

Code of Ethics and Conduct of Kab-Lem Group

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1 INTRODUCTION

The Kab-Lem Group's Code of Ethics and Conduct sets out the general principles and rules on which the company intends to base its organization and activities. This Code is addressed to all those who, even in practice, perform management, administration, direction, or control functions within the company, as well as to individuals subject to their management or supervision, such as employees, consultants, agents, attorneys-in-fact, and, in general, all third parties acting on behalf of the company in areas at risk of criminal offenses. The document includes fundamental principles regarding occupational health and safety, the protection of human rights, environmental sustainability, and social responsibility, in line with the company's values and applicable regulations. Kab-Lem recognizes these areas as an integral part of its business ethics and standards of conduct.

This document is delivered to all members of the corporate bodies, employees, and third parties to whom it applies.

2 GENERAL PRINCIPLES

2.1 Fundamental principles

Kab-Lem pursues its objectives in compliance with applicable laws and commonly recognized ethical principles, operating in a way that does not contradict social utility nor harm human freedom, safety, or dignity.

Kab-Lem requires all Recipients to act in full compliance with current legislation, adopting principles of legality, responsibility, professional integrity, transparency, competence, honesty, and fairness in business. Recipients of the Kab-Lem Group's Code of Ethics and Conduct, in the performance of their professional activities, are required to diligently comply with applicable laws, the Code of Ethics and Conduct, as well as with the Organizational Model and internal procedures. In particular, members of the Board of Directors and executives of the group's companies must act in accordance with the ethical standards set forth in this Code, setting an example for employees and demonstrating that compliance with the Code is a fundamental element of the quality of their work.

The Company is committed to maintaining an organizational structure adequate to prevent violations of applicable laws, the principles set out in this document, and the adopted procedures, ensuring their observance and practical implementation, as well as continuously and appropriately updating the tools in place. Any conduct aimed at violating the law, committing crimes as set out in Legislative Decree 231/01, or breaching the Organizational Model will be sanctioned in accordance with the adopted Disciplinary Code, which forms an integral part of the Model itself.

It is the duty of all Recipients to report to Kab-Lem's Supervisory Body (hereinafter also referred to as the "SB") any behavior that is, even potentially, aimed at or capable of violating the criminal laws applicable under Legislative Decree 231/01.

Furthermore, employees and members of corporate bodies are required to report to the SB any conduct that violates the Model.

2.2 Confidentiality and Respect for Intellectual Property

Recipients are required to preserve Kab-Lem's knowledge assets: they must not communicate, disclose, or use confidential information they have come to know during their work activities unless authorized. All confidential information must be managed, in compliance with applicable regulations, in ways that ensure maximum transparency towards the directly involved parties and inaccessibility by third parties, except for justified and specific business reasons. Kab-Lem operates in full respect of third-party intellectual property rights. Therefore, it is expressly prohibited for anyone acting on behalf of the Company to acquire and/or use in any way material or immaterial assets in violation of confidentiality obligations, licenses, trademarks, patents, copyrights, or other third-party intellectual property rights. Without prejudice to confidentiality obligations, internal communications within the Company and with public authorities requesting information in the exercise of their duties must be based on principles of transparency and full cooperation, so that information is transmitted in a complete, clear, and accurate manner. Kab-Lem also commits to ensuring the protection of personal and sensitive data in accordance with the European Regulation 2016/679 (GDPR) and applicable national laws.

Recipients are required to adopt behaviors compliant with internal policies on cybersecurity and data processing, ensuring that information is not disclosed, altered, or misused.

2.3 Conflict of Interest

Directors, employees, and seconded personnel working at the Company are required to act in the best interest of Kab-Lem.

They must therefore avoid any situation of conflict of interest, including those involving family members or relatives, that could compromise their independence of judgment.

Such situations must be reported to their direct supervisor and to the Supervisory Body (OdV).

In particular, any activities carried out in favor of parties outside the Kab-Lem Group must be communicated in writing.

2.4 Work Environment and Prohibition of Discrimination

Employee relations are based on merit and on the principles of objectivity, fairness, and equal opportunity, valuing individual skills and promoting professional development.

Any discriminatory acts based on gender, language, nationality, religion, personal or social conditions, personal opinions, or trade union membership are strictly prohibited.

Kab-lem promotes a work environment where, as far as possible, everyone is free to act in accordance with the precepts of their own religion, including with respect to prayer, the consumption of food and beverages, and the celebration of religious holidays.

2.5 Protection of Health and the Work Environment

Kab-lem conducts its business activities with primary regard for the health of all individuals who come into contact with the Company's workplaces, as well as for environmental protection.

The Company seeks to avoid, as far as possible, exposure to related risks or, in any case, to reduce such risks to the greatest extent possible, in line with available knowledge and technologies.

Recipients are required to comply with the Company's regulations regarding health and safety in the workplace and environmental protection.

2.6 Fair Competition

Kab-lem conducts its business activities in compliance with the principles of fair competition, a fundamental value for market development and the protection of consumer and community interests. The Recipients of this Code of Ethics and Conduct must refrain from any behavior that could damage the Company's reputation.

2.7 Social Responsibility

In addition to the other provisions contained in this document regarding the protection of work and workers, Kab-lem pursues the objective of effectively managing social and ethical impact issues within the framework of its strategic business vision.

To this end, the Company guarantees working conditions, within the context of its business environment, that respect the established principles of social responsibility; in particular, the Company commits itself—and requires the Recipients—to adopt behaviors aimed at:

- a) exclude child labor and forced labor;
- b) recognize working hours in accordance with current regulations;
- c) provide workers with fair and decent remuneration;
- d) guarantee freedom of association with trade unions;
- e) ensure workers' rights to protection through collective bargaining;
- f) guarantee workplace safety;
- g) ensure the healthiness of the workplace;
- h) establish a disciplinary system that respects the dignity of workers;
- i) prevent any form of discrimination based on gender, race, political, sexual, or religious orientation;
- j) prevent and condemn all forms of involuntary exploitation, both directly and indirectly through the Company's partners, suppliers, and collaborators;
- k) promote and protect women's rights in the workplace, ensuring equal opportunities for access, pay, professional development, and maternity protection.

3 SCOPE OF APPLICATION

3.1 Organizational Principles

Recipients acting on behalf of the Company in activities considered potentially at risk of committing offenses are required to ensure full compliance with the laws and regulations in force in the countries where they operate, as well as with the principles contained in this Code. Kab-lem promotes within its organization the dissemination of a culture based on the principles of legality, segregation of decision-making processes, responsibility and transparency, control of financial flows, and awareness of the positive contribution that internal controls bring to improving efficiency.

Employees and members of corporate bodies, within the scope of their functions, are responsible for defining and ensuring the proper functioning of the control system provided by the Model. The Company's supervisory and control bodies (board of statutory auditors, audit firm, and Supervisory Board) have free access to data, documents, and information necessary for carrying out their activities. Directors, managers, and employees of the Company are required to act with maximum availability, transparency, cooperation, timeliness, and professionalism towards the supervisory and control bodies. Under no circumstances are exceptions to this behavior permitted.

Kab-Lem is committed to complying with all national and international laws and regulations concerning export controls, trade restrictions, and economic sanctions, including those issued by the European Union, the United States, and the United Nations. Engaging in commercial relationships with sanctioned or restricted individuals or countries is prohibited, except with prior specific authorization from the competent authorities. The Company maintains an internal control system to verify compliance with these regulations.

3.2 Relationship with Employees

The Company aims to build a work environment that promotes adherence to the principles outlined here at all levels, including through targeted training, and requires senior managers and non-executive supervisors, each within their own area of responsibility, to adopt behaviors consistent with these principles. Furthermore, the Company:

- a) guarantees the physical and moral integrity of its personnel, as well as working conditions that respect individual dignity and healthy and safe work environments;
- b) carries out personnel selection based on the match between candidates' profiles and specific skills with the requirements and business needs arising from the requesting function, always respecting equal opportunities for all applicants;
- c) adopts criteria of merit, competence, and strictly professional standards for any decisions related to employment relationships with its employees and external collaborators; discriminatory practices in selection, hiring, training, management, development, and remuneration of personnel are expressly prohibited, as well as any form of nepotism or favoritism.

The Company is committed to ensuring that the predefined annual objectives within its organization—both general and individual employee goals—do not lead to unlawful behavior and are instead focused on achievable, specific, concrete, measurable objectives that are aligned with the expected timeframe for their completion. Employees must also refrain from:

- a) pursuing personal interests to the detriment of the Company's interests;
- b) exploiting Kab-lem's name and reputation for private purposes, and similarly using their position within the Company and information acquired during work for personal gain;
- c) using Company assets for purposes other than those intended;
- d) unnecessary consumption or irrational use of resources and means;
- e) disclosing to third parties or using for private or improper purposes information and news regarding Kab-lem or its scientific, technological, or commercial partners;
- f) performing work duties - even unpaid - that conflict with or compete against the Company;
- g) using technical or scientific information or knowledge in any way without proper and prior authorization;
- h) failing to respect, protect, preserve, and ensure the functionality of the assets made available to them.

3.3 Relationships with Partners, Clients, and Suppliers

In maintaining relationships with Kab-Lem's customers and suppliers, directors and employees must adhere to the principles and provisions of this Code.

The procurement of goods or services that are objectively or subjectively fictitious, or carried out for reasons of favoritism, is strictly prohibited.

Any procurement operations intended to influence the independence of public officials or persons entrusted with public service—whether in Italy or in other countries—are also forbidden.

The procurement of goods or services suspected, even minimally, to originate from criminal activities (such as theft, tax fraud, or infringement of patents, trademarks, or copyrights) is not allowed.

In dealings with customers, suppliers, or any other parties encountered for professional reasons, employees may not accept payments, gifts, or preferential treatment. Employees are required to inform their immediate supervisor of any such offers they receive.

Likewise, it is prohibited to offer or provide undue compensation, gifts, or favorable treatment exceeding symbolic value or unrelated to normal business courtesy, with the intent of unlawfully promoting the Company's interests.

Kab-Lem adopts all necessary measures to prevent counterfeit parts, materials, or products from entering its supply chain.

The purchase, use, or distribution of components of dubious origin or non-compliant with applicable regulations is strictly prohibited. The Company requires its suppliers to implement systems for traceability, authentication, and quality control to ensure the reliability of the products being marketed.

3.4 Relationship with Stakeholders

Kab-Lem is committed to conducting its business activities while ensuring ecologically sustainable development.

In order to protect and safeguard the environment, and in compliance with applicable regulations, the Company plans its operations in a way that balances economic initiatives with essential environmental needs. Kab-Lem does not make contributions of any kind, either directly or indirectly, to political parties, movements, committees, or political and trade union organizations, as well as to their representatives and candidates, except in the forms and manners permitted by applicable law.

3.5 Safety Management System

Kab-Lem is committed to taking all necessary measures to safeguard the physical and moral integrity of its workers and, in particular, to ensuring that:

- a) Business activities are carried out in full compliance with current regulations on worker health, hygiene, and safety, treating these aspects as a priority;
- b) Risks to workers are avoided as much as possible through the advancement of best available technologies, including the selection of the most suitable and least hazardous materials and equipment, in order to mitigate risks at their source;
- c) Inevitable risks are properly assessed and adequately mitigated through appropriate collective and individual safety measures;
- d) Worker information and training are widespread, up-to-date, and tailored to the specific tasks performed;
- e) Worker consultation is ensured, including through the Workers' Safety Representative (RLS), on matters of health and safety in the workplace;
- f) Timely and effective action is taken to address any safety needs or non-conformities identified during work activities, inspections, or audits;
- g) Adequate emergency measures are in place, including regular drills and evacuation procedures, to effectively respond to extraordinary events (fires, accidents, natural disasters, etc.);
- h) Procedures are implemented for reporting, recording, and analyzing accidents, incidents, and near misses, with the aim of defining effective corrective and preventive actions;
- i) The use, storage, and handling of chemical, biological, or hazardous substances are carried out in compliance with applicable regulations and updated safety protocols, to minimize exposure risks for both workers and the environment;
- j) Fire prevention measures are adopted, including fire protection systems, regular inspections, and specific personnel training;
- k) Work organization and operational aspects are managed in a way that safeguards the health of employees, third parties, and the communities in which the Company operates.

To achieve these objectives, Kab-Lem allocates organizational, instrumental, and financial resources with the goal of ensuring full compliance with current accident prevention regulations and the continuous improvement of workplace health and safety, along with the related prevention measures.

3.6 Environmental Protection

Within the framework of current environmental protection regulations, Kab-Lem is committed to adopting a comprehensive approach to environmental management, allowing environmental issues to be addressed in a global, systematic, consistent, and integrated manner, with the objective of continuously improving its environmental performance.

In particular:

- a) The Company conducts its business responsibly in order to ensure respect for the environment as a strategic value;
- b) The identification, analysis, forecasting, prevention, and control of the environmental impact of its activities are part of the procedures normally applied by the Company;

- c) The organization and environmental management model are constantly modified and updated, and environmental performance is improved in relation to changes in internal and external factor;
- d) Waste, energy consumption, and CO₂ emission reductions are considered both as tools to reduce environmental impact and as levers to improve efficiency;
- e) Initiatives from all actors within the organization are promoted and valued;
- f) Correct and transparent communication and interaction with external parties interested or involved in the Company's environmental performance are encouraged and supported.

To achieve these objectives, organizational, instrumental, and financial resources are allocated with the aim of ensuring full compliance with current regulations and environmental protection, as well as the prudent and rational use of natural resources.

For these reasons, the Company adopts a business approach based on the principles of precaution, preventive action, and, where necessary, correction of environmental damage risk..

3.7 Financial and Accounting Responsibility

Kab-Lem is committed to ensuring the accuracy, transparency, and traceability of accounting and financial records, in compliance with applicable regulations and international accounting standards. All operations and transactions must be duly recorded, authorized, verifiable, legitimate, consistent, and supported by adequate documentation.

Any behavior aimed at altering, falsifying, or omitting relevant accounting data is expressly prohibited.

4 WHISTLEBLOWING POLICY

Anyone who identifies or becomes aware of possible unlawful conduct or irregularities committed during work activities, or that may impact them, is required to promptly report any facts, events, or circumstances they believe have caused such violations and/or behaviors inconsistent with the Group's principles.

Reports may be made anonymously and must be documented and detailed, providing useful and adequate information to allow for appropriate verification of the validity of the reported facts. In the case of a non-anonymous report, Kab-Lem is committed to ensuring the confidentiality of the whistleblower.

Reports can be submitted through:

- sending an email to odv@kablem.com;
- a written letter addressed to Kablem Spa, attention to the Plant Manager, who will forward the report to Kab-Lem.

4.1 Confidentiality and Prohibition of Retaliation

Encouraging Recipients to report unlawful conduct or irregularities, Kab-Lem guarantees the confidentiality of the Report and the data contained therein, as well as the anonymity of the Whistleblower or anyone who submitted it, even if the report later proves to be inaccurate or unfounded.

Kab-Lem reserves the right to take appropriate measures against anyone who carries out or threatens to carry out retaliatory acts against those who have submitted Reports in accordance with this Policy, without prejudice to the rights of affected parties to seek legal protection if criminal or civil liability is established concerning the falsity of statements or reports made by the Whistleblower.

5 INVESTIGATION ACTIVITIES BASED ON REPORTS

The activities of verifying the validity of the circumstances reported in the Notification fall within the competence of the Supervisory Body of Kab-Lem, which is entrusted with a prompt and thorough investigation, in compliance with the principles of impartiality, fairness, and confidentiality towards all parties involved.

At the end of the verification phase, a summary report of the investigations carried out and the evidence gathered is prepared and, based on the results, shared with the relevant corporate functions to define any intervention plans to be implemented and the actions to be taken to protect Kab-Lem.

If, at the end of the analysis, there emerge either the absence of sufficiently detailed elements or, in any case, the unfoundedness of the facts reported in the Notification, the latter will be filed, together with the related reasons, by the Supervisory Body.



Giuseppe Mendolia
Kab-Lem Group CEO