



ILPA GROUP'S CODE OF ETHICS

MESSAGE FROM THE SOLE DIRECTOR

All of us who operate within ILPA GROUP are well aware that our goals aimed at innovation and growth cannot be achieved without constantly respecting the work of each of us, pursuing integrity and compliance with the law, wherever our activities are carried out.

The principles of conduct contained in this Code of Ethics must be understood by each of us and shall represent the main source of inspiration to guide all of our actions in pursuit of the corporate *mission*. This shall be aimed at preserving a high reputation level for all Group companies and obtaining the trust of our customers, suppliers, collaborators, authorities and the community in which we work and live. This is essential to achieve positive business results.

Our Code of Ethics will help us take the right decision and assume responsibility for our actions in all situations we face on a daily basis, and that are not governed by a specific rule or law.

Observing the Code of Ethics in what we do and how we do it represents a point of pride for all of us who "are" the ILPA GROUP.

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I would like to personally thank all the persons that operate for ILPA, ILIP, MP3 and AMP for their actual commitment that, I'm sure, will be given to comply with the principles of the Code of Ethics*.

The Sole Director

Riccardo Pianesani

* Approved by the Sole Director on 5 February 2021

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THE CODE OF ETHICS

ILPA GROUP has drawn up this corporate Code of Ethics in order to provide all the Group Companies with guidance on ethical and compliance topics that may be dealt with in the course of their working activities. Performing operations properly can often seem obvious. However, there are many situations in which making the right choice is not so intuitive, and the principles set forth in this Code shall be used as guidelines for performing business operations in the best way possible. These guidelines shall be supported by personal common sense, which must never be lacking.

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1. INTRODUCTION: ILPA GROUP

The history of ILPA group began in Savignano sul Panaro, a province of Modena with a strong agricultural and mechanical vocation. In 1962, Augusto Giuseppe Pianesani founded Plastimec. The company, specialized in the design and manufacture of plastic packaging for fruit, grew from year to year by expanding its range of products and its sales network.

Ten years later, ILIP was founded in the current plant in Bazzano (BO), at via Castelfranco 52. Focusing on continual growth, in 1990 ILIP completed the merger with the company MP3, specialized in the production of sheets and reeled films, and became I.L.P.A. S.r.l.

In 1998, the historical plant of Via Castelfranco was expanded with the one in Via Muzza Spadetta 36, also in Bazzano, which became the new headquarters of Mp3.

In 2012, following a virtuous entrepreneurial intuition, AMP Recycling S.r.l., a company specialising in PET recycling, was founded in Ferrara. Ahead of time, ILPA Group was capable of vertically integrating into the r-pet supply chain.

In 2016, the need to design a precise architecture for the industrial complex formed over the years led to the current organisation of ILPA Group. From the lines of business transferred within the group, ILIP S.r.l. and MP3 S.r.l. were established, adding to AMP Recycling.

Also in 2016, the company Thomas Imballaggi was established with operational headquarters in Gambettola, with the aim of assuring a better distribution of fruit and vegetable packagings in one of the major markets of the industry.

At the end of 2019, AMP Recycling finalised the incorporation of Petrapolimeri S.r.l, a company specialising in the sorting and recycling of plastic packaging waste.

In 2018, the Group embarked on a path of internationalisation with the creation of the Spanish company ILIP Embalajes SL based in Alicante (Spain), and

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continued in 2019 with the incorporation of Mp3 USA Inc. in the state of Delaware (USA).

1.1 Purposes and recipients

This Code of Ethics is a public statement issued by the Companies of the Group that identifies the general principles and rules of conduct that have an acknowledged positive ethical value.

The Code of Ethics provides the regulatory framework within which the Group companies operate.

Its purpose is to ethically direct the actions of the Companies, and its provisions shall be binding for the conduct of all: the Directors of the companies and their Managers, Employees, Consultants, Agents and anyone who establishes a relationship of collaboration, for any reason, with the Companies of the Group.

The Code of Ethics, although taking into account the differences in regulatory, economic, social and cultural aspects, also applies to the activities carried out abroad.

The Code shall be widely disseminated internally via publication on the company portal and posting in a place that is accessible to everybody. The Code shall be made available to any interlocutor of the company, also on the Group's website.

ILPA GROUP also undertakes to call for compliance with the provisions of this Code within the scope of all economic relationships established by the same Group.

1.2 Content of the Code

The Code of Ethics consists of:

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- the general ethical principles, that identify the reference values for the company's activities;
- the rules of conduct, that provide the guidelines and standards the recipients of the Code are required to observe;
- the application mechanisms, that outline the control system for proper Code application and for its continuous improvement.

1.3 Contractual value of the Code

Compliance with the rules of the Code of Ethics shall be considered an essential part of the contractual obligations of the Company's employees pursuant to and for the purposes of Articles 2104, 2105 and 2106 of the Italian Civil Code.

ILPA GROUP undertakes to ensure that the parties concerned are provided with an appropriate information program and continuous training on the Code of Ethics, both during the recruitment phase as well as during the employment relation.

Serious and persistent violation of the rules of this Code shall damage the relationship of trust established with the Companies of the Group and may lead to disciplinary actions and compensation for damages.

1.4 Code Updates

This Code of Ethics may be amended and supplemented, also on the basis of suggestions and indications from the Supervisory Board as envisaged by Legislative Decree no. 231 of 2001.



2. GENERAL PRINCIPLES AND SHARED VALUES

2.1 Responsibility

In pursuing the corporate *mission*, the behaviour of all the recipients of this Code shall be inspired by ethics and responsibility.

ILPA GROUP is committed to complying with the laws and regulations in force in Italy and in all the countries where it operates, and to respecting the democratic order in those countries.

The recipients of the Code shall be required to comply with applicable regulations.

Under no circumstance shall it be permitted to pursue or achieve any business interests in violation of the laws.

Responsibility shall also be assumed by constantly striving to establish a relationship of trust with the customers and with all partners in general.

ILPA GROUP is loyally and effectively committed to achieving the company's objectives, with full awareness of their duties and responsibilities.

2.2 Enhancement of human resources

Human resources represent an essential factor for the business development.

The Group companies protect and promote their professional growth in order to increase the wealth of skills they possess.

2.3 Integrity

ILPA GROUP is committed to being a cluster of companies where correctness, honesty, fairness and impartiality of behaviour within and outside the Group companies are a shared way of thinking and acting.

In sharing these principles, lasting relationships are established with customers and suppliers, general transparency in relations with third parties is assured and fair acknowledgement of employees' work is ensured.



2.4 Efficiency

The principle of efficiency requires that every working activity be carried out using resources in an economically, socially and environmentally sustainable manner, promoting research aimed at continuous improvement of product quality, service and results.

2.5 Multiculturalism

The Companies of the Group undertake to act, in the internal and external organisational dynamics, without discriminations of any nature, and shall continually apply the principles of moral rectitude and honesty, acting in full compliance with the law.

2.6 Professional excellence

By means of a continuous enhancement process, ILPA GROUP employees - in their professional activities and at all organizational levels - pursue decision-making speed, proactivity in problem solving and innovation in the solutions adopted.



3. MISSION AND GOVERNANCE SYSTEM

3.1 MISSION

The top management of ILPA GROUP aims to work for the company towards satisfying the interests of the various stakeholders, observing the principles contained in this Code of Ethics.

The mission of ILPA GROUP is to pursue the objectives of balanced and sustainable growth of the group companies. The concept of sustainability shall be understood in all its possible forms: environmental, social, economic and financial sustainability. The growth that we intend to pursue is based on long-term collaborative relationships with all company stakeholders.

We want to generate value and invest it in the growth and sustainability of all the Companies of the Group over time, to the benefit of all the people who are part of it.

That's why every day we strive to develop a long-term strategy and organisational processes to successfully support it.

Quality and excellence are pursued by our companies in full compliance with health and safety regulations in the workplace, that ILPA GROUP acknowledges as essentially important principles.

Consequently, the Group Companies adopt the measures that, based on the particular nature of the business activity carried out, on experience and technique, are necessary to protect the physical integrity and moral personality of their workers.

Pursuing advantages for the Company, if they entail or may entail any malicious or negligent violation of the rules on the protection of health and safety at work, shall not be tolerated.

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3.2 GOVERNANCE SYSTEM

The governance system adopted by ILPA GROUP for the Companies belonging to the Group complies with applicable regulations and is in line with the most authoritative guidelines and the best corporate practices.

It ensures that the greatest and most stable collaboration between its components is achieved through a harmonized balance of the different management, direction and control roles.

The members of the corporate bodies shall conform their activity to the principles of responsibility and integrity, refraining from acting in situations of conflict of interest within the scope of the activity they perform for the Group. The members of the corporate bodies shall also be required to behave observing the principles of autonomy, independence and respect for the guidelines that the Group companies apply in their relations with any private party on behalf of the Group companies.

Their regular and informed participation in the business activity shall be required.

They shall be bound to handle the information they become aware of for business-related reasons as strictly confidential and may not use their position to obtain direct or indirect personal advantages.

All communication activities shall comply with the laws and practices of conduct and shall be aimed at safeguarding *price sensitive* information as well as industrial secrets.

The members of the Group Company bodies shall be required to observe applicable legislation and the principles contained in this Code.

The loyalty and confidentiality obligations shall also be binding on the above-mentioned subjects after the termination of their relationship with ILPA GROUP.

4. INTERNAL CONTROL SYSTEM

In compliance with applicable legislation and with a view to planning and managing the company activities aimed at efficiency, correctness, transparency and quality, the Group Companies shall adopt Organisational and Management Measures suitable for preventing unlawful conduct or any conduct - by any person acting on behalf of the companies - contrary to the rules of this Code.

The Companies shall implement an Organization, Management and Control Model that provides for appropriate measures to ensure that all activities are carried out in compliance with the law and the rules of conduct of this Code and to identify, reduce or promptly eliminate risk situations, within the scope of the administrative liability of the Group Companies.

In order to prevent the risk of committing offences that may involve the company liability pursuant to Legislative Decree no. 231/2001, the Organisation Models shall provide for:

- identification of the activities within the scope of which offences may be committed;
- specific protocols aimed at planning the development and implementation of the company decisions in relation to the offences to be prevented;
- identification of the methods for managing financial resources suitable to prevent that offences be committed;
- information obligations towards the body responsible for supervising the implementation of, and compliance with the organisation models;
- the introduction of a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model.

To this end, with regard to internal control, a special system shall be adopted to verify proper application of the Organisation and Management Models used, compliance with internal and external regulations, as well as the suitability of the principles and of the accounting records.



In order to verify and apply the rules contained in this Code, appropriate Supervisory Bodies have been set up. These monitor the implementation and observance of the Organisational and Management Model and take care of the relative company updates. The Boards of Directors shall periodically verify the suitability and effective implementation of the Internal Control System and shall carry out any actions deemed necessary or appropriate to ensure its best operation.

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5. RELATIONSHIP WITH PERSONNEL

5.1 Selection process

The personnel to hire shall be selected on the basis of the correspondence between the profiles required by the Group companies at a specific time and those available on the market.

Selections shall be made based on the relevance of the characteristics and skills of the candidates with respect to the *job description* identified in the search, as well as in respect of equal opportunities for all interested parties.

The persons in charge of personnel selection, be they internal company departments or external service providers, within the limits of the information available, shall adopt appropriate measures to avoid favouritism, nepotism or forms of patronage in the selection and recruitment phases.

5.2 Recruitment

Personnel shall be hired on the basis of regular employment contracts, since no form of employment relationship that does not comply with or in any case circumvents applicable regulations shall be permitted.

5.3 Personnel training and development

In order to ensure the greatest professionalism and competence of the workers, ILPA GROUP takes care of their updating and training in order to support their growth and development, in the interest of the Companies as well as of the work position of the individuals.

With this in mind, courses aimed at employees and/or training courses aimed at meeting specific professional development needs and protecting the joint interests of the Company and the employee shall be prepared by special training bodies or experienced workers acting as internal trainers.

5.4 Value of human resources

ILPA GROUP recognises the value of human resources, respect for their autonomy



and the importance of their participation in the business.

The employment relationship shall be managed with the aim of encouraging the professional growth and skills of each employee, also as regards the application of incentive tools.

Any discrimination based on race, sex, nationality, religion, language, trade union or politics in the hiring, remuneration, promotion or dismissal processes, as well as any form of favouritism, shall be prohibited.

5.5 Health and safety protection

ILPA GROUP is committed to protecting the moral and physical integrity of its employees, consultants, external collaborators and customers.

To this end, it promotes responsible and safe behaviour and shall adopt all the safety measures required by technological evolution to assure a safe and healthy working environment, in full compliance with applicable legislation prevention and protection, as per Legislative Decree no. 81/2008.

The general measures to protect the health and safety of workers are:

- a. evaluation of all health and safety risks;
- b. planning of prevention measures, aimed at a system that consistently integrates the technical productive conditions of the company as well as the influence of environmental factors and work organization;
- c. elimination of risks and, where this is not possible, their minimisation in relation to knowledge gained from technical progress;
- d. compliance with ergonomic principles in the work organisation, in the design of workplaces, in the selection of work equipment and in the definition of working and production methods, particularly in order to reduce the health effects of monotonous and repetitive work;

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- e. replacement of dangerous items with non dangerous, or less dangerous ones;
- f. limiting the number of workers who are, or may be, exposed to the risk to a minimum;
- g. limited use, according to the company's technological processes, of chemical, physical and biological agents in the workplace;
- h. priority of collective protection measures over individual protection measures;
- i. health surveillance of workers;
- j. removing the worker from exposure to risk for health reasons related to his person and assignment, where possible, to another task;
- k. appropriate information and training for workers; for managers and supervisors; for the workers' safety representatives;
- l. appropriate instructions to workers;
- m. participation and hearing of workers and their safety representatives;
- n. planning of the measures considered appropriate to guarantee the improvement of safety levels over time, also through the adoption of good practices;
- o. emergency measures to be taken in the event of first aid, fire fighting, evacuation of workers and serious and immediate danger;
- p. use of warning and safety signs;
- q. regular maintenance of environments, equipment, plants, with particular attention to safety devices in accordance with the manufacturers' instructions;



- r. planning of prevention measures, aimed at a system that consistently integrates the technical productive conditions of the company as well as the influence of environmental factors and work organization;

5.6 Protection of the individual

ILPA GROUP is committed to ensuring observance of the conditions required to create a collaborative and non-hostile working environment and to preventing discriminatory behaviour of any kind.

All personnel shall be required to cooperate in order to preserve an atmosphere of mutual respect for the dignity, honour and reputation of each.

ILPA GROUP requires that, within the scope of working relationships, no harassment is put in place towards employees, suppliers, customers or visitors under any circumstances and for any reason:

- intimidation, threats, behaviour or verbal offence that is an obstacle to the peaceful performance of one's duties;
- creation of an intimidating, hostile or isolating work environment towards individuals or groups of workers;
- unjustified interference with the performance of other people's work;
- abuse of an authority position by a hierarchical superior;
- hindering others' individual job prospects for mere reasons of personal competitiveness.

Employees who believe they have experienced discrimination may report the incident to their manager and, in the event that he/she fails to take proper remedy or takes ineffective actions, to the Supervisory Board, which shall proceed to ascertain the actual violation of the Code of Ethics.

Disparities that can be justified on the basis of objective criteria shall not constitute discrimination.

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5.7 Personnel duties

All personnel shall be committed to complying with their obligations under this Code.

In the performance of their duties, they shall comply with the law and shall base their conduct on the principles of integrity, correctness, loyalty and good faith.

5.8 Conduct

Each employee and collaborator shall behave following loyalty and fairness principles, in compliance with the obligations assumed in the employment contract. Their behaviour shall be ethically compliant with this Code, as well as legally and professionally correct, ensuring that the required services are provided. Each employee shall be familiar with and implement the provisions of the company's policies on safety in the workplace.

Each employee and collaborator shall be required to process their documents with clear, objective and exhaustive language, allowing for any verifications by colleagues, managers or external parties authorised to request them.

5.9 Accounting entries and records

The employees responsible for keeping the accounting records shall be required to enter each record accurately, completely, truthfully and transparently and to allow all persons appointed for auditing purposes, there including external auditors, to verify such records. Accounting evidence shall be based on accurate and verifiable information and shall fully comply with internal accounting procedures.

Each accounting record shall allow tracking of the relative operation and must be provided with suitable documentation.

All actions concerning the business activity shall be the result of appropriate records, allowing verification of, and controls on the decision-making, authorization and execution processes.

Anyone who becomes aware of any omissions, errors or falsifications shall be required to report them to their supervisor, to the CFO, and in the event they do not take any remedy or do not perform effective actions, to the Supervisory Board.

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The Company financial statements shall be prepared so as to provide a true and fair view of the financial position, results of operations and cash flows in accordance with applicable legislation.

All of the Company's financial communications shall be characterised not only by mere compliance with regulatory provisions, but also by comprehensible language, exhaustiveness, timeliness and symmetry of information in relation to all the interested parties.

5.10 Conflict of interest

The employee shall maintain autonomy and integrity in order to avoid taking decisions or carrying out activities in situations, even if only apparent, involving conflicts of interest with respect to the company's activities.

Any activity that is in conflict with proper performance of one's duties or that may damage the interests and image of the Group must be avoided.

Any situation of real or potential conflict of interest shall be communicated in advance to the person in charge, who will inform the Supervisory Board accordingly.

5.11 Company assets

The employee shall use and safeguard with care the property available to him/her for work-related reasons. Any misuse of assets and resources owned by the company shall not be permitted. Each employee shall be directly and personally responsible for the protection and legitimate use of the assets and resources entrusted to him/her for performing his/her duties.

The Companies of the Group, in compliance with applicable legislation, shall adopt the necessary measures to prevent the distorted use of the same.



5.12 Use of IT systems

Each employee shall be responsible for the security of the computer systems they use and shall be subject to applicable regulatory requirements and to the terms of their license agreements.

Without prejudice to the provisions of civil and criminal laws, any improper use of the company assets and resources shall include the use of network connections for purposes other than those inherent to the employment relationship, or for sending offensive messages or messages that may damage the company image.

Each employee shall also be required to engage as necessary in preventing that offences may be committed via the use of IT tools.

5.13 Protection of confidentiality

The Companies of the Group shall protect the *privacy* of their employees, in accordance with applicable legislation, and shall undertake not to communicate or disseminate, except as required by law, their personal data without the prior consent of the person concerned.

The acquisition, processing and storage of this information shall take place according to specific procedures aimed at ensuring compliance with the privacy regulations and at preventing unauthorized persons from gaining knowledge of personal data.

5.14 Confidentiality and handling of information

The employees shall be required to handle as confidential the information they became aware of in the exercise of their duties, in accordance with the law, regulations and circumstances.

The employees shall observe this confidentiality duty even after termination of the employment relationship and shall do their best to ensure that the requirements of applicable privacy laws are met.

In addition, they shall handle and store the documents entrusted to them with care.

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5.15 Gifts, gratuities and other benefits

The employees may not request, for themselves or for others, gifts or other benefits, nor may they accept such benefits, except for those of modest value or in accordance with normal business practices and courtesy, from anyone who has benefited or who may benefit from the company business activities.

The employees may not offer gifts or other benefits to any person from whom they may obtain favourable treatment in the conduct of any activity connected with the company.

No unlawful advantages may be provided to public or private customers or suppliers.

Gifts and benefits offered but not accepted, which exceed a modest value, shall be reported to allow a proper evaluation by the department manager, who, according to the procedures provided, shall inform the Supervisory Board of the Company.

This rule does not allow exceptions even in relation to those countries where it is customary and traditional to receive/offer gifts of value or other benefits.

5.16 Information obligations

All employees shall be required to promptly and confidentially report to their department manager and/or to the Supervisory Board any information they may have become aware of in the course of their work activities, regarding violations of legal regulations, of the Code or other company provisions that may, for any reason, involve the company.

The department heads shall supervise the work of their team and shall inform the Supervisory Board of any possible violation of the above rules.



5.17 Misuse of alcohol, psychotropic or narcotic substances

ILPA GROUP discourages the abuse of alcohol and the use of drugs by each employee or collaborator even outside working hours and regardless of the influence of such conduct on the regular performance of the work activities.

The employees are required to report to work free from the influence of any substance that could impede the safe and efficient performance of work.

Possession or use of illegal or non-prescribed drugs for health reasons or engaging in other illicit drug-related activities is prohibited in the workplace.

5.18 Smoking

The recipients of the Code shall be required to comply and ensure compliance with internal regulations and applicable legislation on smoking prohibition inside premises, vehicles, or other environments where smoking is prohibited for safety reasons.

5.19 Obligations of employees

The provisions of the previous points shall be applicable to all possible collaborators, consultants, suppliers, and partners of the Group.

6. RELATIONSHIP WITH SUPPLIERS

6.1 Selecting suppliers

The procedures for selecting a supplier shall comply with applicable regulations and with the internal procedures provided for this purpose.

The selection of suppliers and the purchase of goods and services of any kind shall take place in compliance with the principles of competition and parity of those submitting bids and shall be based on objective evaluations regarding the competitiveness, quality, usefulness and price of the supply.

In the selection process, objective and transparent criteria envisaged by applicable legislation and internal regulations shall be observed, and no supplier possessing the necessary requirements shall be precluded from competing for contract awarding.

In particular, when searching for new suppliers, the Group employees involved in these processes shall be required to:

- not to preclude any supplier who meets the requirements from competing in the bidding process, adopting objective criteria when selecting the shortlist of candidates;
- ensure sufficient competition for each selection.

In selecting the supplier, also the ability to guarantee the implementation of suitable company quality systems, where applicable, the availability of means and organisational facilities, as well as the ability to meet confidentiality obligations shall be taken into account.

6.2 Transparency

Relations with suppliers, including consultancy contracts, shall be governed by the rules of this Code and shall be subject to constant and careful monitoring, also as regards congruity of the services or goods supplied with respect to the agreed consideration.



Special systems shall be used for functionally separating the supply request and the stipulation of the contract. In addition, a documentation system for the selection and purchasing procedure will be provided for tracking purposes.

6.3 Fairness and diligence in contract performance

ILPA GROUP and the supplier shall operate in order to build a collaborative relationship based on mutual trust.

The Companies of the Group undertake to inform the supplier in a correct and timely manner about the characteristics of the activity, the forms and times of payment in compliance with the negotiations and the content of the contract, applicable legislation as well as the expectations of the counterparty. The supplier shall perform the contractual services in compliance with the principles of fairness, correctness, diligence and good faith and shall comply with applicable legislation.

6.4 Protection of the environment and of ethical profiles

ILPA GROUP is committed to promoting respect for environmental conditions in its business activities and to ensuring that they are carried out in accordance with ethical principles.



7. CUSTOMER RELATIONS

The customer selection methods shall comply with applicable regulations and with the internal procedures provided for this purpose.

Customers shall be reminded to comply with this Code of Ethics.

Communications with customers shall be based on completeness, transparency, and reliability.

The style of conduct of ILPA GROUP towards its customers is based on availability and respect, with a view to a collaborative and highly professional relationship.

The Group companies shall be committed to responding to suggestions and complaints from customers using appropriate and timely communication systems.

Consistently with the principles of impartiality and equal opportunity, ILPA GROUP undertakes to not discriminate its customers arbitrarily.

7.1 Quality

Customers shall be entitled to receive the quality of the product as indicated in the relative specifications.

The delivered product shall meet the quality standards identified in the relative specifications.

7.2 Product safety

ILPA GROUP actively promotes the safe and responsible use of its products.

Customers shall be provided with the technical documentation and/or safety data sheets that describe known risks related to health and product safety, in accordance with all applicable requirements.

7.3 International trade laws

The countries in which ILPA GROUP operates are subject to laws that regulate the flow of products, technologies, and services to and from the country.

These laws apply to business with third parties, and it is the Group's policy to comply with all applicable international trade laws.



Laws relating to export controls and trade sanctions prohibit or impose:

- exports or transfers of certain sensitive products or technologies;
- transactions involving certain countries subject to restrictions;
- transactions believed to support the proliferation of terrorist activities;

ILPA GROUP shall only engage in these types of transactions if they are conducted legally or if they are duly authorized by the competent governmental regulatory bodies.

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8. Prevention of phenomena potentially linked to money laundering

ILPA GROUP conducts its business in full compliance with applicable anti-money laundering legislation and with the provisions issued by the competent authorities.

The Group undertakes to refuse to carry out suspicious operations in terms of correctness and transparency.

The Companies shall therefore be required to:

- verify in advance, with professional diligence, the information available on the business partners, suppliers and consultants, in order to ascertain their respectability and the legitimacy of their activities before establishing business relations with them;
- operate in such a way as to avoid any involvement in operations that may, even only potentially, favour money laundering from illegal or criminal activities, acting in full compliance with anti-money laundering regulations.

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9. METHODS FOR IMPLEMENTING AND MONITORING THE CODE OF ETHICS

9.1 Supervisory Board

The Supervisory Board of each Company in the Group shall supervise application of, and compliance with this Code and with the Organization and Management Models, their effectiveness, suitability and capability to ensure the functionality and reliability requisites required by law over time.

In particular, the Board is in charge of monitoring issues of an ethical nature that may arise within the context of company decisions and alleged violations of the Code of Ethics they refer to. It shall also evaluate the periodic revision of the Code of Ethics and its implementation mechanisms.

In order to carry out its duties, the Supervisory Board of each Group Company:

- shall carry out inspection activities using pre-established methods;
- shall have access to all the documents concerning the organisational models drawn up for the purposes of this Code;
- may request information from all employees and managers working in risk areas, even without prior authorisation from the management body;
- may request information from employees, consultants, agents and representatives outside the company;
- may view the documentation relating to the Company activities carried out in the risk areas;
- shall periodically receive information from the managers of specifically identified risk areas;

- shall report any violations of the Code of Ethics to the management for the purpose of applying the disciplinary procedures provided for in the disciplinary system;
- shall prepare, at least on a yearly basis, a written report of its activities, to be sent to the governing body;
- for the performance of its activities, shall use the support of all the departments within the Organization, there including external consultants.

9.2 Composition of the Supervisory Board

The Supervisory Board of each Group Company is independent, with full autonomy of action and supervision, and its activity shall be characterized by professionalism and impartiality.

These requirements shall be understood as applicable to the methods used for performing the Board tasks. Accordingly, the Board shall be in a *staff* position with respect to the Board of Directors, to which it shall report any violations of this Code and shall have continuity of action.

The Supervisory Board is also provided with suitable financial autonomy for performing its function through the allocation of resources - expenditure budget, as established by the Board of Directors.

In order to ensure the greatest possible objectivity of action, the Supervisory Board may not be entrusted with operational functions.

To become a member of the Supervisory Board, the interested persons must possess tools and techniques that allow them to conduct adequate analysis of the control system and risk assessment. They must also possess suitable legal knowledge, given that the purpose of the Board is to prevent alleged offences that may be committed using company resources.

The members of the Supervisory Board shall also possess additional subjective requisites such as to ensure actual autonomy and independence of action.

For information on these requisites, reference shall be made to the principles contained in the statutory corporate regulations applicable to directors and statutory auditors, which include the principles of integrity, absence of ineligibility causes and incompatibility.

9.3 Reports

All the interested parties, internal and external, shall be required to report any failure to comply with this Code and any request for violation of the same, from anyone to the Supervisory Board of each Company in the Group, in accordance with internal procedures. Reports shall be submitted verbally or in writing, depending on the nature of the violation.

In addition, information shall be communicated promptly and compulsorily if it concerns, by way of example:

- measures and/or news coming from judicial police bodies, or from any other authority, from which it can be deduced that investigations are in progress, even against unknown persons, for the offences referred to in the Decree;
- requests for legal assistance forwarded by employees and/or managers in the event of legal proceedings initiated for the offences envisaged by the Decree;
- reports prepared by the managers of other corporate functions as part of their control activities that may highlight facts, acts, events or omissions of a critical nature affecting compliance with the Decree;
- news relating to the implementation of the Model at all corporate levels, with evidence of the disciplinary procedures put in place and any sanctions imposed (there including measures against employees) or the measures taken for dismissal of such proceedings with the relative reasons, if they relate to the commission of the alleged offences provided for by the Decree or to violations of the Model;



- the summary charts of the contracts awarded following national and European tenders, or stipulated by means of private negotiations;
- news about orders awarded by public bodies or subjects that perform functions of public utility.

ILPA GROUP shall protect the persons who submit the reports against possible retaliation for having reported improper behaviours and shall keep their identity confidential, without prejudice to legal obligations.

Persons who submit obviously unfounded reports shall be subject to sanctions.

9.4 Violations of the Code of Ethics

A serious and persistent violation of the rules of the Code of Ethics by its recipients shall damage the relationship of trust established with ILPA GROUP.

It may result in disciplinary sanctions, up to the maximum sanction of dismissal in cases of serious breach, taking into account the criterion of proportionality provided for by law and by the CLA in force. In addition, compensation for damages can be required, subject to specific circumstances.

For the purposes of this Code, the term "*serious breaches*" shall refer to all persistent breaches that may lead to sanctions for the Company.

As regards employees, compliance with the rules of the Code of Ethics is an essential part of the contractual obligations pursuant to and for the purposes of Articles 2104, 2105 and 2106 of the Italian Civil Code.

The sanctioning system shall comply with the provisions of Law no. 300 of 20 May 1970, the specific sector regulations, if any, the collective labour agreements and company disciplinary codes.

It coincides with the disciplinary system that is part of the Organisational Model.



9.5 Monitoring and updating of the Code

This Code shall be verified and, if necessary, updated by ILPA GROUP at least once a year.

9.6 Closing standards

The specific provisions of this Code are examples of the most common conduct and shall not limit the scope of application of the general principles expressed herein.

Should any of the provisions of this Code conflict with any other provisions contained in internal regulations or procedures, the prescriptions of this Code shall prevail. However, this shall be subject to verification by the Supervisory Board.