

Code of Ethics

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1 INTRODUCTION

Ethics in entrepreneurship is an approach of fundamental importance for the good functioning and credibility of a company before shareholders, customers and suppliers and, more generally, before the entire social economic environment in which PMG S.p.A. (hereinafter simply PMG) operates. PMG aims to transform the knowledge and appreciation of the ethical values that widely animate it into a competitive advantage.

PMG manufactures and sells rubber compounds, rubber, plastic, metal, rubber - metal products and similar items.

Legislative actions, in particular Legislative Decree No. 231 / 01 on the administrative liability of companies for the unlawful acts committed by their members, employees and collaborators, have made it essential to codify the principles of legitimacy, loyalty, fairness and transparency, according to which the conduct of all subjects who are working with the Company must conform.

In this regard, PMG considered it appropriate to adopt the "Code of Ethics" (hereinafter Code): a document that collects in an official and organic manner all the company's principles of conduct vis-à-vis the major stakeholders in accordance with current regulations, orienting the different subjects along lines of conduct to be followed and what to avoid, identifying the responsibilities and the possible consequences in terms of sanctions.

The organizational model and the internal procedures adopted by the Company for carrying out its operations comply fully with the rules contained in this Code.

2 SCOPE OF APPLICATION AND RECIPIENTS

The principles outlined above and the provisions of this Code are binding on the Directors, for PMG employees and for all those working with the Company, whatever the relationship that binds them to the same, defined hereafter with the term "Recipients".

3 GENERAL PRINCIPLES

3.1 Compliance with laws and regulations

Compliance with current laws and regulations is an indispensable principle set by PMG. Every employee of the Company is therefore obliged to comply with the previously mentioned regulations.

This compliance commitment must also apply to consultants, suppliers, customers, and anyone who is in contact with the company, as indicated in the preceding chapter.

PMG will therefore not establish or continue any relationship with those who do not intend to fall in line with these principles.

PMG must provide an adequate training programme and promote continuous awareness on issues regarding the code of ethics: employees and collaborators of the company are invited to contact their direct superiors and the supervisory body specially set up within PMG, if there is any doubt, or a need for further investigation, in relation to the full observance and interpretation of the Code of Ethics.

PMG refuses any behaviour, even if it is in its own favour, that it is against the law, the regulations in force or the guidelines indicated in the code.

No behaviour, even if prompted by customers themselves, aimed at contrasting or evading existing regulations and internal rules, is allowed.

Requests by clients contrary to professional dignity and to the contents of this Code cannot be accepted.

3.2. Fairness and honesty

PMG operates in compliance with professional ethics and internal regulations. The pursuit of the interests of the company can never justify a conduct contrary to the principles of fairness and honesty; Also for this reason any form of benefit or gift, received or offered, which can be understood as an instrument to influence the independence of judgment and conduct of the parties involved, is refused.

Gifts of moderate value and other ordinary representation expenses are also allowed, even to the Public Administration, provided that they are given only within the limits and in the manner defined in the Organization, Management and Control Model pursuant to Legislative Decree no. 231/2001.

In the event of doubt as to the correspondence of the gift in relation to the above, prior to accepting it, the employee must inform the supervisory body of the matter, which will express its binding opinion on the matter.

3.3. Impartiality

In relationships with all counterparts, the company avoids any discrimination based on age, racial or ethnic origin, nationality, political views, religious beliefs, sex, sexuality or the health of its interlocutors.

3.4. Professionalism and utilization of human resources

PMG guarantees an adequate level of professionalism in the performance of tasks assigned to its employees.

3.5. Conflicts of interest

In carrying out any activity, PMG places its attention on operating in the absence of any real or even potential conflict of interest.

In addition to the statutory hypothesis, the seriousness of the conflict of interest may be present in any case where a Subject operates to meet a different interest from that of the company and its shareholders, but only for the purpose of personal gain or that of third parties.

Anyone who becomes aware of the existence of a conflict of interest, as described above, must promptly notify the Company.

3.6. Transparency and completeness of the information

Information that is distributed by PMG is truthful, complete, transparent and comprehensible, so that recipients can make informed decisions about relationships with the company.

3.7. Diligence and good faith

Every employee and / or collaborator must act loyally and in good faith, respecting the contractually signed obligations and ensuring the services required. He/she must also know and follow the content of this Code of Ethics, basing his/her conduct on respect, cooperation and mutual collaboration.

3.8 Documentation of activities

All activities, actions, transactions and operations of the Company must be:

- a) Carried out in compliance with the rules in force, with maximum honesty on the part of management, with complete and transparent information and with formal and significant lawfulness;
- b) Carried out in accordance with the instructions and procedures and within the limits of the mandates received and the budgets approved by the Management, as well as being legitimate, consistent and appropriate.

Individuals who may be aware of any omissions, alterations or falsifications of the accounting records or their supporting documents, are required to urgently inform their supervisor or the manager of the relevant business department and the Supervisory Body promptly.

4 PROTECTION OF HEALTH, SAFETY AND THE ENVIRONMENT

4.1 Health and safety

The recipients of this Code contribute to the process of risk prevention and the protection of health and safety in the workplace, subject to individual responsibilities under applicable law.

They must also maintain a climate of mutual respect for the dignity, honour and reputation of each person, also respecting the existing organization within the company.

4.2 Environment

PMG, in relation to its company activity, promotes a business policy that is attentive to socio-environmental issues and to the territory. Consistent with its focus on environmental issues, PMG is implementing the following actions:

- Technological upgrading of plants to ensure, where possible, the reduction of pollution factors;
- Management of purchases and disposal with a view, where possible, to the recovery / re-use of raw materials, in compliance with economic standards.

5 MANAGEMENT OF COMPANY INFORMATION AND DOCUMENTATION

5.1 Use and storage of company information

Each Recipient, with reference to any information obtained by virtue of his/her function, is obliged to ensure maximum confidentiality, also in order to safeguard the technical, financial, legal, administrative, managerial and commercial know-how of PMG.

In particular, each individual is required to:

- acquire and deal only with the information and data necessary for the purpose of the carrying out of his/her function and in direct connection with the same;
- acquire and process the information and data exclusively within the limits established by the procedures adopted in the matter;
- store data and information so as to prevent unauthorized persons from acquiring knowledge of the same;
- communicate the data and information in accordance with established internal procedures or according to the express authorization of superiors and, nonetheless, in the event of doubt or uncertainty, after having ascertained (by consulting superiors or according to usual Company procedure) the disclosure in the specific case of data or information;
- ensure that there are no absolute or relative restrictions to the disclosure of data and information regarding third parties linked to the Company by any type of relationship and, where appropriate, requesting their consent.

PMG undertakes to protect the confidentiality of all information of whatever nature or object that it acquires in carrying out its business, avoiding any misuse or improper distribution of such information.

5.2 Use of IT information

IT and telematic resources are a key tool for the company to function properly and competitively, ensuring the speed, breadth, and accuracy of information flows required for efficient management and control of PMG activities.

All information present in corporate IT and telematics systems, including e-mails, is to be used solely for conducting business activities, in accordance with the procedures and limits specified in the PMG internal procedures.

PMG also undertakes to protect, in full compliance with the provisions of Legislative Decree no. 196/2003 - "Personal Data Protection Code" ("Privacy Code"), personal data acquired, kept and processed in the course of its business.

6 PRINCIPLES CONCERNING COMPANY MANAGEMENT

6.1 Management and balance sheet

Recipients involved in administrative and accounting activities must comply strictly with internal procedures, statutory rules and accounting principles. In particular, accounting records and documents are based on accurate, exhaustive and verifiable information and reflect the nature of the transaction to which they relate, and are carefully stored for any verifiable assurance.

Recipients who become aware of omissions, mistakes, falsifications of accounting records or registrations must inform their supervisor and according to the severity of the fact the Supervisory Body. Recipients, in preparing the financial statements, will have to work with criteria of prudence, supported by the knowledge of the accounting techniques or those specific for the sector concerned and in any case with the diligence required by industry experts.

6.2 Unlawful behaviour

PMG stipulates that Recipients should refrain from granting or promising to third parties any amount of money or other benefits in any form or manner, even indirectly, to promote or favour the interests of the Company, even if subjected to unlawful pressures.

They may not accept for themselves or for others such sums and / or benefits to promote or favour third party interests in relations with PMG. Gifts of significant value are not allowed; if they are of a modest value, they must be attributable only to acts of mutual courtesy in the context of good commercial relations. It is also forbidden to expose facts that are not true or omit information or to conceal data that is in direct or indirect violation of the regulatory principles and internal procedural rules, such as to mislead third parties who receive the information in question.

Any actions detected which are contrary to the ethical and behavioural principles defined by this Code should be promptly reported to the Supervisory Body.

7 RELATIONS WITH RECIPIENTS OF THE CODE

7.1 Relations with shareholders

In its dealings with its shareholders, PMG is committed to safeguarding corporate assets, using criteria for sound and prudent management.

7.2 Relations with employees

Employees must abide by the principles of protection and respect of the human person, loyalty, dignity, morality, honesty in personal relationships, interdepartmental integration and collaboration, sense of responsibility and respect for hierarchical and functional relationships.

PMG keeps employees constantly informed of company directives through the most appropriate information channels.

7.3 Relations with clients

PMG stipulates that Recipients should adopt such behaviour as to meet the correct requirements of the customer, with the aim of consolidating the relationship in compliance with current legislation.

7.4 Relations with suppliers

PMG pays particular attention to suppliers in compliance with the principles of transparency, impartiality and fairness, attesting the actual technical and professional expertise and the appropriate means / tools to cope with the commissioned activity.

PMG has decided to include termination clauses in supplier contracts with reference to the possibility of serious violations of the precepts of the Code.

7.5 Relations with the public administration

PMG relations with the Public Administration and foreign public officials are based on full compliance with laws and regulations, while respecting the public character of the function. PMG stipulates that it is forbidden for Recipients to promise or pay sums to public officials and employees of the Public Administration in any form directly or indirectly to induce or facilitate the fulfilment of an official act or contrary to the official duties of the Public Administration, to promote PMG's interest / benefit. Anyone who receives explicit or implied requests for any kind of benefits from the Public Administration, even with unlawful pressures, must inform the Supervisory Body.

Recipients must not unduly procure any other type of profit either for themselves or for PMG, or for third parties, to the detriment of the Public Administration, with trickery or deception.

Therefore, PMG stipulates that Recipients should under no circumstances:

- cause PMG to obtain, unduly, contributions, loans or other similar payments made by the Public Administration through the use or submission of false or misleading documents or through the omission of any required information;
- Use contributions, subsidies or funding destined to PMG for purposes other than those for which they were granted.

For all deeds that constitute a crime, the Recipients must inform the competent Judicial Authority.

8 SANCTIONS

The provisions of this Code are an integral part of the contractual obligations undertaken by the Recipients or persons having business relations with PMG.

Failure to comply with the provisions of the Code may constitute a breach of contractual obligations, with every legal consequence, including the termination of the contract or assignment and possible claim for damages.

9 DISCLOSURE OF THE CODE

This Code was approved by the Board of Directors on 15/07/2016 and then updated on 28/05/2020.

PMG informs all Recipients of the provisions and application of the Code of Ethics, recommending compliance.

In particular, the Company, through its corporate functions, provides for:

- the circulation of the Code of Ethics to the Recipients by distributing copies of the same;
- the interpretation and clarification of the provisions contained in the Code of Ethics;
- the verification of the effective compliance with the Code of Ethics;
- any future updates and implementation of the provisions of the Code of Ethics, depending on the requirements that occur from time to time.

The Code of Ethics is also published, with adequate emphasis, on the website

<https://pmgcompounds.it>

Future updates, due to regulatory adjustments or the evolution of civil awareness, will be approved by the Board of Directors and promptly forwarded to all Recipients.

10 PMG commitments regarding whistleblowing

"Whistleblowing" (hereinafter "Report") means any news regarding suspected conduct that does not comply with the provisions of the 231 Organizational Model adopted by the Company and the Code of Ethics. No negative consequences arise for those who have made a Report in good faith and the confidentiality of the identity of the reporting party is ensured, according to the provisions of art. 6 paragraph 2-bis of Legislative Decree 231/2001. In order to facilitate these reporting methods, it is established that the channel dedicated to Reports coincides with that already established for communications to the Supervisory Body (odv@pmg.it).

As an Organization, **PMG** undertakes to operate in an ethical manner and asks and expects from its i) employees and managers, ii) consultants, collaborators, iii) third party partners such as contractors, suppliers, etc., as well as iv) members of the Company's corporate bodies, aligned to:

- Code of Ethics;
- Values on which the Company is based;
- Organizational, management and control model pursuant to Legislative Decree 231 of 8 June 2001;
- Applicable laws and regulations.

To this end, **PMG** has adopted a whistleblowing system to guarantee a sure and confidential channel of information on potential non-compliance with ethical standards, **PMG** principles or applicable laws and regulations. The application of these rules is limited to cases in which the informant is in good faith and reasonably believes it has occurred, or one of the following events is occurring or is likely to occur:

- business management methods that constitute a crime or a violation of the law (for example fraud, corruption, extortion, theft);
- failure to comply with the laws on health and safety at work;
- failure to comply with environmental laws;
- verbal or physical abuse, sexual harassment, racism, discrimination or any other immoral conduct and behaviour;
- discrimination on the basis of sex, race, disability or religion;
- nepotism;
- any other serious irregularity, also with reference to the provisions of the Organization, Management and Control Model referred to in decree law no. 231/2001;
- intentional concealment of one of the above.

The procedure should not be used for:

- personal disputes;
- unfounded accusations.

PMG encourages speaking frankly and guarantees confidentiality against any harm or retaliation. However, if the informant deems it more appropriate for the communication to remain anonymous, he can make an anonymous report. **PMG** considers and analyzes anonymous reports based on:

- the seriousness of the issue raised;
- the credibility of the disputed issue;
- how likely it is that the issue raised is confirmed by reliable sources.

In any case, anonymity is guaranteed as long as the confidentiality of the identity is enforceable before the law.

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Cenate Sotto,

PMG S.p.A.
The Chairman
of the Board of Directors