

 DEFREMM COLD FORMING EXPERT	<b>CODE OF ETHICS</b>	<b>CODE OF ETHICS</b>	
		Rev. 6/8/21	Page 1 of 11



**DEFREMM S.p.A.**  
**Code of Ethics**

	<b>CODE OF ETHICS</b>	<b>CODE OF ETHICS</b>	
		Rev. 6/8/21	Page 2 of 11

## **CONTENTS**

<b>1.</b>	<b>THE COMPANY AND THE CODE OF ETHICS.....</b>	<b>3</b>
1.1	VALUES.....	3
1.2	RECIPIENTS.....	5
<b>2.</b>	<b>FUNDAMENTAL PRINCIPLES .....</b>	<b>6</b>
2.1	RESPECT FOR THE LAW.....	6
2.2	DIGNITY, EQUALITY AND INTEGRITY.....	7
2.3	PROFESSIONAL DILIGENCE AND SPIRIT OF COLLABORATION .....	7
2.4	CONFLICT OF INTEREST .....	8
2.5	COMPETITION.....	8
<b>3.</b>	<b>RULES OF IMPLEMENTATION OF THE CODE OF ETHICS.....</b>	<b>9</b>
3.1	ADOPTION AND DISSEMINATION .....	9
3.2	SUPERVISORY BODY .....	9
3.3	REPORTING .....	10
* Reference to Appendix 1 to Code of Ethics .....		11

	<b>CODE OF ETHICS</b>	<b>CODE OF ETHICS</b>	
		Rev. 6/8/21	Page 3 of 11

## 1 THE COMPANY AND THE CODE OF ETHICS

DEFREMM S.p.A. (hereunder also “DEFREMM”, “ORGANISATION”, “COMPANY”) is an industrial manufacturing company specialised in **cold forming wire** made of steel, alloys of aluminium, copper, brass and stainless steel which is certified IATF 16949:2016 and a leader in digital transformation.

DEFREMM manufactures **special parts to client drawings** for a wide range of applications including the Automotive sector as well as **standard fasteners** like blind rivets and threaded tubular rivets.

This document defines the set of principles which take on particular importance within DEFREMM on the basis of its history, identity, leadership and current management.

The intention of the code is to identify those shared values, principles and duties to which all those who work for the Company must adhere; the formulation of this set of principles goes hand in hand with standards of ethical behaviour which must be applied without any exception whatsoever by all the Recipients, as listed hereunder.

The Company is committed to promoting a knowledge of the value system on the part of all its recipients and to put in place every possible instrument appropriate in order to ensure full and effective application of same.

### 1.1 Values

The code of ethics in DEFREMM is the most important corporate document and the fundamental charter of the principles which govern the behaviour of the company in relation to employees, clients, suppliers, stakeholders in general, the social environment in which DEFREMM moves and operates.

This governs every corporate action, strategy, and behaviour as a social body in the sense of a company which operates within the geographical and socio-cultural context.

The code of ethics therefore oversees and permeates every regulation including the quality system, management system, IATF standards, and implementation of Italian legislation concerning health and safety (81/08) and the environment and Legislative Decree 231/01.

	<b>CODE OF ETHICS</b>	<b>CODE OF ETHICS</b>	
		Rev. 6/8/21	Page 4 of 11

The model aims to be collaborative: the principles in the code are the expression of the involvement of the workers with the priority of defining models and rules of behaviour which are shared within the company.

The code shall therefore be shared and subsequently integrated with any values which emerge from the discussion.

For DEFREMM being the best means doing it (i) for the women and men who for years have worked in the company on a daily basis, so that they can be protagonists through their competence, responsibility, involvement and passion; (ii) for our clients so that through constant constructive dialogue they may receive quality products; (iii) for our suppliers, that they may be active protagonists in the supply chain of values and partners in the growth of people and areas; (iv) for the local area, that we may promote moral, social and environmental wealth towards a sustainable future; (v) for the shareholders, that they may tend to create a value which goes beyond people and shares and becomes a common, transferable and contaminating asset.

The company places value on training, encouraging and supporting the individual growth of its employees or collaborators in order to increase the overall value of the company and its relationships.

It incentivises communication, recognising that continuous dialogue and respect for roles and competences lead to an increased sense of belonging and wellbeing.

It safeguards personal privacy, personal data and discourages any tendency towards the risk of divulging information which might cause harm to the individual or the organisation.

DEFREMM guarantees and respects the private sphere of everyone, incentivates personal self-determination and respect for tendencies and choices of individuals.

It strives continuously for product excellence. Customer satisfaction means creating a relationship with the business partner founded on trust and shared values and facilitates the growth of technical collaboration, partnership and development of innovative projects which could not exist without this aptitude for excellence and relationship of trust.

DEFREMM implements a policy of continuous improvement within the company, its premises, buildings, instruments, equipment with focused sustainable investments which are the outcome of planning and organisation.

	<b>CODE OF ETHICS</b>	<b>CODE OF ETHICS</b>	
		Rev. 6/8/21	Page 5 of 11

## 1.2. Recipients

DEFREMM S.p.A. has adopted this Code of Ethics in order to formalise the fundamental ethical values it is inspired by and which Members of the Board, members of the Board of Auditors, Executives, Employees, collaborators, consultants, suppliers, and, in general, all those who work with and for the Company even on the basis of a temporary contract, must comply with when carrying out the tasks and functions entrusted to them.

This document is applied in relation to all the activities which are carried out in the name of or on behalf of the Organisation, whether in Italy or abroad, bearing in mind the cultural, social, and economic diversity of the various countries in which the Company operates.

Adherence to the principles set out in the Code is first and foremost a moral duty of the Recipients, who are requested to be fully aware of the fact that it serves to pursue the corporate objectives in accordance with the fundamental values mentioned in the preamble.

Adherence to the principles in the Code of Ethics constitutes an integral part of the contractual obligations of Employees, also for the intents and purposes of art. 2104 and 2105 of the Italian Civil Code, while their violation by Recipients constitutes, depending on the case, a disciplinary offence (punishable according to the applicable law as well as what is set out in this Code) and/or breach of contract and may, depending on the case, constitute a disciplinary offence (punishable pursuant to the applicable law as well as what is set down in this Code) and/or a breach of contract and may incur compensation for any damage from said violation caused to the Company

The Organisation require collaborators, consultants and suppliers to adhere to the fundamental ethical principles upon which this Code is founded, also in accordance with specific contractual clauses.

	<h1>CODE OF ETHICS</h1>	<b>CODE OF ETHICS</b>	
		Rev. 6/8/21	Page 6 of 11

## 2 FUNDAMENTAL PRINCIPLES

### 2.1 Respect for regulations and the law

The ethical code is an enrichment of the legislative context, identifying a series of objectives and protections which go beyond that set out in regional, Italian, European and international law. .

In any case, the Company deems adherence to standards, laws and regulations currently in force an essential prerequisite for the achievement of its social, productive and economic objectives and the consolidation of the company's ethical principles.






DEFREMM is moreover committed to adherence to the highest international standards, voluntary guidelines such as those in relation to quality, the environment and health and safety, standards specific to the automotive sector (IATF 16949:2016), internal regulation, welfare and every internal directive.

The company promotes the sharing of values so that, once they have become common a common asset, they may continually strengthen the social, productive and corporate reputation to the advantage not only of the company but also the individual stakeholders.

Everyone contributes to and impacts on the final outcome.

The organisation is committed to implementing within the company and in external relations all regional, national, EU and international laws, regulations in force and ethical principles commonly accepted in the conduct of business.

The Recipients, in the exercise of their functions and conduct of their business, are bound to

-  comply with and respect the laws of the judicial system in which they do business;
-  comply with standards generally adopted voluntarily;
-  comply with internal regulations and operational guidelines;
-  refrain from committing violations of laws and regulations;
-  be diligent in acquiring the necessary knowledge of any laws and regulations applicable to the conduct of their functions which are in force from time to time and ensure that their conduct is in compliance.

Any conduct which fails to comply with the aforementioned precepts shall not be tolerated nor shall there be any justification for failure to have adequate knowledge of same.

	<b>CODE OF ETHICS</b>	<b>CODE OF ETHICS</b>	
		Rev. 6/8/21	Page 7 of 11

## 2.2 Dignity, equality and integrity

The Recipients of this Code must recognise and respect the personal dignity, private sphere and human rights of each and every individual.

In the exercise of their functions the conduct of the Recipients must be characterised by transparency and moral integrity, bearing in mind the various social, economic, political and cultural contexts and, in particular, the values of honesty, parity, equality, fairness and good faith, solidarity, inclusion, enhancement, responsibility, self-correction and positive contamination.

The Recipients work with colleagues of any provenance, nationality, culture, religion, ethnic origin and social class without any distinction whatsoever but rather tending to valorise the personal qualities. The Organisation guarantees and promotes respect for gender equality in a stimulating environment dedicated to individual growth: there shall be no tolerance of discrimination of any kind no matter where it comes from.

## 2.3 Professional diligence and spirit of collaboration

The conduct of each Recipient has a significant impact on the quality, efficiency of the organisation and reputation of the Company.

Each Recipient carries out their business with the professionalism required by the nature of the duties and functions involved, with the utmost dedication and diligence in acquiring in-depth and up to date information; they must acquire the necessary knowledge of the applicable laws and regulations related to their functions and in force from time to time.

Collaborators and employees who intend to work with or for the organisation are bound to wholesome and ethical conduct, to participate in activities for the improvement of the company and the society in which they live, to create healthy relationships, facilitate knowledge, solidarity and collaboration among people

DEFREMM aims to improve the environment in which it operates whether intended as territory, context, or set of social relations.

	<b>CODE OF ETHICS</b>	<b>CODE OF ETHICS</b>	
		Rev. 6/8/21	Page 8 of 11

## 2.4 Conflict of interest..

The Recipients, in the course of exercising their functions, must avoid situations which can generated conflicts of interest, even only potentially, or which may interfere with their capacity to make impartial decisions.

The following situations, among others, are deemed to be in conflict:

- ✚ profit sharing (public or concealed) in the business of competitors;
- ✚ exploitation of their own functional position in the pursuit of interests in conflict with those of the Company or the pursuit of interests of a personal nature;
- ✚ use of information acquired in the course of carrying out their work to their own advantage or that of third parties and in any case in conflict with the interests of the Company;
- ✚ accepting money, favours or services from persons or company who are or intend to become involved in business dealings with the Company;
- ✚ assumption of corporate posts or pursuance of work activities of whatever kind with suppliers, competitors and third parties in general in conflict with the interests of the Company.

Any situation which might potentially generate a conflict of interest or in any case prejudice the capacity of the Recipient to take decisions in the best interests of the Company must be communicated immediately to the Supervisory Body and the Recipient is also bound to refrain from taking any action in relation to said situation.

## 2.5 Competition

The Organisation complies with and implements competition laws and regulations in force in the European Union and the countries in which it operates and ensures compliance with competition principles as well as full transparency in its actions.

All anti-competitive agreements are prohibited as is any other form of conscious coordination with a view to hinder, restrict or distort competition, as well as the adoption of sales strategies which involve abuse of the company's position, such as an economic condition which allows the Company to exercise effective hegemony in the market and obstruct free competition.

The Recipients undertake furthermore not to obstruct the Authorities in any inspection activities, conducting themselves in a collaborative manner and providing information that is clear, transparent and truthful.



	<h2>CODE OF ETHICS</h2>	<b>CODE OF ETHICS</b>	
		Rev. 6/8/21	Page 9 of 11

### 3 THE RULES FOR IMPLEMENTATION OF THE CODE OF ETHICS

#### 3.1 Adoption and dissemination

This Code and any future revision is defined and approved by the Board of Directors of the Company.

The Code is divulged, also in electronic form, to the entire workforce by specific communication from the Board. A copy of the Code is published on the website of DEFREMM S.p.A. ([www.defremm.it](http://www.defremm.it)).

New staff are presented with this Code in order to ensure that they understand the primary importance of its contents. This Code of ethics is presented to consultants, suppliers, sub-contractors, partners and anyone who carries out work for the Company on the company website or, on occasion, are given a hardcopy for consultation purposes.

The Code is subject to revision by the Company Board of Directors (with the indication rev\_data).

Any modifications to the Code introduced consequent to these revisions are published and made available by the same means of divulgation mentioned above.


This Code come into effect on the date of approval of same by the Board of Directors in office at the time.

#### 3.2 The Supervisory Body

The task of overseeing the functioning and observance of this Code falls to the Supervisory Committee (also SC), which holds independent powers of initiative and control, appointed by the Board of Directors of the Company pursuant to Legislative Decree 231/01. The SC, at the sole discretion of the Board of Directors, may be appointed in collegial or monocratic form.

Without prejudice to the observance of any protection set by law or collective agreements in force and subject to the law, the SC is entitled to receive requests for clarifications, as well as information of potential or actual violations of this Code.

The SC is bound by the utmost confidentiality and operates with impartiality, authority, continuity, professionalism and autonomy. The SC must be provided with a budget with consequent autonomy as regards decision-making and expenditure of said funds.

	<b>CODE OF ETHICS</b>	<b>CODE OF ETHICS</b>	
		Rev. 6/8/21	Page 10 of 11

The Supervisory Committee operates furthermore with wide discretionary powers and the total support of company management with which it collaborates in absolute independence.

### 3.3 Reporting

In order to guarantee the effectiveness of this Code, the Company will provide information channels through which anyone who becomes aware of any misconduct inside the Company may report freely, directly and in complete confidence to the Supervisory Committee.

It is the duty of all to make a timely report of any violation or suspected violation of the principles of the Code of Ethics committed by any Recipient.

Any violation of the principles or provisions of this Code of Ethics by Recipients must be promptly reported to the Supervisory Committee of the Company through the communication channels identified in the Company's Organisation Model.

Following any reports received the SC will carry out an investigation and, should the reports prove founded, will inform the corporate bodies in charge of imposing disciplinary sanctions.


All reports made to the SC shall be handled with utter confidentiality under penalty of revocation the mandate of the component/s of the SC and financial liability and without prejudice to remuneration for damages also caused by maladministration pursuant to GDPR Reg. EU 679/16.

The SC shall take steps in order to safeguard the reporting parties against any form of retaliation, discrimination, penalisation or any consequences therefrom, keeping their identity confidential, without prejudice to the obligations of law and the protection of the Company's rights or those of individuals accused wrongly and/or in bad faith.

Pursuant to the provisions of art.6 para 2 *bis*, of Legislative Decree 231/01, it is forbidden for the Company or any of the governing bodies to exert any retaliation or discrimination whether direct or indirect against the reporting party (or whistleblower) for reasons directly or indirectly connected with the reporting.

	<b>CODE OF ETHICS</b>	<b>CODE OF ETHICS</b>	
		Rev. 6/8/21	Page 11 of 11

\* A completamento del presente Codice Etico c'è l'Allegato n.1

 DEFREMM COLD FORMING EXPERT	<b>Appendix 1</b>	<b>CODE OF ETHICS</b>	
		Rev. 12/1/21	Page 1 of 14




**DEFREMM S.p.A.**

(pursuant to Legislative Decree no.231/01)

**Appendix 1 to the Code of Ethics**


**Principles useful pursuant to Legislative Decree 231/01**

	<h2>Appendix 1</h2>	<b>CODE OF ETHICS</b>	
		Rev. 12/1/21	Page 2 of 14

## CONTENTS

### Appendix 1 to the Code of Ethics

<b>PRINCIPLES USEFUL PURSUANT TO LEGISLATIVE DECREE 231/01.....</b>	<b>3</b>
1.1 COMBATING CORRUPTION .....	3
1.2 COMBATING RECEIVING STOLEN GOODS, MONEY LAUNDERING AND SELF-LAUNDERING .....	3
1.3 COMBATING CRIMES ARISING FROM ORGANISED CRIME.....	4
<b>2. INTERNAL RELATIONS .....</b>	<b>5</b>
2.1 SELECTING AND MANAGING PERSONNEL .....	5
2.2 HARASSMENT IN THE WORKPLACE .....	5
2.3 SAFEGUARDING CORPORATE ASSETS .....	6
<b>3. EXTERNAL RELATIONS.....</b>	<b>7</b>
3.1 RELATIONS WITH PUBLIC ADMINISTRATION AND SUPERVISORY AUTHORITIES .....	7
3.2 RELATIONS WITH POLITICAL PARTIES AND TRADE UNIONS .....	7
3.3 RELATIONS WITH SUPPLIERS .....	8
3.4 RELATIONS WITH CUSTOMERS .....	9
3.5 GIFTS, BENEFITS AND OTHER ADVANTAGES .....	9
<b>4. ACCOUNTING DATA .....</b>	<b>10</b>
4.1 GENERAL PRINCIPLES .....	10
4.2 TRACEABILITY .....	10
<b>5. HEALTH AND SAFETY IN THE WORKPLACE .....</b>	<b>11</b>
<b>6. ENVIRONMENTAL PROTECTION.....</b>	<b>13</b>
<b>7. DISCIPLINARY MEASURES .....</b>	<b>14</b>

	<h1>Appendix 1</h1>	<b>CODE OF ETHICS</b>	
		Rev. 12/1/21	Page 3 of 14

## Appendix 1 to the Code of Ethics

### PRINCIPLES USEFUL PURSUANT TO LEGISLATIVE DECREE 231/01

#### 1.1 Combating corruption

DEFREMM S.p.A. deems fundamental to the development of its business factors such as respect for the principles of loyalty, fairness, transparency, honesty, integrity, as well as the laws, technical and organisational standards, regulation, international standards and guidelines both in Italy and abroad, which are applicable with regard to combating corruption.

Corruption is condemned in any shape or form, whether active or passive, and therefore, it is forbidden to enter into or pursue any kind of relationship with anyone who does not intend to abide by these principles.


The Company shall not tolerate the granting of benefits, privileges or payments which could be interpreted as acts of corruption; acts of business courtesy are only allowed if consistent with applicable law, as long as they are of modest value and would not compromise the integrity or reputation of either of the parties and could not be interpreted as acts designed to acquire some advantage in an improper manner.

#### 1.2 Combatting crimes of receiving stolen goods, money laundering and self-laundering

The Organisation carries out its business in full compliance with laws in force concerning receiving stolen goods, money laundering and self-laundering and regulations issued by the relevant Authorities and undertakes not to engage in suspicious transactions in terms of fairness and transparency

In particular, the Company undertakes:

- ✚ to verify in advance all available information on trading partners, suppliers, business partners, collaborators and consultants in order to ensure their respectability and the legitimacy of their activities before engaging in business relations with them;
- ✚ not to accept payment in cash, bearer securities or payments through unauthorised intermediaries in such a manner as to make it impossible to identify the payer;

	<h2>Appendix 1</h2>	<b>CODE OF ETHICS</b>	
		Rev. 12/1/21	Page 4 of 14


- ✚ not to carry out operations which might obscure the transparency of cash flows;
- ✚ to avoid any involvement in operations which are even potentially likely to favour laundering of money from illegal or criminal activities, and strictly comply with the laws and regulations governing money laundering and internal control systems.

In the case of evidence of any transactions arising from illegal relations or activities which might involve the commission of a crime, without prejudice to the appropriate reporting to the appointed Control Bodies, the Recipients shall undertake not to utilise, substitute, transfer in economic, financial, entrepreneurial or speculative activities the money, goods or other assets which are the result of commission of such crimes.

### 1.3 Combating crimes arising from organised crime

DEFREMM undertakes to enter into relations of any kind solely with counterparts which are adequately accredited and certified.

All Recipients shall refrain from engaging in transactions of any nature, even indirect or through intermediaries, with subjects (physical or legal persons) who are known or there is reason to suspect are part of or carry out activities of any kind in support of criminal organisations, including mafia-type organisations, which engage in the laundering of money deriving from criminal activities, human trafficking or child labour, illegal waste trafficking or individuals or groups which operate with the purpose of terrorism.

	<h2>Appendix 1</h2>	<b>CODE OF ETHICS</b>	
		Rev. 12/1/21	Page 5 of 14

## 2 I INTERNAL RELATIONS

### 2.1 Selecting and managing personnel

The Organisation is committed to creating and maintaining the conditions necessary in order for the skills and knowledge of each Employee to improve further so as to ensure attainment of corporate and personal goals.

The Recipients must expressly and constantly take into account respect for the individual, their dignity and values, avoiding whatever kind of discrimination on the basis of provenance, gender, ethnic or racial origin, nationality, political opinions, religious beliefs, state of health, sexual orientation or socio-economic condition.

Implementing the Conventions of the International Labour Organisation, the Company makes a commitment to the protection of fundamental human rights, the prevention of any abuse or oppression of bodies or individuals and not to utilise any kind of forced labour or labour carried out under conditions of slavery or servitude, in accordance with the provisions of national, European and international law.

In the context of recruitment – carried out in compliance with the principles of this Code of Ethics, equal opportunities and without discrimination of any kind – the Company shall operate so that the staff hired effectively correspond to the profiles required, avoiding favouritism and preferential treatment of any kind.


No form of non-standard employment contract is accepted: all personnel is hired with a regular work contract and this employment shall be in full compliance with the collective bargaining regulations of the sector in question not to mention fiscal, social welfare and social insurance regulations and immigration law.

### 2.2 Harassment in the workplace

There is no place for any kind of workplace relationship which constitutes harassment gives or behaviour from which mobbing or bullying can be inferred. This includes but is not limited to:

- ✚ the creation of an intimidatory, hostile or in any case discriminatory work environment for employees (by the employer) or for colleagues (by their coworkers);



	<h2>Appendix 1</h2>	<b>CODE OF ETHICS</b>	
		Rev. 12/1/21	Page 6 of 14

- ✚ obstruction of individual career prospects for simple reasons of competitiveness whether personal or concerning other employees;
- ✚ attach decisions of importance for the work life of the recipient to the acceptance of sexual favours, or to sexual, social, personal and cultural diversity;
- ✚ encourage collaborators to grant sexual favours by means of the influence of one's position;
- ✚ allude to physical or psychological disabilities or handicaps, or to forms of diversity relating to culture, religion or sexual orientation.

### 2.3 Protection of corporate assets

Corporate assets, plant and machinery are used for work purposes under the regulations currently in force, unless otherwise stated.


Each employee is personally responsible for capital goods assigned or temporarily entrusted to them, for the use they make of them and the integrity of said goods and shall be answerable for them even in the case where these goods are voluntarily or involuntarily used by third parties.

In no case is it allowed to use corporate assets and I.T. resources for personal and private purposes contrary to the law, public order or public morals, all the more if used in order to commit or induce the commission of crimes.

It is also forbidden to behave in such a way as to damage, alter, deteriorate or destroy I.T. systems, programmes and data belonging to the Company or third parties.

No Recipient may make or reproduce audio-visual, electronic, paper or photographic reproductions of corporate documents, assets, plant or machinery save in cases in which such activities are required for the normal execution of the functions entrusted to them.

With reference to computer equipment it is forbidden to make illegal copies of software installed on the computers or to use company resources for the consultation, storage, dissemination and in general, any activity which involves material to which the employee has no entitlement (for example: unlicensed software, viewing films which are not free, etc.) and content relating to child pornography or terrorism.

	<h2>Appendix 1</h2>	<b>CODE OF ETHICS</b>	
		Rev. 12/1/21	Page 7 of 14

### 3 MANAGING EXTERNAL RELATIONS

#### 3.1 Relations with the Public Administration and Supervisory Authorities

Relations with the Public Administration and the Authorities which are in charge of vigilance are based on principles of fairness, truthfulness, transparency, efficiency and collaboration.

The viewpoint in dealing with the PA is that of a user who turns to the public sector to avail of a service while respecting the specificities of each and separation and independence necessary. Together with the public sector, DEFREMM intends to create a pervasive asset of efficiency and wellbeing for the development of the local area and its external relations.


Relations with the Public Administration may be managed in the name of and on behalf of the Company solely by the functions and employees specifically appointed to do so.

On the occasion of any inspections, the Recipients undertake to cooperate fully with the Public Administration and Authorities responsible, making themselves available to promptly provide clear and truthful information. On such occasions, the Company shall give timely notice to the Supervisory Committee and the professional of reference so that they may intervene during the inspection in order to protect the rights of the Organisation.

#### 3.2 Relations with political parties and trade unions

Relations with political parties, trade unions and other associations which have an interest shall be in compliance with the regulations set out in this Code with a particular focus on the principles of impartiality and independence.

It is permissible to engage in forms of collaboration – of a strictly institutional nature – for the purpose of contributing to the organisation of events or activities, such as conventions, seminars, studies, research, etc., provided that they are not intended as a means to obtain undue favours or any advantage.

	<h2>Appendix 1</h2>	<b>CODE OF ETHICS</b>	
		Rev. 12/1/21	Page 8 of 14

### 3.3 Relations with Suppliers


Suppliers are those who supply the goods, services and resources essential to the activities and products of DEFREMM, contributing to the achievement of the company's objectives.

The selection, maintenance and relations with Suppliers are crucial factors for achieving the company's purpose and for implementing its value principles and therefore all Suppliers are required to share this code of ethics.

The selection of Suppliers of goods or services, and, in any case, purchase of goods and services of any kind are done on the basis of objective and documentable criteria designed to find the best balance between the economic advantage and service quality. All dealings with Suppliers by the Company shall be based on transparency, equality, fairness and free competition.

In particular, in these dealings the Recipients must:

- ✚ establish efficient, transparent and collaborative relations, maintaining an open and frank dialogue in line with the best commercial practices;
- ✚ verify in advance information available about Suppliers in order to be sure of their respectability and legitimacy of their business and do this also by obtaining opinions from individuals already known to them or representatives of industry associations, professional associations, banks or public data banks;
- ✚ obtain the collaboration of suppliers in constantly ensuring the most advantageous/profitable ratio between quality, cost and delivery times;
- ✚ insist on the application of the conditions laid down in the contract;
- ✚ demand that Suppliers comply with the principles of this Code of Ethics and include a provision for same in contracts;
- ✚ operate within the framework of current legislation and require compliance with same.

	<h2>Appendix 1</h2>	<b>CODE OF ETHICS</b>	
		Rev. 12/1/21	Page 9 of 14

### 3.4 Relations with Customers

DEFREMM is inspired by the principles of transparency, equality, fairness and free competition and ensure that all commercial transactions are marked by clarity and fairness and observance of contractual obligations as well as their due fulfilment.

DEFREMM enters into relations with its clients based on punctuality, respect for agreements undertaken, collaboration, mutual growth, goodwill, flexibility, transparent and timely listening and dialogue. DEFREMM strives to simplify procedures and processes within a framework of ethical standards, laws, and well consolidated techniques.

When initiating commercial relations with new customers and managing those with pre-existing ones, the Recipients must avoid entering into relations with subjects implicated in illegal activities or, in any case, lacking the necessary prerequisites of ethics and commercial trustworthiness, or have financial and commercial relations with subject who, even indirectly, hinder human development and contribute to the violation of the basic rights of the individual.

### 3.5 Gifts, benefits and other advantages

The Organisation shall not tolerate the granting of benefits to third parties, to be understood as a form of corruption, by the Recipients of this Code; it is forbidden to offer, provide, promise or grant to third parties or to accept or receive from third parties, directly or indirectly, even on the occasion of festivities, gifts, benefits, goods, services or other advantages, even in the form of sums of money, which go beyond the normal courtesy relationships.

It is in any case forbidden for Recipients to solicit the offering or concession, acceptance or receipt of benefits of any kind, even if of low value.

	<h2>Appendix 1</h2>	<b>CODE OF ETHICS</b>	
		Rev. 12/1/21	Page 10 of 14

## 4 ACCOUNTING DATA

### 4.1 General principles

The accounts are kept according to principles of transparency, truthfulness, completeness, clarity, precision, accuracy and compliance with current laws in force.

The Organisation insists on observance of all the applicable laws and, in particular, the regulations relating to any kind of statutory administrative and accounting documents.

Accounting is based on the generally accepted accounting principles and systematically records the events deriving from the management of the Company.

It is expressly forbidden to behave in such a way that hinders or obstructs through the concealment of documents or other fraudulent means the regular performance of the company board's, auditors and shareholders, and collaborate, when requested, with all the audits and controls of the company management required by law.

### 4.2 Traceability

Each transaction must be supported by adequate documentation – even in digital form – which enables easy accounting, the reconstruction of the transaction, the identification of responsibility and the imputability of a specific individual.

This documentation must assure the identification of the reason for the operation that generated the accounts entry and relative authorisation. Supporting documentation must be easily accessible and stored, in compliance with the deadlines provided for in the applicable laws, according to appropriate criteria which allow for easy consultation by both internal bodies and external bodies authorised to carry out controls.

	<h2>Appendix 1</h2>	<b>CODE OF ETHICS</b>	
		Rev. 12/1/21	Page 11 of 14

### 5 HEALTH AND SAFETY IN THE WORKPLACE

DEFREMM sees health and safety in the workplace as an active and preventive measure rooted in the creation of a share value system, care for the individual person and specific individuality, the growth of each resource and respect for ethical and technical rules and those provided for under law. Only the construction of a collaborative corporate system can have a deep impact on health and safety in the workplace.

The Company carries out its business under technical, organisational and economic conditions such as to assure adequate prevention and a healthy and safe working environment compliant with current laws regarding health and safety as well as the monitoring, management and prevention of risks connected with the execution of professional activities.

DEFREMM promotes the involvement of employees in the process of risk prevention and protection of health and safety in their own regard, that of colleagues and third parties; Workers are required to use make proper use of all machinery properly as well as personal protective equipment and safety devices.

Having said that as regards its typical activity the Organisation is a manufacturing company with intensive production rhythms which are high risk as far as health and safety is concerned – the objectives, principles and fundamental criteria of prevention in terms of health and safety in the workplace are the following:

- ✚ respect the individuals, tasks, responsibilities, ethical rules, technical rules and the rule of law;
- ✚ know and respect current legislation concerning health and safety in the workplace;
- ✚ prevent accidents and work-related illness and ensure that all the required Risk Assessment Documents are drawn up in relation to the environment, activity and context of the Organisation;
- ✚ comply with ergonomic principles in the organisation of work and use the principle of adjusting the work to the person without this running into personalisation or modifying virtuous procedures and practice; particularly as regards the design of work spaces, the choice of work equipment and the choice of the most appropriate working and production methods in line with technical progress and good practice;

	<h2>Appendix 1</h2>	<b>CODE OF ETHICS</b>	
		Rev. 12/1/21	Page 12 of 14

- ✚ replace what is dangerous with what is not dangerous or is less so;
- ✚ plan prevention, aiming for a coherent whole which integrates technology, organisation of work, work conditions, social relations and the influence of work environment factors;
- ✚ ensure Workers are given proper instructions;
- ✚ assure health checks for Workers;
- ✚ provide Workers with adequate and sufficient information, instruction and training;
- ✚ plan measures deemed opportune in order to ensure improvement over time of safety levels, also through the adoption of best practices;
- ✚ ensure that work and service contracts and related Single Document on Interference Risk Assessment are drawn up and signed in all cases required by law; carry out checks on the technical and professional prerequisites of sub-contractors prior to signing the contract.

	<h2>Appendix 1</h2>	<b>CODE OF ETHICS</b>	
		Rev. 12/1/21	Page 13 of 14

## 6 ENVIRONMENTAL PROTECTION

Having said that as regards its typical activity DEFREMM S.p.A. is a manufacturing company with intensive production rhythms which are high risk in terms of the environment, Using complex machinery which produces scrap material, waste, oils, chemical substances and dealing with materials made of steel, aluminium alloys, brass and stainless steel, the Organisation is committed to strict compliance with all applicable environmental legislation, also by means of involvement and awareness-raising of individuals who, even though they are external to the company, are connected to the Company by contractual relations for the management of activities with an environmental impact.

In particular, the Company shall:

- ✚ adopt measures to contain and – if possible – eliminate the negative environmental impact of business activities;
- ✚ favour the adoption of measures to prevent any adverse effects on the environment;
- ✚ promote the values of the sharing of environmental principles following social developments and promote the principles enshrined in the Code among all Recipients.

The drafting of any kind of environmental documentation required by law (whether in printed or digital form), as well as the recording in the accounts of documents inherent to operations with third parties who have a connection, even indirect or potential, with environmental management, shall be based on principles of clarity, truthfulness and fairness.



	<h2>Appendix 1</h2>	<b>CODE OF ETHICS</b>	
		Rev. 12/1/21	Page 14 of 14

### 7 DISCIPLINARY MEASURES

Observance of the regulations contained in this Code must be considered an essential part of the contractual obligations of Company Employees, pursuant to articles 2104 and 2105 of the Italian Civil Code, as well as for Consultants, Collaborators and Suppliers and any who with a current contract become Recipients of this Code. These measures are set by the Organisation Management and Control Model of DEFREMM S.p.A. of which this Code of Ethics forms the preamble and an integral part.

Also subject to sanctions are any violations of the measures to protect whistleblowers or reports to the Supervisory Body which are manifestly unfounded or made with gross negligence.

The Company, through the corporate bodies and company positions appointed for that purpose, undertakes to coherently, impartially and uniformly plan and deliver sanctions in proportion to the respective breach of the Code of Ethics and in compliance with the statutory provisions concerning employment contracts and regulations set down in the appropriate Collective Bargaining Contract.

Sanctions against employees shall be coherent with the measures indicated in the National Labour Contract applied by the Company.

Any infraction committed by Recipients who are not employees shall be communicated in writing in a timely manner to the Supervisory Body by whoever first becomes aware of the occurrence.

Said infractions shall be sanctioned by the competent bodies on the basis of internal company rules and according to what is expressly stated in the respective contractual clauses (see termination pursuant to article 1453 and successive modifications of the Italian Civil Code) <sup>(1)</sup>.

---

**1** *GLOSSARY OF TERMS USED IN THIS CODE OF ETHICS*  
*TAKEN FROM THE ITALIAN'S DICTIONARY VOCABOLARIO ENCICLOPEDIA TRECCANI*