



CODE OF ETHICS

GROUP'S CODE OF ETHICS

according to Legislative Decree no. 231/2001



Revisions index

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Introduction

The administrative liability of public corporations has been introduced in our legal system since Italian Legislative Decree No. 231/2001 became effective, and it concerns the crimes committed by company executives or their subordinates, in the interest or for the benefit of the company. Nevertheless, according to the rule, a company that can prove the existence of a precondition foregoing the perpetration of the crime, can be released from the administrative liability arising from criminal offences; one of such conditions is the adoption of a Code of Ethics addressing the specific crimes provided for by the Decree. Despite Legislative Decree 231/01 not providing for a specific "group interest" discipline, the Group representatives (as defined below) have decided to implement and enforce this document, which binds all recipients, identified below.

In fact, by resolution of the Board of Directors, the Parent Company MER MEC S.p.A. has approved this Code of Ethics, providing that it is also applicable to the companies it controls or participates in, more fully described in the attached document Annex 1) (jointly referred to as the "**MER MEC Group**" or the "**Group**"), subject to adoption by the respective governing bodies, with the aim of:

- **promoting a joint approach towards stakeholders;**
- **Preventing an unethical business behaviour;**
- **Increasing the company's good standing and image;**
- **Regulating in a clear and unambiguous manner the performance of activities according to Ethical and Social Responsibility requirements, committing to involve the entire supply chain on these issues.**

This Code of Ethics shall apply to all MER MEC Group companies (hereinafter "**MER MEC Group Companies**" and/or "**Companies**"), and to any company controlled by it and/or connected to it.

According to the aforementioned objectives, MER MEC Group's Code of Ethics was divided into seven chapters:

- **Two chapters describe the "general principles" and "ethical principles and values",** including the general principles of conduct MER MEC Group's Employees, Corporate Bodies, Agents, Consultants, Outside Contractors and Partners shall comply with;
- **Three chapters ("Rules of Conduct in the Relations with Employees", "Rules of Conduct in the Relations with Customers", "Rules of Conduct in the Relations with Suppliers")** concern the specific conduct required by MER MEC Group's Employees, Corporate Bodies, Agents, Consultants, Outside Contractors and Partners, to refrain from committing the penal offences provided for by Legislative Decree No. 231/2001;
- **Two chapters describe the Code of Ethics' implementation.**

1 GENERAL PRINCIPLES

1.1 The mission

This Code (hereinafter referred to as the “**Code of Ethics**” or “**the Code**”) expresses the commitments and ethical responsibilities in the conduct of business and company activities undertaken by anyone working for or with MER MEC Group, whether employees, consultants of any kind, directors or members of corporate bodies.

The Companies operate in various sectors, including railway and industrial research and industrialization, space, aeronautics, telecommunications, cyber security, IoT, sustainable micro-mobility sector and vending industry Digital Transformation application and solution design.

The purpose of MER MEC Group’s mission is to:

- Gain TECHNOLOGICAL and MARKET leadership in each business sector;
- Create and spread “culture & practices” to build an excellent social and work environment.

1.2 MER MEC Group’s values

MER MEC Group objectives are pursued by all those who work for and with the Company through fairness, integrity, honesty, competence and transparency, according with all applicable laws and regulations, and taking full compliance with the following company values into account:

- **EXCELLENCE.** Excellent people create excellent products and services, towards customers, the environment and the community. This is why people represent the true strength of MER MEC Group.
- **SOLIDARITY.** Being competent men and women is not enough to join MER MEC Group; to achieve great things, you must first of all be able to look at other people and your team,, and prove to be materially and morally ready to support and help each other.
- **INTEGRITY.** Integrity is a fundamental element of our company’s professionalism and culture, and it should be pursued in every interaction with customers, partners, colleagues and collaborators. The very success of MER MEC Group should be the result of a common, honest and transparent action.

1.3 MER MEC Group’s social commitment objectives

The main objectives the Group has set regarding social commitment include:

- Continuing to operate in compliance with the applicable mandatory requirements regarding labour, health and safety;
- Upholding compliance with mandatory requirements and International Labour Organisation hereinafter ILO recommendations regarding discrimination, right of association, forced labour, child labour, salary, working hours;
- Being involved in the ethical and social management of the Group's suppliers;
- Improving the internal satisfaction of employees and other stakeholders.

In carrying out their mission, the Companies are committed to creating an environment characterized by:

- **COMMITMENT TO THE CUSTOMER.** MER MEC Group's success depends on its perception of the market needs, by taking in its Customers' aspirations and targets. The Companies establish long term relations with their Customers by working side by side with them, and gaining their trust over time.
- **SOCIAL COMMITMENT.** By being socially committed, MER MEC Group means to hold the effects of its behaviour on the environment and in the relations with Human Resources, the Community, its trading Partners, its Customers and the Institutions in the highest regard. The Companies' reputation is based on their ability of standing by their promises, and taking responsibility for their own actions. MER MEC Group strives to have all of its choices and decisions ruled by the highest ethical principles, upon which its reputation is founded.
- **TEAM WORK.** MER MEC Group can achieve great goals by working in teams with shared targets. MER MEC Group recognizes and appreciates all ideas, being aware that everyone has an important role within the Group. It encourages open comparisons and the commitment to achieve an unanimity of intentions. MER MEC Group's strength lies in its people; human resources' passion, talent and commitment are the secret of the Group's success. MER MEC Group has created an environment based on dignity and respect, placing human resources at the core of the company's strategic priorities, and regarding it as the most important aspect.
- **SENSE OF CHALLENGE.** Creativity and continuous search for innovation make all the difference. MER MEC Group is able to compete with honesty and professionalism. It can seize the opportunities that challenges can offer, without giving in to hidden setbacks. MER MEC Group is proud to work on the technology frontier, learning by everybody, meekly and strongly, every single day, all life long, and pursuing the way of excellence.

1.4 Il Codice Etico e la sua applicazione

The Code of Ethics is directed, with reference to each Group Company, to the corporate bodies, employees, consultants and collaborators in any capacity, representatives and any other person who may act in the name and on behalf of the Companies themselves (so-called Recipients). The principles and contents of the Code of Ethics are valid both in Italy and abroad, with the adaptations that may be necessary due to the regulatory, religious, cultural and social specificities of each country in which MER MEC Group companies operate. The governing body of each of MER MEC Group Companies has deemed appropriate and necessary

to adopt and implement a Code of Ethics expressing the values to which all directors, employees and collaborators of any kind shall conform; by accepting responsibilities, structures, roles and rules for whose violation, they are personally liable inside and outside the Group Companies, even if no third party liability of the Company is implied. Therefore, knowledge and observance of the Code by all those who work for Group Companies are the main conditions for maintaining transparency and the reputation of each Company and the Group itself. Furthermore, the Code will be continuously brought to the knowledge of:

- Employees, through internal training courses;
- Customers, suppliers and other stakeholders.

Within the internal control system, the Code represents the basis and the reference point, both of the 'Preventive Organization, Management and Control Model', and of the disciplinary system for violation of the rules established by the Code, which have been adopted by each Group Company in compliance with Articles 6 and 7 of Legislative Decree No. 231/2001, and on the basis of the Code drawn up by Confindustria (the Italian Manufacturer's Federation) in compliance with Articles 6(3) of the aforementioned Decree. Group Companies directors and employees are responsible for supervising the enforcement of the Code, and shall report any non-compliance or failure to the special "Supervision Body" appointed by the administrative body of each Group Company, or, for those who do not adopt the model pursuant to Legislative Decree 231/01, to the administrative body, as well as to the HR Function.

Enforcement of the Code and its implementation is supervised by the administrative body of each Group Company, and by the Company Management (division leaders, managers, company executives), who may also put forward proposals for integration or amendment of its provisions.

Moreover, the administrative body of each Group Company will be tasked to bring the Code up to date in order to adjust it to any new important regulation and to the development of civic awareness. As regards the offences provided for by Legislative Decree No. 231/01 and amendments thereof, a Supervision Body on the Code of Ethics has been established to verify the operation and effectiveness of the "Organization, Management and Control Model" adopted by each Group Company for the prevention of the aforesaid offences (hereinafter referred to as the "**Model**"), or, for those who do not adopt the Model pursuant to Legislative Decree 231/01, to the administrative body, as well as to the HR Function.

As a result of the foregoing, no employee will be criticized or penalized in the event of business losses attributable to compliance with the Code, nor will anyone who in good faith reports situations that, following more careful investigations, should prove to be untrue.

This Code of Ethics will be available on a company platform in all MER MEC Group companies.

The Code represents an essential element of corporate life and, for this reason, its violation will be equated with the violation of the rules contained in the National Collective Labour Agreement in force for the sector, and the Workers' Statute, with the consequent adoption of disciplinary measures, whose gravity will be proportionate to the seriousness of the violation.

For clarifications on how to report any violations of the Code, see Section 7.

2 ETHICAL PRINCIPLES

Unethical behaviour in business compromises a trustful relation with third parties. Therefore, MER MEC Group choices and models of conduct draw inspiration from the rules expressed in the following chapters of this Code, in order to compete on the market in an effective and fair way,, to improve customer satisfaction, to provide added value to its Stockholders, and to develop and foster the competence and professional growth of its human resources and it inspires its choices and rules of conduct with the principles expressed in the following chapters of this Code of Ethics.

2.1 Fairness

MER MEC Group's unavoidable principle is the strict compliance with the laws and rules in force in all the Countries it operates in.

Therefore, in order to conduct businesses and achieve the company targets, safeguarding fair competition and refraining from collusion, the Companies directors and employees, along with everyone working with the Group, for any purpose whatsoever, , are required, within the limits of their own competence, to familiarize with and observe the laws and regulations in force in all the Countries where the Group operates, together with the Code of Ethics and the internal rules. Relations between anyone working for a Group Company and the Authorities shall be marked by extreme fairness, transparency and collaboration, in full observance of all applicable laws and regulations, and respecting institutional roles. On no account the attainment of the Group and/or of the Companies interests can justify a dishonest conduct.

2.2 Fairness in case of Conflicts of Interest

All the situations where the subjects involved may even just appear in a conflict of interest should be avoided in the performance of all activities. From this view point, members of Company management, auditors, employees and any type of collaborator shall avoid any situation and any action in which their personal interest could clash with the Company's interest, or which could interfere or hinder the ability to make objective and impartial decisions in the interest of the company. Should any conflicts of interest arise, besides being in contrast with applicable laws and the principles set out in the Code, those would also prove to be detrimental to the Company's image and integrity. Executives, auditors, employees and collaborators shall therefore rule out any possibility of overlapping or interlocking the economic activities and the offices they hold within the Companies, by taking advantage of their job roles, on the basis of a logic of personal and/or family interest. (See also Section, 3.8. "Employees' Duties").

2.3 Confidentiality and privacy

MER MEC Group and its Companies act in the full observance of the General Data Protection Regulation 679/2016 'GDPR' and of Legislative Decree no. 196 of 30 June 2003 'Personal Data Protection Code' as amended and supplemented (jointly, 'Privacy Legislation'), guaranteeing the confidentiality and protection of the privacy of data subjects, by keeping all information acquired confidential, and refraining from searching for any reserved data, unless if expressly authorized and in compliance with the rules in force. MER MEC Group employees shall use any confidential information acquired for no other purpose than performing their business activity, as in the case of insider trading.

When processing personal and sensitive data of candidates and consultants (natural persons), MER MEC Group and its Companies will apply the provisions of the GDPR Regulation (and amendments thereof). Concerning its employees, in addition to compliance with the aforementioned legislation, reference is made to Section 3.6 (Privacy Policy).

'Confidential data or information' means an information that is not - or is not yet - in the public domain, and relates to trade secrets, business, marketing and service plans, consumer opinions, design and manufacturing ideas, customer lists, or unpublished financial or other data.

2.4 Human Resources value

MER MEC Group's employees are a fundamental element for the company's success. To this extent, MER MEC Group safeguards and promotes the value of human resources with the aim of improving each collaborator's skills, wealth and competitiveness.

To this end, MER MEC Group is committed to promoting positive working conditions and a work/private life balance (see Section 2.8.5, Positive Working Conditions and Work/Private Life Balance).

2.5 Cultural plurality

The international vocation of MER MEC Group makes cultural plurality a fundamental and essential characteristic of its action. MER MEC Group staff lives alongside local communities, respecting their values and traditions, opening up to diversity, and considering it a factor of enrichment and improvement.

MER MEC Group is aware that it contributes, even indirectly, to the economic and social development of the communities in which it operates and pays the utmost attention to carrying out its activities to foster and promote this aspect. It recognizes the importance of respecting society in its work, and is set on acting in a sustainable way, by limiting, wherever possible, its impact on the territory, respecting the human and cultural rights of the communities, and committing to contribute to their fulfilment. In this context, MER MEC Group considers the establishment of a continuous and proactive dialogue with local communities of primary importance, in order to analyse and meet their needs.

In this sense, MER MEC Group favours the construction of multi-ethnic work environments, in which (personal and cultural) differences are considered a resource and an indispensable element for the business sustainability.

MER MEC Group respects everyone's dignity and offers equal opportunities without distinction of race, colour, gender, religion, nationality, political opinion, sexual orientation, social status, age and any other condition not related to the requirements necessary for covering a work position.

The Companies will produce a series of annual reports aimed at highlighting the various improvements made in the Diversity management area.

MER MEC Group favours and promotes international mobility and development, in order to allow for an integration of cultures.

2.6 Authority equity

Hierarchic relations inferring from agreements – especially with employees - shall be safeguarded by MER MEC Group in order to have an impartial and correct practise of authority, avoiding any abuse. In particular, MER MEC Group shall guarantee that no authority becomes harmful to the collaborators' dignity and autonomy, and that the choices concerning work organization safeguard the collaborators' value.

2.7 Individual integrity

MER MEC Group guarantees the moral and physical integrity of its employees (Section 3.7, Individual Integrity and Protection), working conditions that safeguard individual dignity and safe and healthy workplaces. Therefore, MER MEC Group shall not tolerate any request or threat aimed to persuade people to act against law or against the Code, nor any behaviour that might harm personal and moral opinions and preferences. Any employee or outside contractor who deems to have been the object of harassment or any kind of threat, can report it to the Supervision Body of the relevant Company, or, for those not adopting the Model pursuant to Legislative Decree 231/01, to the administrative body, as well as to the HR Function, that shall evaluate the actual breach of the Code.

MER MEC Group guarantees to all its employees the same opportunities and expressly forbids whatsoever expression of authority and cooperation abuse. A breach refers to any behaviour that consists of requiring, inducing or offering performances, personal favours or other benefits that could damage other people's dignity, professionalism and autonomy.

For this purpose, any act aimed at psychological violence, or discriminatory attitudes and behaviours that injure a person and their beliefs, convictions or preferences are strictly forbidden.

The Group condemned whatsoever form of sexual harassment, therein included, as an example:

- The subordination of important decisions related to the recipient's career or working life at the acceptance of sexual favours;

- The proposal of interpersonal private relationships carried out notwithstanding the expressed, or reasonably possible, absence of the receipt's liking, which – in relation to the specificity of the situation – is able to upset the serenity of that person, with objective involvements to their working conditions;
- Sexual behaviours and speech that could upset sensitivity and the sense of modesty.

The recipients of the Code, as stated by national and international regulations, shall abstain from carrying out unlawful behaviours, such as offences against individuals, human trafficking, or child pornography. In particular:

- Reduction or maintenance in slavery or in servitude;
- Child prostitution;
- Child pornography;
- Detention of pornographic material;
- Tourist initiatives to exploit child prostitution;
- Human trafficking;
- Slave trade.

MER MEC Group carries out its activities in concordance with all national and international rules in force protecting the working conditions, in respect of human and personal dignity, favouring the consolidation of the employees' culture and safety at the workplace, through the diffusion of a suitable informative that develops a risk-related consciousness, making them responsible for individual behaviours.

All MER MEC Group employees and outside contractors shall work with professionalism, transparency, correctness and honesty, following the company purposes, in conjunction with their colleagues, supervisors and co-workers, and in accordance with the rules stated in this Code.

Pursuant to the laws in force, MER MEC Group expects its collaborators to refrain from acting or behaving in a way that could facilitate the perpetration of an offence, with terrorism and democracy subversion purposes, while carrying out their duties.

MER MEC Group and its employees and collaborators are committed to observe all national and international laws and rules on money laundering.

2.7.1 *Child labour*

MER MEC Group rejects any form of use and/or exploitation of children and/or child labour, as defined and governed by the regulations in force internationally and by each Country in which it carries out its activity, and, more generally, it promotes and applies the more favourable provisions on children and/or child labour

and/or. It follows that MER MEC Group excludes any form of collaboration or supply with companies that do not respect and protect minors' rights. In particular, MER MEC Group:

1. Does not resort to or support the use of child labour;
2. Establishes, documents, maintains and effectively communicates written policies and procedures to staff and other interested parties to remedy child labour situations, and provide adequate financial and other support to enable the children involved to attend school and remain there until they no longer fall within the definition of a child;
3. Can employ young workers, however, if they are subject to compulsory education, they must only work outside school hours, in compliance with current legislation. Under no circumstances must the total hours spent between school, work and travel exceed 10 hours a day, and under no circumstances must young workers work more than 8 hours a day. Night work is not allowed;
4. Does not expose children and young people to situations of danger, risk or harmful to health, both inside and outside the workplace.

Therefore:

1. The body responsible for hiring policies vetoes hiring and/or limited collaborations (e.g., occasional work) with personnel under the age of 18 and notifies such prohibition during staff meetings;
2. The corporate bodies in charge of and authorized to deal with suppliers transfer this requirement to them, and the latter undertake to comply with it.

2.8 Human Rights, fundamental labour rights and freedom of association

MER MEC Group operates in an international global market that is posing new challenges.

The Companies want to strengthen the dialogue on human rights and fundamental labour rights – and freedom of association in particular - in order to support the sustainable growth of activities and satisfactory working conditions for their employees.

The following provisions apply to Group Companies and to their subsidiaries and associates, taking into account the local legal framework of each Country in which they operate.

These provisions are not intended to replace national legislation and/or national or company collective agreements currently in force, or which may be negotiated in the future if their provisions are more favourable.

The following provisions may in some cases be more favourable than national legislation. In such cases, MER MEC Group will try to promote and disseminate them throughout the entire organization and supply chain.

2.8.1 Human Rights

MER MEC Group reaffirms its commitment to respect United Nations guidelines on business and human rights, to avoid violating human rights, and to try and remedy the harmful effects in the conduct of its activities on human rights. It will take reasonable measures to fight and mitigate any violations and remedy them where appropriate.

MER MEC Group reaffirms its commitment to respect the provisions of the International Labour Organization Declaration on Fundamental Principles and Rights at Work (1), including freedom of association and, in particular, the right of all employees to organize, join a trade union and conduct collective bargaining. MER MEC Group reaffirms its support to OECD guidelines for multinational companies, and the ILO Tripartite Declaration of Principles on Multinational Enterprises and Social Policy (MNE Declaration - 5th edition 2017).

MER MEC Group declares to comply with all national labour laws, collective agreements and health and safety regulations, as well as internationally recognized legislation and human rights in all the markets in which each Company carries out its activities.

MER MEC Group reaffirms its commitment to guaranteeing correct working conditions throughout the Group, taking into consideration local laws and labour standards and the national collective agreements in force.

MER MEC Group reaffirms its commitment to eliminate discrimination in employment relationships and, in particular, to hire women and men on the basis of their specific skills, treat every person with dignity, and avoid discrimination based on age, social background, family situation, gender, sexual orientation, disability, political, trade union or religious opinion, or actual or presumed belonging to an ethnic group or nation in accordance with ILO Convention 111.

The fundamental ILO Conventions are:

1. Convention 87 - Freedom of Association and Protection of the Right to Organise, 1948;
2. Convention 98 - Right to Organize and Collective Bargaining, 1949;
3. Convention 29 - Forced Labour, 1930;
4. Convention 105 - Abolition of Forced Labour, 1957;
5. Convention 138 - Minimum Age, 1973;
6. Convention 182 - Worst Forms of Child Labour, 1999;
7. Convention 100 - Equal Remuneration, 1951;
8. Convention 111 - Discrimination (Employment and Occupation), 1958.

2.8.2 *Trade Union Rights*

In order to enable employees to exercise their freedom of association - and the right of all employees to organize, join a trade union of their choice and undertake collective bargaining in particular -, MER MEC Group will take all necessary measures to ensure that:

- a) Managers, in all Countries, create a free and open working environment for exercising the right to freedom of association, without opposing the employees who join a union or exercise their rights as union members;
- b) Managers, in all Countries, reaffirm their commitment to maintaining a work environment in which employees are free from intimidation, harassment or reprisals and retaliation when exercising their rights. MER MEC Group recognizes the right of employees to freely choose a union, and shall communicate its position of neutrality to all employees. MER MEC Group will not hinder the recognition or representativeness of the union. Trade unions will be recognized, provided they use the relevant legal procedures and that they meet the legal requirements for recognition established by the relevant national law;
- c) Once MER MEC Group Companies recognize a trade union, its managers will ensure a positive approach to industrial relations and will engage in collective bargaining, acting in good faith and seeking to reach agreements with trade union representatives.

Trade union meetings with employees of the Companies, to discuss participation in a trade union, may take place at the employer's premises and will be organized in such a way as not to interrupt company activities. No addendum will affect local regulations on the matter.

2.8.3 *Fight against sexual harassment*

According to the ILO, sexual harassment is a form of discrimination within the meaning of Convention 111 - one of the fundamental conventions of the ILO. Convention 111 states that all human beings, regardless of their race, religion or sex, have the right to pursue their material well-being and spiritual development under conditions of freedom and dignity, economic security and equal opportunity.

MER MEC Group wants to make sure that all employees are aware of what constitutes sexual harassment, so that they fully understand what is expected of them, know how to report any issues, and are able to describe allegedly harmful acts in complete safety.

Sexual harassment is a form of violence that affects women and men in the workplace. The Group also intends to contrast sexual harassment based on sexual orientation (lesbian, gay, bisexual, transgender and intersex), regardless of the seniority of the employee or the type of employment contract they hold within the Companies, and to manage harassment in the same way.

Sexual harassment violates the principle of equality and damages working relationships. It can take on different forms:

1. Insults, comments or inadequate insinuations about clothing, physique, age, etc.;
2. Condescending attitudes with offensive sexual implications;
3. Sexual invitations or inappropriate implicit or explicit requests, whether accompanied by threats or not;
4. Gestures that could be deemed to be of a sexual nature;
5. Unjustified physical contact, such as groping, caressing, pinching or physical aggression;
6. Creation of a work environment that does not respect sexual orientation and any other individual diversity;
7. The affirmation of sexual or romantic relationships as a condition for employment-related matters (including hiring, compensation, promotions, access to meetings or other job opportunities and career development in general).

MER MEC Group is determined to take the necessary measures to mitigate the risk of sexual harassment in the workplace.

In relation to this commitment, the Group respects the laws and national or company collective agreements. Some provisions of the Code of Ethics may be more favourable than national regulations. In such cases, MER MEC Group will seek to promote more beneficial principles recognized by this Code for fighting workplace sexual harassment. This commitment is based on the efforts made by the Companies to promote the diversity and inclusion of people in the workplace, regardless of gender, age, ethnic origin, disability or sexual orientation.

In addition, MER MEC Group will combat sexual harassment perpetrated by customers and subcontractors, placing the well-being of its employees at the top of its priorities.

MER MEC Group sponsors the creation of a positive work environment by promoting best practices and concrete actions.

MER MEC Group and its Companies undertake to adopt and apply specific global regulations and internal procedures aimed at preventing harassment, bullying, sexual harassment and retaliation in the workplace. According to such rules and procedures, MER MEC Group and the Companies:

- Shall properly investigate all reports of sexual harassment; sexual harassment constitutes a violation which, following an appropriate investigation, may be subject to disciplinary procedures, regardless of their seriousness. Such violations will involve the adoption of formal disciplinary actions;
- Shall inform all employees about the aforementioned regulations and procedures, as well as about the responsibilities incumbent on them, and shall organize training initiatives on these issues.

2.8.4 Fight against discrimination and promotion of diversity

MER MEC Group fights discrimination by promoting diversity, equal opportunities, recruitment, attention to disabled workers, as well as respect for equality between women and men.

Diversity can be reflected in the differences in gender, age, origin, culture, sexual orientation, nationality, opinions and beliefs, disability, family situation, education and trade union membership.

Under no circumstances may the above differences influence hiring, training or career management and development decisions.

The Group will strive to increase diversity within its teams and at all levels, especially at executive and management level.

MER MEC Group intends to continue and further develop its policy of welcoming employees with disabilities, through hiring, integration, retention and career development.

MER MEC Group is committed to promoting professional equality between women and men.

The principles of equality between women and men and non-discrimination based on gender will be respected and promoted, in particular with reference to selection and recruitment procedures, the distribution of tasks, promotions, remuneration and professional training. These principles also apply to any changes in working conditions, social benefits, termination of employment contracts and any other matter affecting the work life.

2.8.5 Positive working conditions and work-life balance

The new global context presents an increasing number of challenges, resulting on one hand from socio-demographic changes, and, on the other, from the digital evolution, which is changing many aspects of daily life and the way we work.

The socio-demographic changes underway influence people's needs and expectations in terms of work/private life balance.

At the same time, the technological and digital evolution has triggered sudden changes in people's habits with regard to professional and private life, also leading to new opportunities for flexibility at work.

In light of the current context, MER MEC Group recognizes that an adequate and proportional balance of the various aspects of people's lives has a positive impact on the workplace, commitment, productivity and sense of belonging to the Group, and also improves the employees' quality of life and well-being.

The Group Companies intend to define a global approach on work-life balance, identifying guidelines and shared principles aimed at conducting a social dialogue in all the countries in which they operate, in full compliance with national labour legislation and the legal context and negotiation.

MER MEC Group recognizes that the promotion of coherent actions and behaviours at all levels of the company organization - starting with executives and managers - is the basis for moving towards a corporate culture oriented towards a balance between work and private life.

2.8.6 *Communication and training*

MER MEC Group recognizes the importance of training and communicating to all staff the commitments undertaken in the field of human rights and fundamental labour rights through various initiatives, including the communication and publication of news on local Intranets. To reach the widest possible audience, MER MEC Group companies have translated and will translate the documents into English and, where necessary, into the local languages of the Countries the Group is active in.

Training is designed to encourage the acquisition of skills by the staff, and this is why courses for new hires (induction) will include a section on human rights and fundamental labour rights, in the context of training pursuant to Legislative Decree 231/01.

2.8.7 *Monitoring and transparency*

MER MEC Group is aware of the importance of a control system that guarantees that human rights and fundamental labour rights' performances are monitored, and any risks and negative impact on them is properly monitored and managed accordingly.

MER MEC Group will implement monitoring systems managed by the competent functions, which will measure the progress made and identify any gaps.

The issues relating to human rights and fundamental labour rights will be subject to an annual review in December and regularly updated on the basis of internal and external changes (for example, publication of new national and international legislative frameworks, modification or integration to Fundamental ILO conventions mentioned above and further new ones, development of internal improvement actions and more).

2.9 Products and services quality

MER MEC Group's activity is oriented towards the customers satisfaction and the fulfilment of those requests that can increase products and services quality. For this reason, MER MEC Group addresses its research, development and trading activities to high quality standard services and products.

2.10 Environmental protection, Health and Safety

The environment is a primary asset and the Group Companies are committed to safeguarding it; to this end, they plan their activities by seeking a balance between economic initiatives and essential environmental needs, in consideration of the rights of future generations. MER MEC Group undertakes to improve the environmental and landscape impact of its activities, as well as to prevent risks for the populations and the environment not only in compliance with current legislation, but taking into account the development of

scientific research and of the best experiences in the field (refer to Sections 5.4, 5.5 and 5.6)

The aforementioned commitment is also aimed at safeguarding the work environment and the health and safety of its employees and collaborators (Section 3.5, Health and Safety, Work Environment). MER MEC Group guarantees a safe and healthy workplace and adopts measures to prevent any accidents, injuries or illnesses that may occur as a result of, in relation to, or during the performance of the work. It must reduce or eliminate, as far as reasonably possible, the causes of all risks present in the workplace, taking into account the prevailing knowledge of the sector and any specific risk.

Employees, collaborators and business partners are required to safeguard, within reasonable limits, themselves, their colleagues and anyone who may be affected by their activities, as well as to comply with the corporate procedures issued on these issues in order to prevent, eliminate and reduce the associated risks. to carry out the activities.

2.11 Information security

MER MEC Group recognises that digital and computer technologies represent a strategic element for business success, but at the same time entail significant risks in terms of security breaches, misuse of information and unlawful access to computer systems.

The Group, therefore, undertakes to protect the security and integrity of information systems by taking all necessary measures to guarantee protection against unauthorised access, alteration and destruction of company information, as well as to cooperate with the authorities to identify and prosecute those responsible for conduct contrary to these principles.

2.12 Gifts, giveaways, benefits

MER MEC Group prohibits all forms of gifts that go beyond the normal business courtesy practice or aimed at getting preferential treatment in any kind of activity connected to the Group Companies.

This rule includes both promised or offered and received gifts and it applies without exception even in those countries where giving presents to business partners is a custom; a gift is any kind of benefit (attending a convention out of charge, the promise of a job offer, etc.). In any case, MER MEC Group Companies refrain from practices that are not permitted by law, by commercial practices or by the ethical codes - if known - of the companies or entities with which they have relationships.

MER MEC Group giveaways are aimed at promoting the brand image. All the presents offered – except when insubstantial - must be properly reported in order to enable controls and to be authorized by the person in charge.

2.13 External communication

MER MEC Group's communications with the press and social media is based on the respect of the right to information; no dissemination of false or biased news or remarks shall be allowed. All communications shall comply with the law, the rules and the professional conduct practices and they shall follow the principles of truthfulness, fairness and timeliness, safeguarding the company information and industrial secrets. All press releases are available at the internet site [MERMEC Press Room](#).

MER MEC Group and its employees are legally responsible for communications in electronic format (e-mail) and for the improper use of the Internet. Digital communications have the same value as a letter or document written on headed paper, and are legally binding. Please refer to Section 3.8 (Employees' Duties).

On occasions in which we are called to publicly represent the Group and/or the Companies that are part of it and associated or controlled by them, it is necessary to adopt a degree of integrity equal to that required at work.

Only appointed and accredited spokespersons are authorized to speak with our interlocutors on behalf of MER MEC Group and in relation to aspects concerning the Group Companies and their associated and controlled companies, our products and services, our financial results and our expectations.

On an individual level, employees are free to communicate with these interlocutors, without making comments or giving the impression that their views are those of MER MEC Group.

2.14 Internal communication

MER MEC Group promotes internal communication actions, considering it an instrument of knowledge and dissemination of corporate strategies and capable of encouraging the involvement of people in the achievement of objectives.

MER MEC Group also favours the collection of contributions and feedback from people to take actions to continuously improve their communication skills.

2.15 Fair competition

We act loyally and honestly towards competing companies, observing all competition and antitrust laws (Section 5.7, Antitrust and Regulatory Bodies). We are all required to observe the following rules:

- Do not exchange - under any circumstances - sensitive commercial information (prices, production data, sales volumes, market shares, strategy or costs) with competing companies;

- Do not try to acquire - under any circumstances - information on competitors using unfair means;
- Do not participate - under any circumstances - in monopolistic or collusive commercial procedures, or to abuse our position on the market;
- Refrain from competing unfairly, for example, by making false or misleading remarks or statements about the Companies and the entire Group, our competitors or our or their products.

2.16 Political Neutrality

We do not subsidize political parties in any Country or for any cause that may harm the reputation of our Business Units or any Group Company. Therefore, we avoid offering or receiving gifts, contributions, loans and other benefits in kind to / from political parties or movements related to and/or related to them.

2.17 Administrative and Accounting Management

MER MEC Group abides to laws and, in general, to every applicable regulation when drafting its financial statements or any other compulsory administrative and account documentation. Every action and operation must be properly registered, authorized, verifiable, legitimate, coherent and fair.

Every MER MEC Group action and operation must be duly recorded, and the decision, authorization and development process must be readily verifiable. Each operation must be accompanied by a proper documentation in order to be able, at any time, to achieve the implementation of controls indicating the characteristics and motivations and to identify which person did authorize record and verify such operation. Information, economic data which are included in periodic reports and /or in general or analytical accounting, should follow the principles of transparency, fairness, accuracy and completeness.

All recipients are required to give full cooperation in order to management facts shall be properly and timely managed in a corporate accounting.

2.18 Intellectual property

Intellectual property is an important business asset. Our brands identify high quality products and services and are easily recognizable in the international market. The use of trademarks, patents and copyrights allows us to protect our ideas, differentiate our products and give greater value to our products and services, generating an expectation of higher quality and guaranteeing exclusivity in the Countries of registration.



We also respect the patents, copyrights and trademarks of our suppliers and competitors, as well as the confidentiality of all interlocutors with whom we work. We do not profit from third party intellectual property.

2.19 Transparency

MER MEC Group believes that transparency is an important aspect in every area of its corporate activities, including those that have impacts relating to human rights and fundamental labour rights. To communicate on social and environmental issues and to promote a culture of awareness and respect for them, the Group has adopted the following initiatives:

- Dissemination and updating of information addressed to the public on the commitments of MER MEC Group in the field of human rights, activities and data on the corporate website;
- Intranet section for employees dedicated to the Group's commitment to them;
- Use of the newsletter: "MER MEC Chronicles", present on the Intranet and also translated into English.

2.20 Control activities

MER MEC Group promotes and requires, at every level, full compliance with internal control processes, as a tool for improving corporate efficiency and for compliance with current legislation and the principles set out in this Code. 'Internal control' means the set of all processes and tools adopted by the Recipients for the purpose of directing, managing and verifying company activities, with the aim of ensuring compliance with the law and company procedures, protecting company assets, effectively manage activities and provide accurate and complete accounting and financial data.

3 RULES OF CONDUCT IN THE RELATIONSHIP WITH EMPLOYEES

3.1 Recruitment

Employees will be hired according to their profiles' correspondence to the positions actually needed in the Companies, with equal employment opportunities and without any discrimination. All the information required is strictly reserved and used only to test the applicant's professional profile and capacity, in full respect of their private life and opinions.

MER MEC Group guarantees equal opportunities in all employment practices, procedures and policies and chooses the best candidate regardless of their age, race, nationality, disability, religion, gender, sexual orientation and membership or not of trade union or political organizations.

Operating all over the world, MER MEC Group recognizes the possible cultural differences existing in the Countries in which it operates.

3.2 Employment relationship

Employees are hired under regular employment agreement; no irregular form of work is allowed. Before the employment relationship starts, each employee is properly informed about:

- Role characteristics and tasks;
- Company organization;
- Regulatory and salary elements, as ruled by the collective national agreement for workers of small-scale and medium sized engineering industries (CONFAPI);
- Rules and procedures to adopt in order to avoid any possible safety risk connected to the work activity and training thereof.

This information is provided to prospective employees for their full knowledge before accepting the job.

3.3 Human Resources management

MER MEC Group avoids any kind of discrimination towards its collaborators.

All decisions made in personnel management and development processes, as well as in the selection phase, are based on the correspondence between company needs and collaborators profiles (e.g., in case of promotion or transfer) and/or on merit considerations (e.g., incentives awarded according to results achieved).

Access to roles and positions is also established in consideration of skills and abilities, moreover, in line with the general efficiency of the work, flexibility in the organization of work that facilitates the management of the state of maternity is favoured. and childcare in general.

We are committed to treating our employees fairly, ensuring competitive pay for their work and recognition for outstanding performance. We want to invest in the professional growth of our collaborators and offer adequate training in order to offer stable employment.

We recognize the importance of the right balance between work and personal life and offer flexible solutions (Section 2.8.5 positive working conditions and reconciliation between work and private life).

3.4 Knowledge and training

MER MEC Group considers professional knowledge to be fundamental for the development and sustainability of the business, and favours the development of a culture oriented towards sharing know-how as an essential element for the consolidation of its assets.

MER MEC Group promotes and supports training actions useful for the professional and personal development of its people, deeming them a useful tool for the dissemination and sharing of common ethical and professional values and for the consolidation of a unified identity on an international level.

3.5 Health and Safety, work environment

MER MEC Group is committed to spreading and consolidating a culture of safety by developing awareness of risks, and promoting responsible behaviour on the part of all employees; moreover, it strives to preserve the health and safety of workers, , especially through preventive and training actions.

All Companies are required to guarantee employees and collaborators a healthy and safe working environment, taking the necessary precautions to limit the risk of dangers in the workplace and to ensure a safe and comfortable environment.

Please refer to the provisions of Section 5.14 (Protection of Workplace Safety and the Environment).

3.6 Privacy

Employees' privacy is protected by the use of a standard that specifies the information obtained by

collaborators together with the treatment and retention of such information. In this regard, MER MEC Group applies the GDPR legislation and its subsequent additions and amendments.

Any investigation on ideas, preferences, personal tastes and private life of collaborators is prohibited.

3.7 Individuals integrity and protection

MER MEC Group is committed to protecting its employees' moral integrity providing a workplace that guarantees conditions that respect personal dignity. For this reason, workers are safeguarded from psychological violence and all discriminating or harmful behaviours against individuals, their ideas and preferences (e.g. insults, threats, isolation or excessive intrusiveness, professional limitations) will be fought by the company.

Harassment is not allowed and any disturbing behaviour or talk (e.g. exhibition of pictures with explicit sexual allusions, continuous and insisting hints) is to be avoided. Any case of harassment, discrimination for age, sex, race, state of health, nationality, political opinions, religious beliefs, etc. can be reported to the Company that will verify the actual breach of the Code. Nevertheless, disparities will not be considered as discriminatory if they can be justified on the base of objective criteria.

Please refer to the provisions of Section 2.7 (Individual Integrity).

3.8 Employees duties

All employees shall comply with the obligations under the work contract and the Code of Ethics, acting faithfully and granting the performance required; they shall report any non-compliance or failure to perform the rules of conduct set out in the internal procedures.

Moreover, employees must be aware and comply with the Company policies on Privacy, to safeguard the Company's integrity, confidentiality and availability. They shall draw up their documents with a clear, objective and exhaustive language, allowing any possible check from colleagues, people in charge or external auditors authorized thereto.

MER MEC Group collaborators shall avoid all situations that can give rise to **conflicts of interest**, refraining from taking personal advantage from business opportunities they became acquainted with in the performance of their tasks.

By way of example, the following cases can give rise to conflicts of interest:

- Developing relations with providers, working for them or having family members work for them;
- Accepting money or favours from people or companies that have deals with MER MEC Group or that mean to start a business relation with MER MEC Group.

Employees shall promptly inform their supervisors of any situation of real or potential conflict of interest they may encounter. Such situations will then be reported to the Supervision Body of the relevant Company, or, for those not adopting the Model pursuant to Legislative Decree 231/01, to the administrative body, as well as to the HR Function, for proper survey. Moreover, employees shall report any activity performed outside working hours, if such can give rise to a conflict of interest with the Group.

Employees shall **safeguard Company goods**, by acting responsibly and using them with due diligence, in line with the relevant operation procedures, providing an accurate report of their use. In particular, every employee shall:

- Take great care of and use the goods entrusted to them parsimoniously;
- Avoid any improper use of Company goods that may harm or reduce the efficiency of the company interests or anyway go against them.

For what concerns the computer network, employees shall:

- Strictly comply with the Company safety measures in order to prevent any damage to computers functionalities and protection;
- Refrain from sending threatening and offending e-mail messages, using low-level language, making remarks that can offend people and/or harm the Company image;
- Refrain from surfing the net on undignified and insulting sites.

Communications in electronic format (be it e-mails or posts on social media and the like) must not give rise to behaviour that is detrimental to their personal image, and that of the Company and the entire Group. Such episodes, if ascertained, will result in the adoption of disciplinary measures (see Disciplinary Code) which, in the most serious cases, may also include dismissal. It should be noted that in the event of serious violations, the competent authorities will be reported if elements (potential and otherwise) of crimes or violations of the regulations on data protection and personal rights are identified.

Electronic media must not be used to display, transmit or store communications or information that:

- Are discriminatory or vexatious;
- Are disparaging towards individuals or groups or in any case may lead to discredit to the detriment of MER MEC Group or its employees and collaborators;
- Have obscene or pornographic content or may make MER MEC Group think in these terms; in particular, it is not permitted to receive, store and distribute pornographic material, both internally and externally;

- Are defamatory or intimidating;
- Fall within the concept of a “Pyramid scheme” or spam messages;
- Concern personal data that the employee deliberately or carelessly obtains or discloses without the consent of the relevant HR Business Partner.

3.8.1 Use of Social Media

MER MEC Group pays particular attention to the use of Social Media (and e-mails) if the messages or comments could or can be identified as the opinion of the Group and/or of the Group Company. Therefore, employees are responsible for what they post online (on Twitter, LinkedIn, Facebook and the like) in their capacity as employee, as such post remain in the public domain; consequently, they are required to protect their own privacy as well as the privacy and interests of the Group and their colleagues.

It follows that employees:

- When talking about business matters, are required to qualify themselves (by indicating their name and, if relevant, the role they play at the Company). They must write in the first person ("I" and not "us") and specify that they speak on behalf of themselves and not on behalf of MER MEC Group and/or its employees/colleagues. It must always be clear that the opinion expressed is that of the employee;
- Must use a disclaimer (e.g., "The opinions published on this website are exclusively attributable to the undersigned and does not necessarily represent the positions, strategies or opinions of MER MEC Group or its Companies"), when publishing materials or opinions related to the work carried out, or in any case referable to Angle Group, on a website or on social media;
- Should be aware that the laws on copyright, trademarks, fair use and financial information are also applicable to them;
- In their messages, they are required not to disclose confidential information about other people or proprietary information. To publish or deal with private or internal issues within MER MEC Group, they should ask for prior written consent;
- They are not allowed to quote or refer to customers of MER MEC Group, partners and suppliers without prior written consent. When quoting a reference, if possible, they should include a link to the source;
- When using social media and presents themselves as connected to MER MEC Group, they should do so professionally, avoiding damaging the Group's reputation.

When posting tweets or comments on work-related activities, employees are allowed to include:

- Objective declarations on products and their use;
- Opinions on our products which clearly show the author.

Employees are not allowed to include:

- Opinions regarding competing companies or their products;
- Statements that imply or suggest approval;
- Statements in which the characteristics of the products of the Group Companies are compared with those offered by the competition;
- Statements in which statements of others are quoted or reported, without the prior written consent of the interested party, after verifying the quotes and publication;
- Derogatory statements about products, people or companies;
- Offensive statements;
- Statements that contain sensitive information on MER MEC Group;
- Commercially sensitive statements without the prior explicit consent. For example, potential acquisitions, disposals, awarding or non-awarding of contracts, negotiations with potential customers, products in development, employees, internal policies, transfers, plans and projects;
- Statements about our presentations, current or future, financial information and the like.

Employees are aware that any statements made on social media are potentially defamatory and are subject to the same legal restrictions that apply to other media.

3.9 Expenses

In carrying out their duties, employees or outside contractors may incur in some expenditure. Requests for reimbursement must be reasonable and must be presented promptly together with the supporting documents, as per the procedure present in the Companies or the Group.

4 RULES OF CONDUCT IN RELATION WITH CUSTOMERS

4.1 Employees' conduct

MER MEC Group's behaviour with customers is based on availability, respect and politeness in view to a collaborative and highly professional relationship.

4.2 Commitment to customers

MER MEC Group is committed to acknowledging its customers' advice and claims, by using proper and fast communication systems.

5 RULES OF CONDUCT IN THE RELATION WITH SUPPLIERS

5.1 Choice of the supplier

Purchase processes are based on the research of the maximum competitive advantage for MER MEC Group, granting equal opportunities to each provider; moreover they are ruled by pre-contractual and contractual behaviours in view of an essential fair and transparent cooperation.

Suppliers are selected on the base of objective criteria (such as quality, delivery, performance and prices) and respect for Human and Labour Rights, with particular reference to the exploitation of child labour.

We expect suppliers to adhere to standards compatible with this Code of Ethics.

5.1.1 Business partners, Agents, Representatives, Consultants, Subcontractors

To achieve our objectives, we forge collaborations with commercial partners, agents, representatives, consultants and subcontractors in the world and we observe a treatment similar to that used towards our direct collaborators. For this reason, we expect behaviour inspired by ethical principles consistent with ours, from the anti-corruption policy to respect for work.

In their selection, the MER MEC Group carry out documented due diligence checks on their background (including background, financial soundness, reporting to databases, compliance with environmental and occupational health and safety regulations) and assesses their professional competence and not interpersonal relationships, ethnic origins, political or religious beliefs, etc.

All the aforementioned aspects should be addressed through with written agreements that clearly and transparently define the services to be provided, the remuneration or commissions (appropriate and consistent with the activity), the prohibition of resorting to corrupt practices, and compliance with this Code of Ethics (proving to have the internal standards compatible with it). For agents and consultants, the agreements must provide for their obligation to make detailed reports on the activity carried out on our behalf during the contractual period available to the Companies, and must provide for the possibility of early termination with immediate effect in the event of non-compliance. All agreements must comply with the approval procedures established by Company provisions. Finally, following the signing of the contract, a phase of constant monitoring shall follow, in order to verify compliance with the aforementioned requirements. If an employee detects improper behaviour on the part of one of the aforementioned partners, they are required to report it (Section. 7.1 Reporting of Violations).

In any case, in the hypothesis that the supplier, **commercial partner, agent, representative, consultant or subcontractor**, in carrying out its activities for one or for all MER MEC Group Companies, adopts a line of conduct not consistent with the general principles of this Code, the Group Companies to take appropriate

measures to the point of precluding any other opportunities for collaboration.

5.2 Due Diligence

In establishing new business relationships, we consider the history of our potential partners and their current reputation, appropriately documenting the conditions for collaboration with them. In this regard, a personal dossier is drawn up.

If the potential partner has never worked with MER MEC Group Companies or other companies related or controlled by them, or the partner does not have a consolidated commercial history, it is necessary to evaluate whether it is appropriate to carry out a due diligence check.

The process may require the following evaluations:

- Professional and financial background and history;
- The market in which the potential partner operates, assessing the degree of risk in terms of reputation and corruption;
- Commercial, shareholdings and managerial positions;
- Links with public officials and other political figures;
- Commercial reputation;
- Involvement in disputes;
- Presence in the international black lists;
- Any use of child labour.

5.3 Safeguard of ethical aspects in supplies

In view of complying with the ethical principles adopted, the Companies are committed to introducing social requirements for particular kinds of supplies (for example, use of low energy content products) and environmental (for example, suppliers geographically close to our offices).

5.4 Conduct criteria in the relations with the community Environmental Policy

MER MEC Group guarantees the achievement of targets in line with the environmental strategic goals. In order to exploit all possible synergies, the environment policy and its application is managed globally and

coherently; such management:

- Settles environmental and sustainable industrial development policies;
- Works out environmental policy implementation guide lines;
- Pinpoints indicators and guarantees monitoring and survey of the company activity in terms of impact on the environment;
- Follows the development of the national and European legislation about the environment, and draws up implementation line guides;
- Maintains good relations with institutions, institutes and agencies that work in the field of environment, promoting, carrying out and coordinating agreements and programmes in synergy.

MER MEC Group avails itself of experts and/or operative structures to deal with each specific task and problem.

5.5 Environmental policies strategies and instruments

MER MEC Group's environmental policy is also supported by the awareness that the environment can represent a competitive advantage in an increasingly large and demanding market in the field of quality and behaviour. MER MEC Group's strategy is characterized by investments and activities in line with the principles of sustainable development; in detail, MER MEC Group:

- Devotes a remarkable share of investments for the production of energy from renewable sources;
- Promotes actions and behaviours that consider the strategic value of the environment variable, in national and international organizations and programmes.

MER MEC Group promotes the following environmental policy instruments:

- Voluntary agreements with institutions, conservation groups and trade associations;
- Environmental management systems, certified in compliance with the international standard ISO 14001 that aim to a continuous increase of the performances and of the environmental organization;
- System of periodic internal and external audits that guarantees a survey of the several industrial activities performance;

- Activities aimed to train and make the collaborators aware of the environmental topics, in order to increase their competence and professionalism.

5.6 Environmental communication

Annually, MER MEC Group provides feedback on the implementation of the environmental policy and the consistency between the objectives and results achieved, through the publication of MER MEC Group's environmental report. The report specifies:

- The most significant environmental events (such as: environmental management systems certifications);
- The main results achieved concerning the environment (energetic efficiency, development of the renewable sources, use of water, emission reduction, waste disposal, etc.);
- The environmental balance (data yearly collection concerning energy and mass flow) and indicators (e.g. water and energy consumption analysis, etc.).

MER MEC Group agrees to allow access to the environmental information, in accordance with the industrial secrecy requirements.

Relations with association of interest: MER MEC Group considers the relations with associations strategic for the correct development of business.

To this extent MER MEC Group is committed to consider all remarks coming from associations, private parties and institutions.

5.7 Antitrust and regulatory bodies

MER MEC Group strictly complies with antitrust rules, refraining from denying, hiding, handling or delaying any information required from antitrust authority and other regulating organs in the pursuance of their auditing duties and it cooperates actively in the preliminary inquiries.

5.8 Gifts to Customers, Suppliers and Consultants

Within business relationship with suppliers and consultants, any offer, benefit (both direct and indirect), gift, act of kindness and hospitality are strictly forbidden, unless, due to their nature and value, they do not compromise MER MEC Group's image or shall not be interpreted as aimed at getting a favourable treatment, which is not determined by market rules.

5.9 Suppliers and sponsorship

MER MEC Group may adhere to requests for contributions or sponsorships involving events relating to the social, environmental, sport and art fields that offer guarantees of quality and reliability.

Charitable donations and sponsorships should be seen as open and voluntary contributions to the public good, with no expectation of commercial or personal return.

In charitable donations, we apply the same standards of professionalism that we use in our commercial collaborations. Our donations exclusively concern organizations that operate for legitimate public purposes and which, in turn, meet high standards of transparency and reliability.

Donations must be transparent and appropriately documented with a summary of the reasons that led to them, information about the interested parties (including due diligence on the association), and the donation amount and/or description. All charitable donations must be authorized in advance.

With regard to the aforementioned disbursements and sponsorships, MER MEC Group prefers to carry out, where possible, specific responsibility projects in compliance with the procedures that the Group Companies have adopted.

5.10 Relations with the Government and Public Institutions

The relations of Companies with Governments, Institutions, Supervisors, Public Officials or People in charge of a Public Service must comply with the observance of the applicable laws and regulations, and they shall refrain from compromising the integrity or reputation of the Group. The assumption of undertakings and the management of whatsoever relations, with Public Administrations, Public Officials or Persons in charge of a Public Service, are exclusively reserved for the business functions and to the authorized personnel. In any case, such persons shall diligently keep all documentation relating to the occasions when MER MEC Group or any Group Company has come into contact with a Public Administration.

Recipients are required to refrain from:

- Offering, even through nominees, money or other benefits, which may include employment or commercial opportunities to the Public Official involved, to their family or anyone in any way connected;
- Unlawfully searching or establishing personal favours, influence, interference relationships that may directly or indirectly affect the outcome of the report.
- as a general rule, from any conduct attributable to offences against the Public Administration included in Legislative Decree 231/2001.

The recipients must promptly comply with all requests arising from the abovementioned Institutions or Authorities, giving full cooperation and avoiding obstructive behaviours.

MER MEC Group cannot make the most from relationships with Governments, National or International Organizations, unless through the lawful award of contractual relationships, through measures lawfully obtained, or through whatsoever providences supplies lawfully obtained and directed at purposes which are granted to.

It is forbidden to alter the performance of a Public Administration's computer or electronic system, national and international Public Bodies, or any data therein contained to obtain an unfair advantage.

During a business negotiation, business request or relationship with a Public Administration, the following (direct or indirect) actions are prohibited:

- Considering or suggesting employment or commercial opportunities which could advantage Public Administration employees;
- Offering or providing gifts, in any way;
- Soliciting or obtaining confidential information that could compromise both parties' integrity or reputation.

It is forbidden to hire, as MER MEC Group employees, people who are employed in Public Administrations (or their relatives), and who personally and actively took part in business negotiations with one or more Group Companies, or endorse the claims made by MER MEC Group to the Public Administration.

Any violation (actual or potential) committed by the body or third parties should be promptly reported to the competent internal functions.

5.11 Prohibition of corruption

MER MEC Group does not admit any form of corruption (giving or receiving bribes, undue payments, "bribes") either directly or indirectly. This includes the prohibition on making "facilitation payments", small bribes paid in order to facilitate routine bureaucratic procedures, both in relations with public officials (par. 5.10 Relations with the public administration and public institutions), and in relations with customers and suppliers belonging to private companies.

The Group comply with the anti-corruption laws in force in the countries in which we operate, the violation of which can lead to penalties ranging from prison sentences to fines for individuals and for the company. Some definitions:

- 'Corruption' includes offering, making, soliciting or accepting payments, gifts or favors with the aim of improperly influencing commercial results. A bribe can be paid in cash, with gifts in kind or

other favors, such as a job offer for a relative of the person who is the subject of the bribe. None of these practices are acceptable;

- "Kickbacks" mean when a supplier or another service provider transfers part of his remuneration to whoever confirms the contract. We do not allow, offer, or accept "kickbacks" under any circumstances;
- 'Indirect bribes' mean bribes paid through a third party. For instance, a company uses a commercial agent to obtain a contract and the latter pays part of the commission as a bribe. This type of practice is not allowed.

5.12 Facilitation payments

Facilitation payments are understood to be small bribes aimed at accelerating practices to which one is still entitled. For example, facilitation payments made to customs officials to speed up the clearance of goods or those made to officials to speed up the issuance of travel visas. It is not allowed to make these types of payments unless personal safety is at risk. In all cases, requests for payment of facilities must be reported (Section 7.1 Reporting of Violations).

It is possible to limit the risk through careful planning and good communication:

- By making sure that customers, suppliers and officials are aware of our zero tolerance policy;
- By treating officials with courtesy. By doing so they will be led to reciprocate;
- By planning business in time in order not to be in a condition of need and urgency within which the counterparty could take the opportunity to make this type of request.

5.13 Fraud

MER MEC Group is against any kind of fraudulent activity and in this regard has established internal control systems. In cases where we suspect the existence of fraud, we are required to promptly report the incident (Section 7.1 Reporting of Violations).

5.14 Protection of Workplace Safety and Environment

MER MEC Group is committed to applying all the mandatory prevention and control measures provided for by Legislative Decree 81/2008 and subsequent amendments and additions, in order to protect health and safety at work.

In particular, in relation to the culpable offenses provided for by Article 25(7) of Legislative Decree 231/2001, MER MEC Group sets out the fundamental principles and criteria described below, on the basis of which decisions of all types and at all levels must be made in matters of health and safety in the workplace.

These principles and criteria are identified as follows:

- a) Avoid risks;
- b) Assess the risks that cannot be avoided;
- c) Contrast any risk at source;
- d) Adapt work to man, in particular with regard to the design of workplaces and the choice of work equipment and methods of work and production, in particular to mitigate monotonous and repetitive work and to reduce the effects of these works on health;
- e) Take into account the degree of technical evolution;
- f) Replace anything dangerous with something not or less dangerous;
- g) Planned prevention, for a consistent program integrating technique, work organization, working conditions, social relations and the influence of work environment factors into the same;
- h) Give priority to collective protection measures over individual protection measures;
- i) Give adequate instructions to workers and plan periodic and effective training on health and safety. The training is repeated for newly hired or already hired personnel but assigned to different tasks, as well as in the event of accidents or technological changes and/or the introduction of new machinery that present new risks for the health and safety of personnel;
- j) Define documented procedures to identify, prevent, reduce, eliminate or, ultimately, face potential risks for the health and safety of personnel;
- k) Keep all written records of accidents occurring in the workplace and in all accommodation and facilities made available by the organization, regardless of whether such premises are owned, rented, contracted out or owned by the supplier.

MER MEC Group also assesses all workplace risks for women who have recently given birth, are pregnant and breastfeeding, including those related to their job duties in order to ensure that all reasonable measures are taken to eliminate or reduce any risk for their health and safety.

These principles are used by MER MEC Group to take the necessary measures to protect the safety and health of workers, including the prevention of occupational risks, information and training, as well as the



preparation of an organization of the necessary means.

The entire MER MEC Group, both at senior and operational levels, must abide by these principles, in particular when decisions or choices must be made and, subsequently, when they must be implemented.

MER MEC Group is committed to contributing to the development and well-being of the environment in which it operates, constantly pursuing the protection of the health of employees, collaborators and communities affected by the Group's activities.

The operational management of the activities must refer, in compliance with current legislation on environmental prevention, to the most advanced environmental protection criteria, in order to reduce its environmental impact.

6 THE CODE OF ETHICS AND ITS IMPLEMENTATION: SUPERVISION BODY

6.1 Powers and characteristics

The task of supervising the functioning and the observance of the Code of Ethics is assigned to the Supervision Body of any Group Company, which holds independent powers of initiative and control, or, for those not implementing the Model pursuant to Legislative Decree 231/01, to the administrative body, as well as to the HR Function.

The Supervision Body acts with impartiality, authority, continuity, professionalism, autonomy and has free access to all sources of information; it has the right to inspect all documents and examine all data; it suggests updates to the Code and internal memoranda, also on the basis of recommendations from the employees; it may control, even at regular intervals, the operation and observance of the Model. It has a proper availability of human and material resources that enable fast and efficient operation.

The Supervision Body also operates with wide discretionary powers and – when it is a structure separate from the Company management – with the support of the top management, with which it collaborates in a totally independent way.

6.2 Reporting breaches to the Supervision Body

In order to guarantee the effectiveness of the Code of Ethics, the Companies - in compliance with privacy and individual rights - set up information channels through which all those who become aware of any illegal conduct carried out within the Companies can report freely, directly and confidentially, to the administrative body, to the HR function or, for Companies in possession of the Model pursuant to Legislative Decree 231/01, to the Supervisory Body. This body is responsible for the timely and careful verification of the information transmitted, in order to submit the current case to the competent corporate function for the application of any disciplinary sanctions or the activation of contractual termination mechanisms.

7 THE CODE OF ETHICS AND ITS IMPLEMENTATION: BREACHES OF THE CODE OF ETHICS – PENALTY SYSTEM

7.1 Reporting breaches

With reference to the news of occurred, attempted or requested violation of laws and regulations contained in the Code of Ethics and in the attached protocols, all Group Companies shall be responsible for ensuring that no one, in the workplace, can suffer retaliation, unlawful conditioning, inconvenience and discrimination of any type, for having reported the violation of the Code of Ethics to the competent body. Moreover, following the report, the company will promptly follow up appropriate checks, any reporting and/or complaint actions if and as required by applicable regulations as well as appropriate sanctioning measures as far as it is concerned and due.

Pursuant to Legislative Decree 24/2023 implementing EU Directive 2019/1937 on the protection of persons who report breaches of European Union law and laying down provisions concerning the protection of whistleblowers, each Group Company in possession of the Model pursuant to Legislative Decree 231/01 has also adopted specific policies for the management of reports of conduct contrary to the 231 Model, the Code of Ethics or regulations, directives, policies and internal procedures adopted by the Company and relevant pursuant to Legislative Decree 231/2001.

7.2 Penalty system guidelines

Any breach of the principles established in the Code of Ethics and in the procedures provided for by the internal protocols compromises the relationship of trust between the companies of MER MEC Group and their respective directors, employees, consultants, collaborators in various capacities, customers, suppliers, commercial and financial partners. Such violations will therefore be pursued by the Company incisively, promptly and immediately, through adequate and proportionate disciplinary measures, regardless of the possible criminal relevance of such behaviours and the establishment of criminal proceedings in cases where they constitute a crime.

The effects of violations of the Code of Ethics and internal protocols must be taken into serious consideration by all those who in any capacity have relations with Group companies: for this purpose, MER MEC Group disseminates the Code of Ethics, internal protocols and inform about the sanctions envisaged in the event of violation and the methods and procedures for their application. In order to protect its image and safeguard its resources, MER MEC Group will not entertain relations of any kind with subjects who do not intend to operate in strict compliance with current legislation, and/or who refuse to behave in accordance with the values and principles set out in the Code of Ethics and by the attached protocols.

ATTACHMENT A - MER MEC GROUP'S COMPANIES

For the purposes of this Code of Ethics, MER MEC Group consists of the Companies indicated below, directly and indirectly connected and/or controlled by MER MEC S.p.A. (the "Parent Company").

1. **MER MEC S.p.A.**, with sole shareholder Angelo Holding S.r.l., Monopoli (BA), Italy, via Oberdan n. 70, C.A.P. 70043, share capital 5,000,000.00-euro, fiscal code and VAT no. 05033050963, R.E.A.: BA - 516174, P.E.C: mermec@legalmail.it
2. **MER MEC STE S.R.L.**, with sole shareholder MER MEC S.p.A., Genova (GE), Italy, via Bombrini n. 11 int.3, C.A.P. 16149, share capital 10,000,000.00-euro, fiscal code and VAT no. 11420250968, R.E.A.: GE - 505892, P.E.C.: mermecste@legalmail.it
3. **MER MEC ENGINEERING S.R.L.**, with sole shareholder MER MEC S.p.A., Noci (BA), Italy, piazza Papa Giovanni Paolo II 8/1, C.A.P. 70015, share capital 90,379.97-euro, fiscal code and VAT no. 04597250721, R.E.A.: BA - 324456, P.E.C.: mermec-engineering@legalmail.it
4. **ANGELSTAR S.R.L.**, Mola di Bari (BA), Italy, via San Sabino n. 21 C.A.P. 70042, share capital 3,000,000.00-euro, fiscal code and VAT no. 04353470232, R.E.A.: BA - 602828, P.E.C.: angelstarsrl@legamail.it (subsidiary company of MER MEC S.p.A.)
5. **CONSORZIO MER MEC FERROSUD SOCIETA' CONSORTILE A R.L.**, Matera (MT), Italy, via Appia Antica KM. 13 SNC, C.A.P. 75100, share capital 3,000,000.00-euro, fiscal code and VAT no. 01412020776, R.E.A.: MT - 213641, P.E.C.: consorziomermec@legalmail.it (subsidiary company of MER MEC S.p.A.)
6. **MER MEC FERROSUD S.R.L.**, Matera (MT), Italy, via Appia Antica km 13 – Sub 6 snc, C.A.P. 75100, share capital 27,500,000.00-euro, fiscal code and VAT no. 01409670773, R.E.A.: MT - 213151, P.E.C.: mermecferrosudsrl@pec.it (subsidiary company of MER MEC S.p.A.)
7. **Compagnie des Signaux S.A.S.**, 4 Avenue du Canada 91940 Les Ulis, France, share capital 5,000,000.00-euro, enrolled to the Register of Tribunal de Commerce d'Evry, 351 347 232 R.C.S. Evry (subsidiary company of MER MEC S.p.A.)
8. **Hitachi Rail STS Deutschland GmbH** (to become MERMEC Deutschland GmbH)
9. **MERMEC Inc.** (subsidiary company of MER MEC S.p.A.)
10. **MERMEC FRANCE S.A.R.L.** (subsidiary company of MER MEC S.p.A.)
11. **MERMEC RAILWAY INDUSTRY AND TRADING SIRKETI** (subsidiary company of MER MEC S.p.A.)
12. **MERMEC UK LTD** (subsidiary company of MER MEC S.p.A.)
13. **MERMEC ESPANA S.L.** (subsidiary company of MER MEC S.p.A.)



- 14. MERMEC DOO SKOPJIE** (subsidiary company of MER MEC S.p.A.)
- 15. MERMEC JAPAN GK** (subsidiary company of MER MEC S.p.A.)
- 16. MERMEC AUSTRALIA PTY LTD** (subsidiary company of MER MEC S.p.A.)



MER MEC S.p.A.

C.F./VAT: IT05033050963

Share capital: € 5,000,000.00

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