management of relationships with political parties and political associations

No employee or collaborator is authorized to pledge or grant favours, including direct or indirect funding to Italian or foreign political parties, their representatives or candidates. This also extends to sponsorships of conferences or events aimed only at political propaganda.

No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage for the Group and/or even for one or more companies belonging to the Group.

— **5.12.2 Ethical principles in the management of relations with trade unions**

No employee or collaborator is authorized to pledge or grant favours, including direct or indirect funding to trade unions, their representatives or candidates. This also extends to sponsorships of conferences or events aimed at gathering memberships.

No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage for the Group and/or even for one or more companies belonging to the Group.

— **5.12.3 Management of relations with competitors**

Marsilli believes in free and fair competition and aligns its actions to achieve competitive results which reward skills, experience and efficiency, when operating in a complex international market.

Any action aimed at altering the conditions of fair competition is contrary to the Company policy and forbidden for anyone acting for the aforesaid.

Under no circumstances shall the pursuit of the Group's interests justify a conduct non-compliant with the rules of this Code of Ethics.

5.13 MANAGEMENT OF EXTERNAL COMMUNICATION

— **5.13.1 Ethical principles in the management of communication with third parties**

All contact with the media shall be kept exclusively by people specifically authorized by the Board of each company of the Group.

External communications are based on the respect of the right to information. Under no circumstances is it permitted to disclose false or misleading information or comments.

All employees and collaborators must report them in strict compliance with the constraints of their assignment. All employees called upon to manage relationships with media shall provide truthful, complete, clear, correct and timely information. It is absolutely forbidden for the company employees to spread fake news.

No employee or collaborator may waive or have waived the aforesaid even if it is in the interest or advantage for the Group.

6. MANAGEMENT OF THE CODE OF ETHICS

6.1 COMMUNICATION AND AWARENESS

— 6.1.1 Communication

Marsilli shared this Code of Ethics with the companies of the Group, which have formally incorporated it into their legal systems by administrative deed. Each company has scheduled a specific process to share the Code of Ethics with all recipients. The Code of Ethics is available for consultation by all stakeholders.

— 6.1.2 Awareness

Marsilli has planned a specific process to ensure continuous and systematic awareness of company employees with regard to proper application of the Code of Ethics. This in order to raise and maintain awareness of the unacceptability of any behaviour likely to violate the principles established in this Code of Ethics, even if it were in the interest or to the advantage of the Group.

6.2 IMPLEMENTATION

In order to ensure correct implementation of the principles expressed in this Code of Ethics, Marsilli defines specific protocols for operational use in the form of policies, procedures, instructions, guidelines and regulations.

— 6.2.1 Company policies

Marsilli aligns its management policies to the principles expressed in this Code of Ethics. This with particular reference to the following areas of management:

- Policies for the management of quality;
- Policies for the management of health and safety at work;
- Policies for the management of information security;
- Policies for the management of Information Technology services;
- Policies for the management of environment;
- Policies for the management of administration and finance;
- Policies for the management of human resource management.

Company policies are subject to assessment by the Supervisory Board of each company that may express opinions on their update, or by the highest administrative body or specifically appointed body for non-Italian companies and companies without a Supervisory Board.

— 6.2.2 Company procedure planning

Marsilli plans major management processes in order to ensure proper management thereof in accordance with the principles expressed in this Code of Ethics. By scheduling individual processes, Marsilli defines:

- regulatory requirements applicable thereto;
- objectives pursued to prevent the risk of violation of the Code of Ethics;
- applicable procedures, while establishing “who does what” for each process, in accordance with the principle of segregation of duties among the players of the process;
- operating instructions or regulations governing the conduct of specific activities of each process;
- recordings aimed at providing objective evidence of the conduct of individual activity;
- internal and external human resources involved in the process and related key skills;
- infrastructure resources used in the process, with particular reference to IT resources.

6.3 AUDITING

— 6.3.1 Audit

Marsilli has planned its own specific process to carry out audits aimed at verifying the correct application of the Code of Ethics as an integral part of the management model adopted by each company of the Group.

For Italian companies, supervision of compliance with the principles laid down in the Code of Ethics is entrusted to the Supervisory Boards of each company, where present, whereas in non-Italian companies, or companies without Supervisory Board, this role is played by their highest administrative body or another specifically appointed control body. The appointed control body shall perform such activities either directly or through internal business functions or external consultants.

— 6.3.2 Monitoring

Monitoring the compliance to the code of Ethics is the duty of all Company employees in relation to their competences and the tasks and activities they perform.

Specifically:

- The Board of Directors of each company of the Group is responsible for supervising the correct implementation of the principles set out in this Code of Ethics by employees, by raising awareness of it.
- The appointed control body shall technically and operationally support the Board of Directors in their supervising duties.

6.4 VIOLATIONS AND PENALTIES

— 6.4.1 Reporting violations to the Code of Ethics

Marsilli has established a specific process to ensure that violations (including hypothetical and potential ones) of the principles expressed in the Code of Ethics are systematically and promptly brought to the attention of the Supervisory Body or, for non-Italian companies and companies without a Supervisory Board, to Marsilli S.p.a Supervisory Board.

The Supervisory Body is responsible for investigating evidence of the reported violation, after listening to the reasons of the reporting party and the allegedly responsible for a breach, as defined in the Operation Rules of the Supervisory Board. In non-Italian companies or companies without a Supervisory Board, this activity is carried out by the highest administrative body or another specifically appointed control body, on the initiative of Marsilli S.p.A Supervisory Board.

— 6.4.2 Disciplinary measures for violations

The provisions contained in this Code of Ethics form part of the contractual obligations of employees. Violations of the principles enunciated undermine the existing relationship of trust and determine measures proportionate the violation. The measures taken for employees who violate the Code of Ethics follow the rules and logic defined by national law, which the infringer refers to.

The provisions applied may consist in simply in a warning or admonition, unpaid suspension or in more serious cases, dismissal. Implementation of the agreed measures must always be carried out in accordance with the laws in force and the applicable contracts and preceded by a hearing with the employee. This regardless of investigation of any criminal proceeding, should the violation constitute a crime.

For members of the Board of Directors, non-compliance with this Code of Ethics entails the issuance of a warning letter - ongoing illegal behaviour shall lead to dismissal.

For collaborators, suppliers, users and consultants, the measures taken consist of termination, realized through appropriate procedures.

In addition to the above, Marsilli reserves the right to take any legal action to obtain compensation for the damages suffered as a result of the violation. Marsilli has defined its own Disciplinary and Sanctioning Systems, which lays down how the disciplinary measures are taken.

6.5 IMPROVEMENT

The Code of Ethics is subject to ongoing improvement in relation to:

- significant changes within the corporate, organizational and infrastructural structure at the company or group level;
- significant changes in the regulatory framework referred to;
- changes to the company or group's risk profile;
- occurrence of incidents and non-compliances as a result of current and potential violations to the Code of Ethics.

The relevant Supervisory Body expresses binding opinions regarding adaptation of the Code of Ethics and relies on the cooperation of internal and/or external experts for its update; in non-Italian companies or companies without a Supervisory Board, this activity is carried out by the highest administrative body or other specifically appointed control body..