

MORELLATOGROUP

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CODE OF ETHICS

Approved with a resolution by the Board of Directors of Morellato S.p.A. on April 21st 2022

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I

GENERAL PREAMBLE

The Morellato Group has decided to draft a “Code of Ethics” (hereinafter “Code”) with the aim of defining the fundamental guidelines which inspire the business activities of the Parent Company, Morellato SpA, and the Companies controlled by the latter (hereinafter “Morellato” or “Group”), and in order to guide the conduct of its employees and all third-party stakeholders for the Group’s proper functioning, reliability and image.

The Code governs the series of rights, duties and responsibilities that Morellato expressly takes on towards its stakeholders, while ensuring the prevention of infringements of the law and irregularities connected to the management of its business.

The Code is aimed at corporate bodies and their members, employees, temporary workers, consultants and co-workers in any capacity, as well as agents, representatives and any other party acting for and on behalf of Morellato.

The Code can be found and downloaded from the Group’s website (<https://morellatogroup.com/>).

The Code is valid in Italy and abroad, with any adaptations which may be necessary or appropriate based on different situations in the countries Morellato does business in.

In the event of even a single provision in this Code conflicting with the provisions of internal regulations or procedures, this Code shall prevail over any such contrary provision.

II

REFERENCE PRINCIPLES

1. BUSINESS INTEGRITY

Morellato believes that compliance with ethical rules and transparency in the running of its business represent a source of competitive advantage and the very basis for pursuing and reaching its sustainable development targets. For this reason, we promote the creation of environments with a strong ethical integrity.

a. FAIRNESS AND TRANSPARENCY

Our conduct is characterised by the upmost fairness and transparency in our dealings with all stakeholders.

b. CONFIDENTIALITY

We treat as confidential data and information in our records, including personal and business data and information, which we use exclusively for the activities these were collected for. We ensure full and timely compliance with the security and protection measures set forth by the applicable laws and regulations.

c. ANTICORRUPTION

We refuse all forms of corruption, in the sense of “giving or receiving unfair advantages”. We do not give contributions of any kind to political parties, movements, political or tra-

de union committees and organisations in Italy or abroad.

d. CONFLICTS OF INTEREST

We avoid situations or activities that could lead to interests conflicting with those of Morellato and always act in accordance with ethical and legal rules. Each of us knows our professional services must be provided in the exclusive interest of Morellato and we avoid any situation of conflict between personal financial activities and our company roles that could damage the Group’s businesses, its image, or lead to us obtaining unlawful personal advantages. The following are examples of situations that are not permitted:

- having economic and financial interests- including through family members- with customers, suppliers or competitors;
- carrying out working activities, or having family members carry out working activities, with customers, suppliers or competitors;
- accepting cash donations, gifts or favours of any kind from people, companies or entities that have business relations or are in negotiations with Morellato;
- using one’s position in the company or information that is acquired through one’s job in order to further one’s interests;

- concluding, perfecting or commencing negotiations and/or contracts, for and/or on behalf of Morellato, with family members or business partners as counterparties;
- accepting paid assignments in a consulting, management, administrative or any other capacity with another party, or in the event of the emergence of a conflict of interest as detailed above, without informing the company.

e. ANTI-MONEY LAUNDERING

In compliance with the applicable regulations on the subject matter, we strive to prevent the use of our economic and financial system for money laundering purposes by customers, suppliers, employees and other stakeholders that we deal with in the running of our business.

2. VALUE OF HUMAN RESOURCES

Employees and co-workers are an essential factor for the development and success of a business. The Group protects and promotes the value of people, including the objective of increasing the know-how and expertise of each co-worker within the context of the corporate organisation.

a. ANTI-DISCRIMINATION

We do not accept any form of discrimination based on age, health, gender, religion, ethnicity, political or cultural opinions. We do not accept practices that promote interest groups or specific individuals.

Any form of harassment or harmful conduct towards others is prohibited, including in connection with race, gender, sexual orientation or other personal characteristics which have the aim and effect of violating the dignity of the person this conduct is directed towards, both within and outside the workplace.

b. VALUE OF HUMAN RESOURCES

We protect the value of human resources including through a constant development of technical and professional expertise. We recognise that the presence of motivated and competent people within the company is a potential source of competitiveness and customer satisfaction and for this reason we also protect the rights of our suppliers' staff by ensuring that, at a minimum, the safeguards set forth by national regulations are applied.

c. INTEGRITY OF PEOPLE

We facilitate the physical and moral integrity of employees and co-workers by promoting

safe and healthy working environments and working conditions that are respectful of each individual's dignity.

d. CHILD LABOUR

We are opposed to the use of child labour and do not enter into contracts with suppliers or subcontractors who use child labour.

e. FORCED OR COMPULSORY LABOUR

We are opposed to forced or compulsory labour and the practice of retaining originals of identity documents and/or the payment of deposits at the start of an employment relationship.

f. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

We guarantee the right to form, participate and organise trade unions of one's choice and to bargain collectively with the company.

g. WORKING HOURS AND REMUNERATION

We ensure for all co-workers a decent wage that is suitable for satisfying people's needs and working hours that safeguard the right to rest, and comply with the applicable laws in all the countries we operate in.

h. RECRUITMENT

We guarantee that all people and co-workers are recruited on the basis of their expertise, aptitudes and experience. Our recruitment process is based exclusively on the correspondence between the desired and required profiles.

3. SUSTAINABLE DEVELOPMENT

We respect the environment which is why we promote the sustainable development of all our businesses. Our actions and our products are conceived with the awareness that the "needs of the current generations must not compromise the opportunities of future generations".

4. HEALTH AND SAFETY IN THE WORKPLACE

Our workplaces and working premises are designed and managed to ensure safe and healthy environments in compliance with the applicable national and international regulations.

The culture of safety is spread by promoting responsible behaviour and developing an awareness of risks through personalised training courses.

We ensure that none of our employees and co-workers expose others to risks and dangers that could affect their health and physical integrity.

5. APPLICATION AND COMPLIANCE

We share the principles of the Code with all our staff through company communication channels and training sessions planned by the Human Resources Department. Anyone can report a breach of the Code verbally or in writing to the Human Resources Department and the latter will ensure the anonymity of reporting parties, without prejudice to legal obligations, and protect them from any form of retaliation.

6. SAFEGUARDING OF THE GROUP'S ASSETS

Each Co-worker must undertake to safeguard the assets of the Morellato Group, by ensuring a correct and efficient use of these. Theft, negligence and waste have a direct impact on Morellato's profitability.

If anyone suspects a fraudulent situation or a theft, this must be immediately reported so that an investigation can be conducted. It is prohibited to directly or indirectly use com-

pany funds or assets for illegal purposes or to achieve illicit goals.

Morellato assets that must be safeguarded also include proprietary information, which comprises inter alia: intellectual property, such as commercial information, patents and copyright material; commercial, marketing and service plans; the development of techniques and manufacturing projects; designs, databases, registers, information relating to remuneration and any other financial data or report that has not been made public. Unauthorised use or distribution of this type of information constitutes a breach of Group policies and could represent a criminal act, that will result in civil or criminal penalties.

7. SAFEGUARDING OF THE GROUP'S IMAGE

The safeguarding of the Group's image and its distinctive elements are fundamental aspects in the sector in which Morellato operates.

All co-workers, directors and employees undertake to safeguard the Group's image, by engaging in conduct which guarantees the utmost respect for individuals and the working environment. Conduct in the workplace must be appropriate for this environment and individuals must not engage in conduct which

could directly or indirectly disturb people working in company premises, particularly when guests are present.

8. SUPPLIERS

Suppliers are provided with a copy of the Code in order to adapt, where necessary, their own processes to our guidelines. Moreover, our suppliers are asked to comply with the instructions in the supply manuals and in general with the provisions in annex 1 “Responsibility in the supply chain”.

We guarantee equal opportunities to all potential suppliers for participation in selection processes. For the Group the stipulation of purchase conditions for goods and services is based upon values and parameters of competitiveness, objectivity, lawfulness, impartiality, fairness in pricing, quality of goods and/or services; we also assess, in detail, guarantees that are offered in terms of assistance and the general range of offers.

9. COMPLIANCE WITH THE CODE OF ETHICS

To ensure a correct and effective implementation of this Code of Ethics, everyone’s cooperation is required.

A breach of the regulations contained in the Code could constitute a breach of the main obligations of the employment relationship or a disciplinary offence, with all the resulting legal consequences, including with regard to the continuation of the employment relationship. Breaches may also result in actions for the compensation of any damages that might be caused. The verification of infringements, as well as the management of disciplinary proceedings and the issuing of penalties remain within the jurisdiction of the relevant group functions.

Any breaches of the Code of Ethics by external third parties (e.g. suppliers, agents, consultants, etc.) may constitute a breach of contract and could result, in the most serious cases, in the termination of existing contracts with the Company.

ANNEX 1

RESPONSIBILITY IN THE SUPPLY CHAIN

Threatened species

Morellato uses sources of supply that ensure compliance with international and local regulations, in particular the Washington Convention on International trade in endangered species of wild fauna and flora" (CITES), with regard to the supply, importing, use and exporting of raw materials from endangered or protected species.

Policy on diamonds

Suppliers of diamonds are required, as an essential condition, to participate in the Kimberly Process Certification Scheme (KPCS) and the World Diamond Council voluntary system of warranties, the aim of which is to end the trade in diamonds from conflict zones and support similar future initiatives for protecting human rights and the integrity of diamond supply chains.

Moreover, in the selection of sources of supply, Morellato prioritises suppliers certified by the Responsible Jewellery Council (RJC).

Precious metals - gold, silver and platinum

Morellato recognises the codes of conduct and the certifications of the Responsible Jewellery Council (RJC):

for this reason, the company prioritises materials from RJC-certified mines and recycled metal refiners.

Other standards can be considered if it can be clearly demonstrated that these are equivalent. In any case, suppliers must guarantee that the precious metals they supply have been mined in a manner that is responsible and respectful of human rights and the rights of workers. Moreover, these precious metals must not come from conflict zones and their mining must not cause environmental damage, either directly or through subsequent contamination from tailings or waste rock.

Forestry products

Morellato prioritises the use of paper, packaging and other timber-based products from responsible or recycled sources or from forests managed in an eco-friendly, socially useful and economically viable manner. We prioritise FSC or PEFC certified materials.

Coloured gemstones

Morellato encourages the supply of gemstones from RJC-certified sources.

Sources of supply must guarantee that gemstones have been mined in a manner that is respectful of human rights and the rights of workers.

Moreover, they must not come from conflict zones and their mining must not cause environmental damage.

We always request full information on the physical characteristics of gemstones (including detailed information on processing), in compliance with national and international laws and the best practices for the Sector.

Dangerous substances

Morellato only uses sources of supply that ensure their products comply with applicable international laws:

- REACH: Proposition 65

Conflict Minerals

Morellato only uses sources of supply that make use of materials from companies operating in compliance with: the United States “Dodd–Frank Wall Street Reform and Consumer Protection Act” (2010) which requires producers to audit their supply chain and report on the use of conflict materials and European Union Regulation 2017/821 that sets forth obligations in terms of the duty of diligence in supply chains for EU importers of tin, tantalum and tungsten, their minerals, and gold, from conflict zones or high-risk zones.

The regulation specifically covers materials such as tin, tantalum, tungsten, gold and cobalt.

Cobalt is mainly mined in Congo and is used in electrical circuits, lithium-ion battery cells, tablets and mobile phones, etc.

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