

ETHICAL CODE

Approved by the Board of Directors on 10/02/2022

(in its first formulation)

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SECTION I.

GENERAL PRINCIPLES

1. Premise

In order to operate according to ethical principles aimed at guiding the conduct of the company activity, the pursuit of the corporate purpose and its growth in compliance with the laws in force, the Entity has adopted a Code of Ethics aimed at defining a series of principles of "Corporate ethics" - and rules of conduct that implement these principles - which it recognizes as its own and which it requires compliance by the corporate bodies, its employees and all those who cooperate and collaborate with it, in any capacity, in the conduct of business and in the pursuit of corporate purposes.

The Code of Ethics therefore has a general scope and represents an instrument adopted independently by the Entity with respect to the Model pursuant to Legislative Decree no. 231/2001. However, in consideration of the fact that the Code of Ethics refers to principles of conduct that are also suitable for preventing the unlawful conduct referred to in the Decree, this document acquires relevance for the purposes of the preventive control system referred to in the Model and therefore constitutes an integral part and essential of the same.

Pursuant to the Code of Ethics, the Entity acts in strict compliance with the regulations in force, making the utmost effort, as far as it is concerned, to combat corruption, crime, terrorism and money laundering and requires that the recipients of the Code operate with honesty and in absolute legality, avoiding any illegal behavior even if motivated by the pursuit of the corporate interest.

Every body or legal entity, even more so one that also offers a public service, must base its activity, internal and external relations and its behavior on the market, compliance with the law, fair competition, good faith and values of integrity and loyalty, ensuring conditions of fairness and transparency in the conduct of business and company activities.

These elements constitute the fundamental and indispensable patrimony of an organization, making it reliable, effective and efficient.

2. Relations between the Code of Ethics and the Organizational Model 231/01

The Code of Ethics, on the other hand, contains the principles of conduct and the basic ethical values which inspire the Entity in pursuing its aims; these principles must be respected by all Recipients as well as by those who, in any capacity, interact with the Entity as they must be considered an essential element of the preventive control system.

The Code of Ethics is an official document of the Entity that contains:

- rights;
- Duties;

- responsibility of the Entity towards the "stakeholders" (employees, suppliers, customers, PA, etc.).

The Code of Ethics recommends, promotes or prohibits certain behaviors and imposes sanctions proportionate to the seriousness of the infringement committed.

The Code of Ethics must also contemplate the principles to safeguard the violation of accident prevention and environmental regulations.

The structure of this document requires minimum contents in relation to:

Intentional offenses

1. the Entity has as an essential principle compliance with laws and regulations and has the duty to:
 - a) enforce all employees / consultants / suppliers / customers laws and regulations;
 - b) encourage the dissemination of such laws and regulations;
 - c) ensure an adequate training and awareness program on the issues addressed by the Code of Ethics;
2. the Entity guarantees that every operation and transaction is registered, authorized, verifiable, legitimate, coherent and congruous and, in particular:
 - a) each operation must have adequate registration;
 - b) each operation must be subject to a verification process regarding the decision-making and authorization system;
 - c) each operation must be documentally supported;
3. the Entity in relations with the PA does not allow the following to happen:
 - a) made illegal payments and / or donations of benefits, both in Italy and abroad;
 - b) favored offers of money or gifts to employees, whatever the level, of the PA or their relatives, except in the case of gifts of use or of modest value;
 - c) the principles of the self-regulation codes provided for by the PA have been waived;
 - d) accepted objects, services, services of value to obtain a more favorable treatment regardless of the relationship with the PA;
 - e) favoring, by the staff of the Entity, conducts that could improperly influence the decisions of the PA;
 - f) represented, in relations with the PA, by an external consultant or a "third party" when this could, even potentially, create a situation of "conflict of interest";
 - g) undertaken actions aimed at examining or proposing employment and / or commercial opportunities for the benefit of the PA employee, on a personal basis;
 - h) proposing any corporate promotional initiative to the PA employee;
 - i) solicited or undertaken useful actions to access information considered by the PA as confidential;

- j) a former PA employee is hired

Negligent offenses

4. the Entity must, through the Code, disclose the principles and criteria on the basis of which decisions of all types and levels are made, providing:
 - a) to eliminate and / or mitigate all risks, including potential ones;
 - b) reassess and monitor all risks that cannot be eliminated;
 - c) introduce risk mitigation measures;
 - d) reduce risks at source;
 - e) undertake initiatives that significantly reduce the danger coefficient;
 - f) plan appropriate measures to improve safety levels with particular attention to the so-called collective protection measures;
 - g) give specific instructions to recipients.

The Body's Code of Ethics can also propose itself to crystallize and possibly implement:

- a) the measures undertaken by the Entity aimed at eliminating / reducing the negative impact of economic activity on the environment;
- b) the values of training and the sharing of ethical principles among all the subjects operating in the company;
- c) the disciplinary system and sanction mechanisms.

3. The purpose

The Company, as part of its statutory activity, has decided to adopt, pursuant to Legislative Decree no. 231 of 8th June 2001 (hereinafter also: "Decree"), this Code of Ethics which, together with the Organization, management and control Model, sets out a set of preventive and disciplinary measures suitable for reducing the risk of commission of a crime within the organization company and defines the reference values of its business activity, which must guide the business choices of all Recipients, as identified below, both in Italy and abroad.

To this end, a specific reference must be made to the contents of this Code of Ethics within each contractual relationship, together with the provisions of the organization, management and control model adopted pursuant to Legislative Decree no. 231/2001, in order to induce the contractual counterparties to comply with the provisions contained therein.

4. The recipients

The provisions of this Code of Ethics apply, without exception, to every member of the Company and, therefore, to corporate officers, employees, consultants, collaborators, customers, suppliers, partners and all those who, directly or indirectly, permanently or temporarily, operate with / for the same Entity (hereinafter collectively identified as: "Recipients").

Each Recipient is required to observe the contents of the Code of Ethics within the scope of their duties and responsibilities and any violation constitutes a disciplinary offense.

The Code of Ethics, as a manifest of corporate values, prevails over any circular or procedure introduced, which is in contrast with it.

Each Recipient is required to know the content of the Code of Ethics and, in the event of doubts or concerns about the contents and provisions, is required to ask the Supervisory Body for information to fully understand its meaning.

The Managers of each Area or Process and / or the company production units are required to verify compliance by the Recipients with the provisions established in the Code of Ethics, of which they must verify the correct implementation, as well as implement and promote the appropriate measures to avoid violations. If the latter identify conduct in conflict with the dictates of this Code of Ethics, they are required to inform the Supervisory Body.

4.1 Employees

The organization recognizes the importance and value of its employees. They are a fundamental and indispensable asset of the company. In fact, the organization is fully aware that only thanks to the dedication and professionalism of its staff is it possible to achieve the objectives pursued and improve the results achieved. To this end, the Company undertakes to develop the skills and competences of each collaborator and employee.

The Entity expects employees, at all levels, to work together to maintain a climate of mutual respect in the company for the dignity, honor and reputation of each one. Each employee is obliged to fully comply with this Code of Ethics and is required to implement conduct that respects the dignity, professionalism, health and safety of their colleagues; he must also pay attention to his personal appearance and his own clothing, both on and off-site, so that they are consonant and adequate to the position held and the expected work commitments.

The selection of personnel is carried out on the basis of the correspondence of the candidates' profiles with the needs of the Company, guaranteeing equal opportunities.

The hiring takes place with a regular employment contract in full compliance with the law and / or the national collective bargaining agreement for the category, favoring the integration of the worker into the work environment.

The Company puts in place a human resources management and development system that allows it to

offer all its collaborators, on equal terms, the same opportunities for professional improvement and growth. The Entity undertakes to offer all workers the same job opportunities, in full compliance with the relevant legal and contractual regulations, ensuring that everyone can enjoy fair regulatory and remuneration treatment based exclusively on merit criteria. and of competence, without any discrimination. The essential prerequisite for the assignment of positions of responsibility within the company organization, as well as for a progressive growth of professionalism and career, is the evaluation skills and the potential of skills in coherent correlation with company needs.

The organization favors initiatives aimed at creating working methods aimed at achieving greater organizational well-being. The Entity requires that in internal and external work relations no harassment or attitudes attributable to mobbing practices are given, which are all, without exception, prohibited.

In particular, and by way of example only, it is forbidden:

- the creation of an intimidating, hostile or isolating work environment towards individuals or groups of workers;
- unjustified interference with the performance of other people's work;
- the obstacle to the individual job prospects of others for mere reasons of personal competitiveness.

Furthermore, any form of violence or harassment of a sexual nature, or referable to personal and cultural differences, is prohibited. They are considered as such:

- make any decision relevant to the recipient's working life subject to the acceptance of sexual favors or personal and cultural differences;
- induce their collaborators to sexual favors by influencing their role;
- propose private interpersonal relationships, despite an expressed or reasonably evident dislike;
- alluding to physical or mental disabilities and impairments or to forms of cultural, religious or sexual orientation diversity.

4.2 The Stakeholders

Values are shared with suppliers, commercial and industrial partners so that relationships are based on maximum transparency. In addition to proven professionalism, suppliers and partners also seek a commitment to sharing the principles that govern the organization. Socially responsible behaviors and working practices are promoted and suppliers and partners are expected to operate in line with the same high standards of protection of human rights and the environment.

Correctness, integrity and fairness are the basis of the commitment made in contractual relationships.

4.3 Third parties

The Entity undertakes to seek professionalism, suitability and commitment to sharing the principles and contents of the Code of Ethics in suppliers and external collaborators and promotes the construction of

lasting relationships for the progressive improvement of performance in the protection and promotion of the principles and contents of this Code.

In contracts, procurement and, in general, the supply of goods and / or services and external collaboration (including consultants, agents, etc.), the recipients of the Code are obliged to:

- observe the internal procedures for the selection and management of relationships with suppliers and external collaborators and not to preclude any person in possession of the requisites from the possibility of competing to win a supply from the Entity;
- adopt only objective evaluation criteria in the selection according to declared and transparent methods;
- obtain the collaboration of suppliers and external collaborators in constantly ensuring the satisfaction of the needs of customers / users and consumers to an extent appropriate to their legitimate expectations, in terms of quality, cost and delivery times;
- observe the principles of transparency and completeness of information in correspondence with suppliers, guaranteeing clear, correct and complete information on contractual terms (in particular: levels of performance required, payment times, etc.);
- not to abuse their possible dominant position in order not to comply with the previously agreed contractual "duties", especially where a reformulation / renegotiation of the supply contract is necessary (for example, trying to impose delays in payments or trying to lower prices, thus causing damage to the supplier);
- not to receive money or other benefits or benefits from anyone other than the Entity for the execution or omission of an act of his office, or for the execution of an act contrary to his office;
- include in the contracts the clause of knowledge of the Code of Ethics with the express assumption of the obligation to abide by the principles contained therein;
- observe and request compliance with the contractual conditions;
- maintain a frank and open dialogue with suppliers and external collaborators in line with good business practices;
- promptly report any violations of the Code of Ethics to their superior and to the Supervisory Body.

The remuneration to be paid to the external collaborator must be exclusively commensurate with the service indicated in the contract and payments may in no way be made to a person other than the contractual counterpart. The recipient who receives gifts, or other forms of benefit, not directly attributable to normal courtesy relations, must refuse said gift or other form of benefit and inform his / her direct superior or the Supervisory Body in writing.

SECTION II

OUR VALUES

The identity of our mission, which is manifested through the definition of our tasks and the recipients of our work, is concretized with the application of fundamental values from which the behavioral guidelines and the specific operating procedures that guide us in operations derive. everyday.

The diversity of visions of life and the variety of opinions existing in our company are a sign of a plurality of humanity with which we are constantly in contact. This plurality is a wealth to be shared by placing it at the service of the project.

Likewise, we believe that a common identity is necessary, made our own and shared by all, being all in solidarity with the same values. For this reason, our relationships with all our stakeholders are based on the responsibility and awareness of the law and the sharing of the following ethical values.

1. Legality

The Company recognizes compliance with current legislation as an essential principle.

The Recipients must be aware of all the regulations concerning their actions within the company activities.

In case of doubts, the Entity will have to undertake to inform the Recipients on how to proceed.

The Entity must also ensure constant training and awareness of the Recipients with respect to the provisions of the Code of Ethics and the application consequences.

2. Integrity

The pursuit of the objectives must take place with honesty, fairness and responsibility, in full and substantial compliance with the rules, professional ethics and the spirit of the agreements signed.

2.1 Fight against organized crime

The Body strongly condemns any form of organized crime, even of a mafia character, countering it - as part of its operations - with all the tools at its disposal.

Recipients are therefore required to pay the utmost attention to the requirements of moral integrity and reliability, as well as to the legitimacy requirements of the activities carried out by their partners, such as the insurance company, the provider, the administrative service, the consultants.

3. Transparency

Clarity and comprehensibility must be the basis of actions, communication and legal and interpersonal relationships, to allow all interlocutors to make autonomous and conscious choices.

4. Confidentiality

Recipients are required to strictly comply with external regulatory provisions on privacy (Legislative Decree no. 196/2003 and EU Regulation no. 2016/679).

The Recipients must also ensure that the information acquired is used exclusively for the performance of pertinent activities, in full compliance with the procedures adopted in compliance with current regulations on the protection of personal data.

5. Equity

Recipients must eliminate any discrimination from their conduct, committing themselves to respect for differences in gender, age, ethnicity, religion, political and trade union membership, sexual orientation, language or different abilities.

6. Value of people

The Company recognizes the centrality of human resources and the importance of establishing and maintaining relationships with them based on mutual trust. Therefore, the Company, in the management of employment and collaboration relationships, is inspired by respect for workers' rights and the full enhancement of their contribution with a view to promoting their development and professional growth, guaranteeing the minimum wage, working hours adequate work, and fighting child labor and worker exploitation.

In particular, the selection of personnel, remuneration, training and career advancements must be based on predetermined and objective criteria, inspired by fairness, impartiality and merit.

The hiring takes place in compliance with the law.

Each employee has the right to carry out the tasks for which he was hired, also in line with the objectives to be achieved and with a view to enabling professional growth.

Every decision relating to the employment relationship must be adequately motivated and documented.

The Company promotes refresher and training programs aimed at enhancing specific professional skills and at preserving and increasing the skills acquired during the collaboration.

The Company also undertakes to consolidate and disseminate the culture of safety, developing awareness of risks and promoting responsible behavior on the part of all Recipients, in order to preserve their health, safety and physical integrity.

The reward system is oriented towards the recognition of merits and abilities, such as the achievement of objectives, respect for corporate values and rules, professionalism, responsibility, the ability to work in a team and the ability to suggest proposals for improvement and growth. corporate.

7. Fidelity

The Entity maintains a relationship of mutual trust and fidelity with each of the Recipients. All Recipients must consider compliance with the rules of the Code of Ethics as an essential part of their corporate obligations. The obligation of loyalty entails for each employee the prohibition of:

- take up occupations with work relationships employed by third parties, consultancy assignments or other responsibilities on behalf of third parties that are incompatible with the activity carried

out for the Company, without prior written authorization, during the continuation of the contractual relationship;

- carry out activities that are in any case contrary to the interests of the Company or incompatible with official duties.

8. Protection of company assets

Each Recipient is directly and personally responsible for the protection and conservation of assets, both physical and intangible, and of the resources, also tangible or intangible, entrusted to him to carry out his duties, in compliance with company procedures.

It is also responsible for using them in a manner consistent with the interest of the Company.

Each Recipient is required to respect the confidentiality of the Company's scientific, production and commercial know-how and strategic choices, in order to protect industrial and intellectual property as well as its growth. Each Recipient is therefore required to maintain maximum confidentiality, undertaking not to disclose confidential information to unauthorized parties.

9. Diversity and inclusion

The organization is committed to diversity and inclusion at all levels. People with all kinds of backgrounds are selected to be part of the team and everyone is encouraged to bring their best, authentic and original self to the workplace.

10. Equal opportunities

The Company is committed to ensuring that all workers are treated equally, starting with hiring procedures, candidacies to promotions, assignment of assignments to training, compensation, benefits and layoffs. No discrimination is tolerated based on race, color, national origin, gender, gender identity, sexual orientation, religion, disability, age, political opinion, pregnancy, migrant status, ethnicity, caste, family status or civil or similar personal characteristics. The goal is that actions and decisions relating to employment are exclusively based on considerations relating to the business activity and are oriented only on the individual's ability to carry out their work, not on their personal characteristics.

We do not tolerate any kind of discrimination, violent and intimidating behavior, as well as harassment. To this end, any employee who deems they have suffered unequal treatment can report the incident to the Supervisory Body (odv@special-flanges.it) which, in full autonomy, will verify the actual violation of the provisions contained in this document. Code.

11. Fairness, loyalty and cooperation

Fairness is a fundamental principle for all the activities of the Entity and is an essential element of company management.

The behavior of the Recipients in carrying out their activities must be based on criteria of correctness, collaboration and loyalty, allowing each one to carry out their duties in an atmosphere of serenity and in the absence of conduct that assumes disparaging or disqualifying values or capable of preventing the

exercise of its activities. Everyone must be respected in the work they do.

The Entity demands that no harassment of any kind occurs in internal and external working relationships, such as, for example, the creation of a hostile working environment towards individual workers or groups of workers, unjustified interference with the work of others or creation of obstacles and impediments to the professional prospects of others.

12. Conflict of interest

No shareholder, employee, director or other Recipient, in the exercise of their functions and at different levels of responsibility, must take decisions or carry out activities in conflict with Special Flanges SpA interests or incompatible with official duties.

By conduct in conflict of interest we mean that situation in which one of the aforementioned subjects pursues, for personal or third party purposes, objectives other than those which he is required to achieve in fulfilling the assignment received and the agreed objectives.

Recipients, in the event of a conflict of interest, must refrain from contributing, directly or indirectly, to any decision or resolution relating to the matter to which the conflict relates, expressly declaring their situation.

In particular:

- all shareholders, employees and collaborators of the Entity are required to communicate any situation, action or transaction that is or may be in conflict with the interests of Special Flanges SpA. Any activities carried out externally, in particular those with economic implications, must not interfere with the interests of the Entity, with the performance of the tasks assigned, nor lead to an improper use of resources or the influence deriving from the role held;
- are potentially the cause of conflicts of interest and therefore must be the subject of specific communication:
 - the direct or indirect participation in joint-stock companies or partnerships, in Italy or abroad, which are, even only occasionally, customers, suppliers and / or workers or have any commercial, financing, insurance, as well as economic, financial, patrimonial of various types, or carry out competing activities with the Entity. Equity investments in companies listed on the stock exchange through the ownership of shares are excluded if the shareholding is not of such significance as to affect the management of the company itself;
 - business relationships (with customers, suppliers, financing, insurance, consultancy, etc.) with companies, businesses, private or public entities and in general with anyone who is in one of the situations referred to in the previous point.

The declarations must be provided to the Board of Directors, are confidential and the Company ensures that they are used solely for internal purposes.

13. Responsibility in the use of resources

Everyone must cooperate, each for the activities of their own competence, in order to respond, with concrete, rapid and economically sustainable solutions, to the challenge of combating climate change and optimizing natural resources.

For this reason, the Entity undertakes to contribute to the definition and achievement of company targets for the efficiency of the plants and the reduction of direct emissions, with a constant commitment to research and development. A sustainable working method is promoted which is based on the regenerative principles of the circular economy, to minimize the use of virgin resources and reduce waste, maximizing the recovery and valorization of waste, following an integrated management according to the principles of precaution, prevention, protection and continuous improvement.

14. Responsibility towards the community

The organization operates taking into account the needs of the community in which it carries out its activity and contributes to its economic, environmental, social, cultural and civil development.

15. Job security

As part of its mission, aimed at respecting ethical principles and social responsibility towards the people with whom it collaborates and the community, it intends to dedicate the utmost commitment to the continuous improvement of its health and safety performance. in the workplace. To this end, Special Flanges SpA undertakes to spread and consolidate a culture of safety, developing awareness of the risks and impacts generated by its activities by promoting responsible behavior on the part of all its collaborators.

The Entity also undertakes to operate in compliance with all the applicable legal provisions on safety as well as the principles voluntarily subscribed to, towards both workers and contractors and customers, safeguarding their health and safety.

In particular, the Entity has adopted a security system based on two principles:

- organizational measures;
- technical measures.

Organizational measures

The entity has provided for a correct identification of the Employer, as indicated by art. 2 letter b) of Legislative Decree 81/08, granting it suitable organizational, decision-making, managerial and spending powers. It also favored the creation of an organization chart under the employer, with the identification of Safety Managers (or first level Supervisors) and Supervisors. Among the organizational measures, particular emphasis should be placed on the timely information, training and training process prepared promptly and in compliance with the provisions of the law and the State-Regions Agreement in favor of all workers.

The Entity, as mentioned above, pays particular attention to the health and safety of third parties by

adopting organizational measures useful for obtaining a pre-qualification of the technical professional requirements of contractors, also establishing an effective document system (e.g. DUVRI), capable of monitoring the interference risks and the initiatives to be undertaken.

Among other organizational measures, particular emphasis is placed on periodic meetings (pursuant to Article 35 of Legislative Decree 81/08), evacuation tests and health surveillance also with reference to the accident index and occupational disease.

Technical measures

The organizational measures indicated above must be considered an effective glue with the technical measures, to be understood as the Entity's initiatives aimed at identifying any risk, even potential, and to undertake for the elimination of the same or, at least, its reduction "instrumental evaluations" .

Particular attention is given to the use of machinery and equipment, for which, in addition to specific risk assessments, the presence and updating of the use and maintenance manual are required.

In general, the planning of each individual activity must aim at preventing and reducing the impacts on possible injuries (including those not happened), accidents, occupational diseases, by adopting the best available and economically sustainable techniques.

It is understood that the initiatives indicated above and any findings must be disseminated within the Entity through a clear, correct and timely flow of communications, which must also involve the SB.

16. Environment

Over the years, the organization has committed - and continues to do so - to act ethically and correctly, going beyond the mere concept of compliance with the law and enriching the decision-making process with ethical, social and environmental principles.

For this reason, the Company has adopted a corporate policy aimed at harmonizing economic and environmental objectives, with a view to sustainability and with a lower impact on environmental resources.

In fact, the Authority concretely undertakes to contribute, where possible, to its own development in harmony with the territorial context of reference, refraining from undertaking actions that could damage the environmental heritage.

The correct use of resources is promoted, the reduction of the impact of its activities on the environment, always taking into account the development of scientific research and best practices in the field.

The Recipients, in carrying out their functions, undertake to comply with current legislation on environmental protection and protection.

17. Prohibition of violations of the organization, management and control Model pursuant to Legislative Decree no. 231/2001

This Code of Ethics, while responding to the specific function of orienting the conduct in the business of the Recipients towards high ethical standards, constitutes, at the same time, the first and fundamental component of the organization, management and control Model adopted by the Entity pursuant to art. 6 and 7 of the legislative decree n. 231/2001.

The Company therefore believes that it must expressly prohibit any criminal conduct that may lead to the involvement of the Organization in criminal proceedings pursuant to the Decree.

Any violation of the prohibitions specified above is absolutely contrary to the interest of the Entity.

The Entity must therefore:

- avoid risks of commission of a crime, preventing them, where avoidable, by identifying specific protocols;
- combat risks at source;
- firmly sanction violations.

18. Whistleblowing and prohibition of retaliation

The Entity promotes the prevention and verification of any illegal conduct or, in any case, contrary to the Code of Ethics (as well as the Organizational Model). With this in mind, therefore, any Recipient who becomes aware of a well-founded and detailed violation of the principles of the Code of Ethics is required to report it as per "Procedure for reporting offenses and irregularities (so-called Whistleblowing)", attached to the Organizational Model by Special Flanges SpA. The Entity may provide further detailed instructions to support the procedure just mentioned.

Whatever the channel used, the Entity undertakes to safeguard the confidentiality of the complainant's identity and to ensure that the same is not subject to any form of retaliation, or undertakes to guarantee anonymity in the event that the Entity receives reporting by non-identifiable subjects, provided that such communications are punctual, precise, detailed and supported by explanatory documentation.

RULES OF CONDUCT TOWARDS STAFF AND THIRD PARTIES

1. Premise

Special Flanges SpA considers human resources as one of the main strategic success factors and, therefore, favors the constant professional and personal growth of its employees and collaborators.

The Organization encourages cooperation and mutual collaboration between its employees in the awareness that the success of the Organization is strongly linked to the results of the Team.

All the Managers of each Company or Process Area, therefore, are required to organize periodic meetings, also on the occasion of important operational decisions, in which the involvement and active participation of all the members of the various work groups and a flow multidirectional information.

2. Management of relations with staff

The selection processes and remuneration in Special Flanges SpA are currently managed by the CEO together with the Administration and Personnel Manager and in agreement with the Area Managers.

The selection process must be based exclusively on the correspondence of the professional and aptitude characteristics of the candidates to the job profile sought. In the selection interviews, therefore, the candidate may only be asked for information aimed at ascertaining the requirements of professionalism and skills possessed. The aim of the selection process is to create value for the Company and, therefore, no form of nepotism or favoritism is considered tolerable. The Entity, within the limits of the information available, adopts, during the selection and recruitment process, the appropriate measures to comply with the above principles, including suitable privacy policies.

3. Contract

The Entity hires each selected candidate exclusively on the basis of a regular contract. Before completing the contract, the Entity informs the candidate in a clear and detailed manner about the job and activities to be performed (through job descriptions), about the fixed and variable elements of the remuneration, about any benefits granted and informs him about the rules of the law governing the agreement, on this Code of Ethics and on the Organizational Model, as well as on the applicable policies.

In relation to the above and to ensure correct and up-to-date information for personnel, the Company organizes periodic training meetings with new hires.

These meetings must give particular emphasis to the measures adopted by the Body in the field of health and safety at work, environment, Legislative Decree 231/01, ethical principles, whistleblowing, EU Regulation 2016/679 (GDPR).

The Managers of the Company in any relevant decision relating to personnel (promotions, assignment of incentives and bonuses, assignments, etc.) reject any form of discrimination and ensure that, compatibly with organizational needs, any measures taken are based exclusively on the results achieved and on the skills demonstrated.

4. Staff training and evaluation

The Area Managers develop training plans for the professional growth of personnel through suitable organizational and training initiatives, with the exception of the training courses required by law. Training activities are planned according to the career path of each employee and considering the specific needs of the Organization.

The Body, where possible, will prepare an analytical didactic program for these training courses, providing the recipients with study materials and submitting a learning test to the recipients, subject to the issue of the certificate of participation.

The Managers of each business Area / Process encourage the participation of all employees of the BU in undertaking training courses proposed by the Entity.

They periodically assess the performance of the personnel in order to identify any areas for improvement

and adopt specific intervention measures.

5. Obligations of the staff

Personnel must act in accordance with correctness, loyalty and integrity in carrying out their duties, respecting the obligations deriving from the signed contract, the regulations in force, the ethical principles of the Entity and the rules that the Organization has eventually formalized in specific policies and / o guidelines, operating instructions.

In particular, the personnel belonging to the administrative - accounting structures must ensure compliance with the principles of accuracy, precision and transparency in carrying out the accounting registration and training and preparation of the financial statements. Accounting records must be made on the basis of adequate supporting documentation and must be documentable, reliable and verifiable at any time.

Employees are required to avoid situations of conflict of interest, even potential, from which they can take an unfair advantage, or act to the detriment of the legitimate interests of the stakeholders. In situations of conflict of interest, the employee must immediately inform his / her hierarchical manager who must adopt the most appropriate measures to safeguard the interests of the stakeholders and report the incident to the Supervisory Body.

The staff of the Entity is required to keep company information that comes into their possession as a result of the activity or role held confidential. In internal and external relations, the Company establishes the absolute prohibition for any employee and collaborator to engage in improper and harassing conduct, meaning both the creation of a hostile and intimidating work environment and explicit and implicit requests of a sexual nature.

6. Proper management of company assets and IT systems

The staff is required to use the assets and equipment assigned correctly for work purposes, avoiding abuse and / or improper use.

The staff of the Entity must scrupulously comply with the company provisions and, therefore, comply with the Code of Conduct and Device Regulations, guaranteeing the fulfillment of the ethical principles referred to in this code.

Among others, it is forbidden for every employee to grant the use of company assets assigned to third parties. It is also forbidden for any employee to use software not authorized by the Entity on assets and equipment assigned to them for work purposes.

It is also forbidden for every employee to disclose and communicate personal access codes and passwords to assets and equipment assigned to them for work purposes, as well as any other information, also relating to company know-how, unless expressly authorized. in compliance with the principle of fidelity imposed by the current contract.

7. Customers

Recipients, in the context of managing relations with customers, always in compliance with internal procedures, especially those provided for by the Organization, management and control model, must promote maximum customer satisfaction and must act in accordance with transparency and correctness, in compliance with current legislation, so that the customer can make informed decisions.

Each Recipient is required to report to the OdV any customer behavior that appears to be in conflict with the principles of this Code.

The Company undertakes to provide quality products and services to ensure maximum satisfaction and protection of its customers, by implementing internal control systems designed to prevent the product or service supplied to the customer from being different in nature, origin, provenance, quality or quantity than agreed.

SECTION III

RELATIONS WITH THE OUTSIDE

1. Relations with the Supervisory Authorities and Control Bodies

The Entity undertakes to fully and scrupulously comply with the rules dictated by the Supervisory Authorities and by the Control Bodies for compliance with current legislation, as well as to base its relations with the aforementioned Entities on the utmost collaboration in full compliance with their institutional role, undertaking to promptly execute their prescriptions.

2. Relations with parties, trade unions and associations

Relations with political parties, trade unions and other associations bearing interests are held by the Company Representatives authorized to do so or by the persons delegated by them, in compliance with the rules of this Code, as well as the bylaws and special laws, with particular regard to the principles of impartiality and independence. The Entity does not make direct or indirect contributions to political parties, or to their representatives or candidates, and refrains from any direct or indirect pressure on politicians (for example, through acceptance of recommendations for hiring, consultancy contracts, etc.) . Each Employee must acknowledge that any form of involvement in political activities occurs on a personal basis, in their free time, at their own expense and in compliance with applicable laws. The organization, moreover, it does not make contributions to organizations with which a conflict of interest may arise (such as trade unions, consumer protection associations or environmentalists). Strictly institutional forms of cooperation are possible when: the purpose is attributable to the mission of the Company or is referable to projects of public interest; the allocation of resources is clear and documentable; there is an express authorization from the relevant corporate functions.

Relations with Public Institutions

Relations with Public Bodies and Bodies, necessary for the development of the Company's business programs, are reserved exclusively for the corporate functions delegated to do so, in compliance with the rules of this Code, as well as the statute and special laws. The Entity promotes dialogue and cooperates actively and fully with public institutions and local authorities.

Relations with public institutions - and, in general, with the Public Administration - aimed at achieving the overall interests of the Company and connected to the implementation of its corporate programs, must be characterized by fairness, transparency and traceability, in order to guarantee conduct clear that they cannot be interpreted by the parties involved as ambiguous or contrary to current regulations. These relationships are reserved exclusively for the competent functions, in compliance with company protocols and procedures.

It is absolutely forbidden to offer, directly or through intermediaries, sums of money or other means of payment to public officials or persons in charge of a public service in order to influence their activity in the performance of their duties.

These provisions cannot be circumvented by resorting to different forms of contributions which, under the guise of sponsorships, assignments and consultancy, advertising, etc., have the same purposes prohibited above.

Gifts and acts of courtesy and hospitality to representatives of the government, public authorities and local authorities as well as addressed to public officials and public employees are permitted when they are of modest value and in any case such as not to compromise the integrity or reputation of one of the parties and cannot be interpreted, by an impartial observer, as aimed at acquiring advantages in an improper way. In any case, this type of expense must be authorized by the persons indicated in the procedures and adequately documented.

Likewise, each recipient of the Code cannot receive gifts or favorable treatments, except within the limits of normal courtesy relations and provided they are of modest value. If he receives gifts beyond the aforementioned limits, he must return them and must immediately notify the direct superior and the Supervisory Body.

In order to prevent the commission of crimes, it is strictly forbidden to mislead public administrations, with artifices or deceptions, to procure an unfair profit, direct or indirect, consisting in obtaining or using contributions, financing or other disbursements, however denominated, granted by the State, by a public body or by the Community institutions.

3. Relations with the market

Every operation on the market must be carried out in full transparency, guaranteeing all the necessary information so that investors' decisions are based on complete and correct information.

Communications to the market are therefore characterized by compliance with regulatory provisions as well as by a comprehensive, exhaustive and correct language also in order to prevent the commission of

market abuse (insider trading and market manipulation). The dissemination of information takes place exclusively by the figures in charge of this, in accordance with company procedures.

The Entity has taken adequate measures to protect privileged information so as to inhibit access or processing by unauthorized or undue persons.

All Recipients are required, within the scope of the duties assigned, to the correct management of privileged information, to know and comply with company procedures regarding market abuse. For this reason, the Recipients must adopt careful and responsible behavior in the management of confidential company information, with particular reference to those that can cause a significant alteration in the price of listed or unlisted financial instruments issued or provide false and misleading information on the same. This provision also applies to information that may have negative effects on the commodity market.

Recipients are expressly prohibited from:

- purchase, sell or perform other transactions on financial instruments directly or indirectly, on their own behalf or on behalf of third parties, using inside information;
- recommend or induce others to carry out the above transactions on the basis of inside information;
- communicate privileged information to third parties outside the normal exercise of the working activity.

4. Relations with the mass media

Communication plays a decisive role in enhancing the image of the organization. Therefore, relations between the Company and the mass media belong only to the specifically designated corporate functions, and must be carried out in accordance with the policy, strategies and communication tools defined by the corporate bodies, as well as with the laws, rules and practices. of professional conduct. The information to the outside is inspired by criteria of truthfulness and transparency and it is absolutely forbidden to disclose false information. In general, the employees of the Company cannot provide information to representatives of the mass media or undertake to provide it without the authorization of the competent functions.

SECTION IV

In compliance with the provisions of Legislative Decree 231/01 and the new Confindustria Guidelines (June 2021) it is considered favorable here to indicate for each special part, containing the details of the predicate offenses, the ethical principles of reference and, in by way of example, the behaviors to be followed (*see page 67 Guidelines: "... decree 231, what is the specific risk of committing that specific crime and introducing ad hoc ethical principles."*).

ETHICAL PRINCIPLES IN PREREQUISITE OFFENSES

SPECIAL SECTION	REFERENCE ETHICAL PRINCIPLES	BEHAVIOR TO FOLLOW
<p>Art. 24 - Undue receipt of funds, fraud to the detriment of the State or a public body or for the achievement of public funds and IT fraud to the detriment of the State or a public body</p>	<ul style="list-style-type: none"> - integrity; - fight against organized crime; - transparency; - value of people; - fidelity; - protection of company assets; - fairness, loyalty and collaboration; - conflict of interest; - responsibility in the use of resources; - responsibility towards the community. 	<ul style="list-style-type: none"> - compliance with the 231/01 protocols; - compliance with the basic principles with the interlocutors of the PA; - compliance with the proxies and powers conferred (eg segregation).
<p>Art. 24-bis - Computer crimes and illegal data processing</p>	<ul style="list-style-type: none"> - integrity - fight against organized crime - transparency - confidentiality - value of people - fidelity - protection of company assets - fairness, loyalty and collaboration - conflict of interest - responsibility in the use of resources - responsibility towards the community 	<ul style="list-style-type: none"> - compliance with the 231/01 protocols; - compliance with company procedures; - compliance with company instructions; - respect for the powers conferred (e.g. privacy organization chart).

<p>Art. 24-ter - Organized crime offenses</p>	<ul style="list-style-type: none"> - integrity; - fight against organized crime; - transparency; - confidentiality value of people; - fidelity; - protection of company assets; - fairness, loyalty and collaboration; - responsibility in the use of resources; - responsibility towards the community; - environment. 	<ul style="list-style-type: none"> - compliance with the ethical principles contained in the Code; - compliance with regulatory provisions; - compliance with the 231/01 protocols; - compliance with the basic principles with the interlocutors of the PA - compliance with the proxies and powers conferred (eg segregation); - maintenance of the integrity requirements.
<p>Art. 25 - Embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office</p>	<ul style="list-style-type: none"> - integrity; - fight against organized crime; - transparency; - confidentiality - equity; - value of people; - fidelity; - protection of company assets; - equal opportunities; - fairness, loyalty and collaboration; - conflict of interest; - responsibility in the use of resources; - responsibility towards the community; - environment. 	<ul style="list-style-type: none"> - compliance with the ethical principles contained in the Code; - compliance with regulatory provisions; - compliance with the 231/01 protocols; - compliance with the basic principles with the interlocutors of the PA; - compliance with the proxies and powers conferred (eg segregation); - maintenance of the integrity requirements.
<p>Art. 25 bis - Counterfeiting of coins, public credit cards, revenue stamps and</p>	<ul style="list-style-type: none"> - integrity; - fight against organized crime; - value of people; 	<ul style="list-style-type: none"> - compliance with company procedures; - compliance with company instructions;

<p>identification instruments or signs</p>	<ul style="list-style-type: none"> - fidelity; - protection of company assets; - fairness, loyalty and collaboration; - conflict of interest; - responsibility in the use of resources; - responsibility towards the community. 	<ul style="list-style-type: none"> - compliance with the basic principles with the interlocutors of the PA; - compliance with the proxies and powers conferred (eg segregation).
<p>Art. 25 bis.1 - Crimes against industry and commerce</p>	<ul style="list-style-type: none"> - integrity; - fight against organized crime; - transparency; - confidentiality - fidelity; - protection of company assets; - fairness, loyalty and collaboration; - conflict of interest; - responsibility in the use of resources; - responsibility towards the community; - environment. 	<ul style="list-style-type: none"> - compliance with the ethical principles contained in the Code; - compliance with regulatory provisions; - compliance with the 231/01 protocols; - compliance with company procedures; - compliance with company instructions; - maintenance of the confidentiality obligation of the company know-how.
<p>Art. 25-ter - Corporate offenses</p>	<ul style="list-style-type: none"> - integrity; - fight against organized crime; - transparency; - confidentiality; - fidelity; - protection of company assets; - fairness, loyalty and collaboration; - conflict of interest; 	<ul style="list-style-type: none"> - compliance with regulatory provisions; - compliance with the 231/01 protocols; - compliance with the civil principles for the preparation of the financial statements; - compliance with the proxies and powers conferred.

	<ul style="list-style-type: none"> - responsibility in the use of resources; - responsibility towards the community. 	
Art. 25-quinquies - Crimes against the individual	<ul style="list-style-type: none"> - integrity; - fight against organized crime; - transparency; - equity; - value of people; - fidelity; - mutuality and solidarity; - diversity and inclusion; - equal opportunities; - fairness, loyalty and collaboration; - responsibility in the use of resources; - responsibility towards the community. 	<ul style="list-style-type: none"> - compliance with the ethical principles contained in the Code; - compliance with regulatory provisions; - compliance with the 231/01 protocols; - compliance with company procedures; - compliance with company instructions.
Art. 25-septies - Manslaughter or serious or very serious injuries committed in violation of the rules on the protection of health and safety at work	<ul style="list-style-type: none"> - integrity; - fight against organized crime; - transparency, - confidentiality - equity; - value of people; - fidelity; - protection of corporate (human) assets; - mutuality and solidarity; - diversity and inclusion; 	<ul style="list-style-type: none"> - compliance with the ethical principles contained in the Code; - compliance with regulatory provisions; - compliance with the 231/01 protocols; - compliance with company procedures; - compliance with company instructions; - compliance with the proxies and powers conferred (eg Legislative Decree 81/08);

	<ul style="list-style-type: none"> - equal opportunities; - fairness, loyalty and collaboration; - conflict of interest; - responsibility in the use of resources; - responsibility towards the community; - environment. 	<ul style="list-style-type: none"> - respect for the assigned task; - compliance with the health plan.
<p>Art. 25-octies - Receiving, laundering and use of money, goods or benefits of illicit origin, as well as self-laundering</p>	<ul style="list-style-type: none"> - integrity; - fight against organized crime; - transparency; - confidentiality - value of people; - fidelity; - protection of company assets; - fairness, loyalty and collaboration; - conflict of interest; - responsibility in the use of resources; - responsibility towards the community; - environment. 	<ul style="list-style-type: none"> - compliance with regulatory provisions; - compliance with the 231/01 protocols; - compliance with the proxies and powers conferred (eg segregation); - compliance with the limits imposed by law in the use of circulating money.
<p>Art. 25-octies.1 - Crimes relating to payment instruments other than cash</p>	<ul style="list-style-type: none"> - integrity; - fight against organized crime; - transparency; - protection of company assets; - fairness, loyalty and collaboration; - conflict of interest; 	<ul style="list-style-type: none"> - compliance with company procedures; - compliance with company instructions; - compliance with the proxies and powers conferred (eg segregation); - compliance with the limits imposed by law in

	<ul style="list-style-type: none"> - responsibility in the use of resources 	<p>the use of payment instruments.</p>
<p>Art. 25-decies - Induction not to make statements or to make false statements to the judicial authority</p>	<ul style="list-style-type: none"> - integrity; - fight against organized crime; - transparency; - confidentiality - value of people; - fidelity; - protection of company assets; - fairness, loyalty and collaboration; - responsibility towards the community. 	<ul style="list-style-type: none"> - compliance with the ethical principles contained in the Code; - compliance with regulatory provisions; - compliance with the 231/01 protocols; - compliance with the basic principles with the AG interlocutors; - maintenance of the integrity requirements.
<p>Art. 25-undecies - Environmental crimes</p>	<ul style="list-style-type: none"> - fight against organized crime; - value of people; - protection of company assets; - fairness, loyalty and collaboration; - responsibility in the use of resources; - responsibility towards the community; - environment. 	<ul style="list-style-type: none"> - compliance with the ethical principles contained in the Code; - compliance with regulatory provisions; - compliance with the 231/01 protocols; - compliance with company procedures; - compliance with company instructions; - compliance with the basic principles with public interlocutors; - compliance with the proxies and powers conferred (eg segregation).

<p>Art. 25-duodecies - Employment of citizens of third countries whose stay is irregular</p>	<ul style="list-style-type: none"> - integrity; - fight against organized crime; - equity; - value of people; - fidelity; - protection of company assets; - mutuality and solidarity; - diversity and inclusion; - equal opportunities; - fairness, loyalty and collaboration; - responsibility in the use of resources; - responsibility towards the community. 	<ul style="list-style-type: none"> - compliance with the ethical principles contained in the Code; - compliance with regulatory provisions; - compliance with the 231/01 protocols; - compliance with company procedures; - compliance with company instructions; - compliance with the basic principles with the interlocutors of the PA
<p>Art. 25- quinquiesdecies - Tax offenses</p>	<ul style="list-style-type: none"> - fight against organized crime; - transparency; - confidentiality - fidelity; - protection of company assets; - fairness, loyalty and collaboration; - conflict of interest; - responsibility in the use of resources; - responsibility towards the community. 	<ul style="list-style-type: none"> - compliance with the ethical principles contained in the Code; - compliance with regulatory provisions; - compliance with the 231/01 protocols; - compliance with company procedures; - compliance with company instructions; - compliance with the basic principles with the interlocutors of the PA - compliance with the proxies and powers conferred (eg segregation); - compliance with tax deadlines;

		<ul style="list-style-type: none"> - obligation of truthfulness in the attestations.
<p>Art. 25- sexiesdecies - Contraband</p>	<ul style="list-style-type: none"> - fight against organized crime; - protection of company assets; - fairness, loyalty and collaboration; - conflict of interest; - responsibility in the use of resources; - responsibility towards the community. 	<ul style="list-style-type: none"> - compliance with the ethical principles contained in the Code; - compliance with regulatory provisions; - compliance with the 231/01 protocols; - compliance with company procedures; - compliance with company instructions; - compliance with the basic principles with the interlocutors of the PA

SECTION V

VIOLATIONS OF THE CODE OF ETHICS

1. Introduction

Any behavior contrary to the provisions of the Code of Ethics will be prosecuted and sanctioned, as in opposition to the principles which inspire Special Flanges S.p.A. Violations of the provisions of the code of ethics constitute an infringement of the fiduciary relationship with the entity and constitute a disciplinary offense. The sanctions for the violation of the Code will be commensurate with the type of violation and its consequences for the Entity and will be adopted in compliance with the applicable legislation and the National Collective Agreements in force.

With reference to the sanctions applicable to managers, employees and collaborators of the Company, it is specified that the commission or attempted commission of the offenses provided for by Legislative Decree no. 231/2001 and which involve serious violations of ethical principles, constitutes a serious disciplinary offense. As far as self-employed workers and third parties are concerned, the violation of the provisions contained in this Code of Ethics may result in the termination of the contract pursuant to art. 1453 of the Italian Civil Code

2. General principles of the Code of Ethics

In analogy with the provisions of art. 6, co. II, 1. e) of the Decree which establishes how: "*... in relation to the extension of delegated powers and the risk of committing crimes, the models referred to in letter a), paragraph 1, must meet, ... the need to introduce a system disciplinary suitable for sanctioning non-compliance with the measures indicated in the model*", it is considered necessary to extend this provision also to the Code of Ethics.

In fact, as for the Organizational Models, the adoption of an ad hoc disciplinary system is an essential and necessary requirement to make a Code of Ethics effective, having to consider the sanctions as a preventive element of the commission of disciplinary offenses. In fact, it is not possible to envisage provisions lacking a sanctioning system, since lack, as for the Organizational Models, would render the provisions contained in the Code invalid.

Among the functions of the disciplinary system are those of:

- make the Code of Ethics effective and effective;
- support the control actions implemented by the Supervisory Body.

However, it must be specified how the disciplinary system, in its structure, must:

- sanction the violator of the ethical principles contained in the Code;
- be drawn up in writing and adequately disclosed - as an essential part of the Code of Ethics;
- compatible with the regulations in force and the contractual agreements in place;

- characterized by suitable and effective measures;
- a plurality of sanctions, graduated according to the seriousness of the violations ascertained;
- from sanctions that range from conservative measures, for the most tenuous infringements, to suitable measures to terminate the relationship between the offender and the Entity, in the case of more serious violations;
- to respect the constitutional principle (Corte Cost. Sent. n. 220/1995) according to which the exercise of disciplinary power must always comply with the principle of proportion ensuring the involvement of the interested party in compliance with the cross-examination. For the subordinate worker, these principles are recalled by articles 2106 cc and 7 L. 300/70.

The disciplinary system applied for the Code of Ethics may also recognize reward mechanisms reserved for those who cooperate, for example, in order to make the implementation of the Model effective or denounce individual deviant behavior in compliance with the whistleblowing procedure and instructions. The application of the disciplinary system and the related sanctions is independent of the conduct and outcome of the criminal proceedings that the judicial authority may have initiated, in the event that the conduct to be censured also applies to integrating a crime relevant pursuant to Legislative Decree 231/2001.

In concrete terms, the disciplinary system, which is an integral part of the Code of Ethics, is aimed at employees, managers, directors, auditors, consultants and collaborators who for various reasons provide services and services in favor of the Entity, providing adequate disciplinary sanctions that comply with the above principles and which may also have a pecuniary nature.

It is also specified that the violation of the rules of conduct provided for by the Code of Ethics, by employees of the Entity and / or its managers, constitutes a breach of the obligations deriving from the employment relationship, pursuant to *ex art.* 2104 and 2106 c.c.

More specifically:

- Art. 2104 - Diligence of the employee:
 1. The employee must use the diligence required by the nature of the service due, by the interest of the company and by the higher interest of national production.
 2. He must also observe the provisions for the execution and for the discipline of the work given by the entrepreneur and his collaborators on whom he hierarchically depends.

- Art. 2106 - Disciplinary sanctions:
 1. Failure to comply with the provisions contained in the two previous articles may give rise to the application of disciplinary sanctions, according to the seriousness of the infringement and in compliance with the regulations in force.

3. Violation of the Code of Ethics

By way of example, but certainly not exhaustive, the following are just some of the behaviors that could be subject to censorship:

- carry out actions or behaviors, or omissions, that do not comply with the principles and rules indicated in the Code of Ethics;
- favor the incomplete and / or untruthful drafting of documentation in support of the Code of Ethics;
- facilitate the preparation, carried out by third parties in an incomplete and / or untruthful manner, of documentation in support of the Code of Ethics;
- not to draw up the documentation required by the Code of Ethics;
- the violation or circumvention of the control system provided for by the Code of Ethics;
- failure in observing and therefore complying with the information obligations towards the Supervisory Body on issues, included in the Code of Ethics, among others:
 - o in the field of whistleblowing:
 - the implementation of actions or behaviors in violation of the measures to protect the so-called reporting;
 - the adoption of retaliation or discriminatory acts, direct or indirect, against the whistleblower for reasons connected, directly or indirectly, to the report;
 - the making, even in bad faith or with gross negligence, of reports that prove to be unfounded.

In addition to the conduct summarized above, it is important to note how the disciplinary system identifies infringements of the principles, behaviors and control points contained in the Code of Ethics, and identifies the sanctions envisaged for employees in compliance with current laws and / or national collective bargaining agreement (CCNL) as reported below.

The disciplinary system is, however, binding for all employees and, pursuant to art. 7, co. 1, L. 300/1970, must be available to all "by posting in an accessible place".

It is forbidden for the Entity to implement any retaliation or discriminatory act, direct or indirect, against the reporting subjects.

The adoption and concrete application of discriminatory measures against whistleblowers can be reported both to the National Labor Inspectorate, for the measures within its competence, and, by the whistleblower, to the trade union organization.

The retaliatory and / or discriminatory dismissal of the reporting subject is void. Likewise, the change of duties, as well as any other retaliatory or discriminatory measures adopted against the reporting person are null and void. It is the sole responsibility of the employer, in the event of disputes related to the imposition of disciplinary sanctions, or to demotion, dismissal, transfer, or submission of the whistleblower, subsequent to the submission of the report, to demonstrate that such measures are based

on reasons unrelated to the report itself. .

Not only that, the application of disciplinary sanctions does not depend on the outcome of any criminal proceedings, as the rules of conduct and internal procedures are binding for the recipients, regardless of whether a crime has actually been committed as a consequence of the conduct committed.

4. Disciplinary measures

Disciplinary measures can be applied in accordance with the provisions of art. 7 of Law 300/1970, the so-called “Workers' Statute” and subsequent amendments and additions, as well as by the relevant National Collective Labor Agreement.

A. Non-executive workers

With reference to this category of workers, the behaviors that constitute a violation of the Model and the related sanctions are reported below:

- 1) the worker who commits a slight non-compliance with the provisions of the Code of Ethics or fails to report or tolerates slight irregularities in observing the Code of Ethics incurs verbal reprimand;
- 2) the worker who commits a minor transgression of the provisions of the Code of Ethics, or adopts an ethically reprehensible behavior, incurs the provision of written reprimand. To this is added deficiencies punishable with verbal reprimand, when, due to objective circumstances, specific consequences or recidivism, they have greater relevance, omitted reporting or tolerance of minor irregularities in observing ethical principles;
- 3) a worker who is a repeat offender in violating ethical principles or adopts a behavior that does not comply with the principles themselves incurs a fine, not exceeding the amount of 4 hours of normal salary;
- 4) the worker who violates the principles contained in the Code of Ethics, or adopts a behavior that does not comply with the principles themselves, incurs the provision of suspension from service and remuneration for a period not exceeding 5 days. To this is added omitted reporting or tolerance of serious irregularities in compliance with the Code of Ethics;
- 5) the worker who, in carrying out the activities, is recidivist in deplorable behavior punished by suspension of up to five days or a fine, incurs the provision of dismissal with notice;
- 6) the worker who adopts an intentional behavior in violation of ethical principles will incur in the provision of dismissal without notice.

The disciplinary procedure, preparatory to the application of the aforementioned measures, finds its discipline in the reference company procedure, which, in compliance with the CCNL in force, regulates it. While referring to the detailed regulations referred to in the aforementioned company procedure, it is specified, in general, that:

- a. no disciplinary measure can be adopted against the worker without having previously challenged the charge within 20 days from when the person competent to issue the complaint became aware of the fact;
- b. for all disciplinary measures, the worker must be notified in writing, with specific indication of the constitutive facts of the infringement;
- c. the disciplinary measure cannot be issued until five days have elapsed from this dispute, during which the worker can present his justifications;
- d. the provision must be issued within 90 days of the dispute even if the worker does not present any justification; And. the previous disciplinary sanctions will not be taken into account for any effect two years after their application.

B. Workers with managerial qualifications

With reference to this category of workers, the behaviors that constitute a violation of the Model and the related sanctions are reported below:

- 1) the executive who fails to observe the principles contained in the Code of Ethics or falls into deplorable behavior, as well as fails to report or tolerate irregularities in compliance with the Code committed by other workers, incurs the provision of written reprimand;
- 2) incurs the dismissal provision pursuant to art. 2118 cc the manager who seriously and negligently violates the principles of the Code of Ethics such as to constitute, either due to the particular nature of the lack or its recidivism, a "significant" non-fulfillment of moral obligations or adopts negligent behavior that is not compliant to the provisions of the Code that has exposed the Entity to a situation of objective danger or such as to determine negative effects for it, as well as fails to report or tolerate irregularities in observing the Code. It is understood that such omissions or tolerances must have exposed the Entity to an objective situation of danger or such as to cause negative repercussions for the Entity itself.
- 3) the executive who violates an ethical principle by conducting such behavior as to result in the possible application of the sanctions envisaged by the Decree by the Entity incurs in the provision of dismissal for just cause (Article 2119 of the Italian Civil Code). These behaviors (active or passive) must demonstrate a seriousness such as to diminish the trust on which the employment relationship was based so as to no longer allow the continuation, not even temporarily, of the employment relationship.

C. Management Committee

In the event of a violation of the Model by one or more members of the Management Committee, the Supervisory Body promptly informs the Board of Directors, which takes the appropriate measures in compliance with current legislation. The sanctioning measures against the members of the Management Committee will be parameterized to the seriousness of the infringement committed: by way of example but by no means exhaustive, it may be deliberated a reprimand measure, the revocation (even partial) of

any delegations conferred, the reporting of the violation to the parent company of the body, the revocation of the member of the Management Committee, pursuant to *ex art. 2409-novies*, paragraph 5 of the Italian Civil Code, or the liability action pursuant to *ex art. 2409-decies* of the Italian Civil Code.

D. Directors of the Board

With reference to this category, the behaviors that constitute a violation of the Code and the related sanctions are reported below:

- 1) formal written warning if a slight violation of the Code of Ethics has been committed, or violation of the measures to protect the whistleblower;
- 2) pecuniary sanction, taking into account the seriousness of the fact, equal to the amount of two to five times the emoluments calculated on a monthly basis if a non-slight violation of the Code of Ethics has been committed, and violated some measures to protect the whistleblower;
- 3) revocation, in whole or in part, of any powers of attorney if a serious violation of the Code of Ethics has been committed and all measures to protect the whistleblower have been violated;
- 4) revocation of the appointment by resolution of the Board and approved by the Shareholders' Meeting if a violation of the Code of Ethics has been committed, and illegally sanctioned a whistleblower.

E. Board of Statutory Auditors

If the Board of Statutory Auditors commits the violation, the Supervisory Body must immediately notify the Board of Directors by means of a written report.

The Board of Directors may take, in accordance with the Articles of Association, the appropriate measures including, for example, the calling of the Shareholders' Meeting, in order to adopt the most suitable measures provided for by law.

The Board of Directors, in the case of violations such as to integrate just cause for revocation, proposes to the Shareholders' Meeting the adoption of the provisions of competence and provides for the further obligations envisaged by the law.

Compensation in the event of damage to the Company remains unaffected.

F. Auditing firm

If the Board of Statutory Auditors commits the violation, the Supervisory Body must immediately notify the Board of Directors by means of a written report.

The Board of Directors may take, in accordance with the Articles of Association, the appropriate measures including, for example, the calling of the Shareholders' Meeting, in order to adopt the most suitable measures provided for by law.

The Board of Directors, in the case of violations such as to integrate just cause for revocation, proposes to the Shareholders' Meeting the adoption of the provisions of competence and provides for the further obligations envisaged by the law.

Compensation in the event of damage to the Company remains unaffected.

G. Third Party Recipients

Any behavior put in place by Consultants, Collaborators or other third parties connected to the Entity by a contractual relationship not of employment, in violation of the provisions of the Code of Ethics, may determine, according to the provisions of the specific contractual clauses included in the letters of appointment or in their absence from the disciplinary system possibly adopted by the Entity, the termination of the contractual relationship, without prejudice to any request for compensation if damage to the Entity itself derives from such behavior, even independently of the termination of the contractual relationship.

5. Sanctions related to the Whistleblowing procedure

The sanctions indicated above and the processes for their application must also be applied, within the limits set out above and for the respective categories, also with reference to the failure to comply with the procedure and instructions aimed at regulating whistleblowing.

More specifically, the initiation of the disciplinary procedure will be imposed, as well as the sanction to be imposed, whenever:

- the measures to protect the whistleblower have been violated;
- a report that results to be unfounded has been made with willful misconduct or gross negligence.

The Supervisory Body immediately informs the Board of Directors, which adopts the most appropriate measures provided for by law.

Compensation in the event of damage to the organization remains unaffected.

SECTION VI

METHOD FOR IMPLEMENTING THE CODE OF ETHICS

1. The Ethics Manager

The Supervisory Body can be the person responsible for verifying the application and implementation of the Code of Ethics (Ethics Manager) and for this activity it reports directly to the Board of Directors of the Body. The Head of Ethics, if he deems it appropriate, may report on his activity to the BoD.

The following duties are assigned to the Head of Ethics:

- periodically verify the application and compliance with the Code of Ethics through the control activity, which consists in ascertaining and promoting the improvement of ethics within the Company through the analysis and evaluation of the ethical risk control processes;
- undertake initiatives for the dissemination of the Code of Ethics;
- propose amendments and additions to the Code of Ethics to the administrative body;
- receive reports of violations of the Code of Ethics and carry out investigations in this regard;

- perform advisory functions in relation to the adoption of sanctioning measures;
- prepare an annual report on the activity carried out to be submitted to the administrative body.

As part of his activity, the Head of Ethics will be assisted by the necessary resources identified from time to time among the staff.

All Recipients are required to collaborate with the Ethics Manager, both with reports and by providing the company documentation necessary for carrying out the activities for which he is responsible. In case of doubt about the lawfulness of a certain behavior, its ethical negative value or the contrary to the Code of Ethics, the Recipient may contact the Ethics Manager.

2. Dissemination of the Code of Ethics

The Ethics Manager proceeds to disseminate the Code of Ethics to the Recipients, in the manner identified below:

- transmission - via e-mail and / or post and / or *brevi manu* delivery - to employees and collaborators of the Entity (with indication of the fact that the Code of Ethics is to be considered binding for all Recipients);
- publication: on the website;
- organization, whenever it deems it necessary and, in any case, at the first approval of an information and training meeting, to which all employees and collaborators of the Entity, the administrative body and the Board of Statutory Auditors will be invited to participate, aimed at illustrating of any ethically relevant news. A special report will be drawn up of the meetings, indicating the people who attended and the topics dealt with together with a program of the same and the issue of a certificate of attendance;
- information to external collaborators and suppliers regarding the existence of the Code of Ethics;
- verification of the inclusion, in the contracts stipulated by Special Flanges SpA, of a clause aimed at informing third parties of the existence of the Code of Ethics, of the following content: *“Code of Ethics: the Company, in conducting its business and managing its relationships, refers to the principles contained in its Code of Ethics, published on the Company's website. The violation of the provisions contained therein may also lead, depending on the seriousness of the infringement, to the termination to the detriment of this contract ”.*