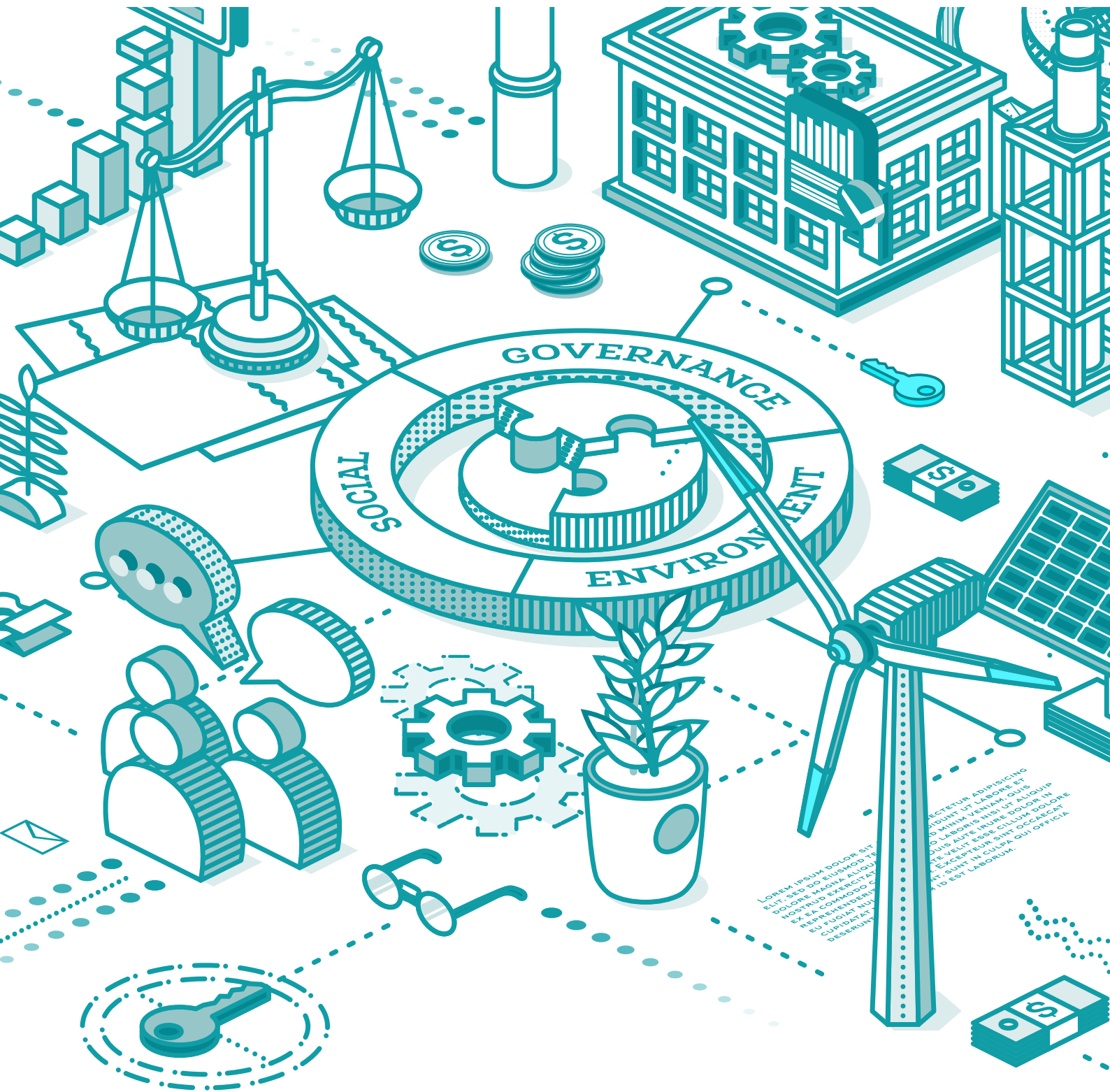


CODE OF ETHICS



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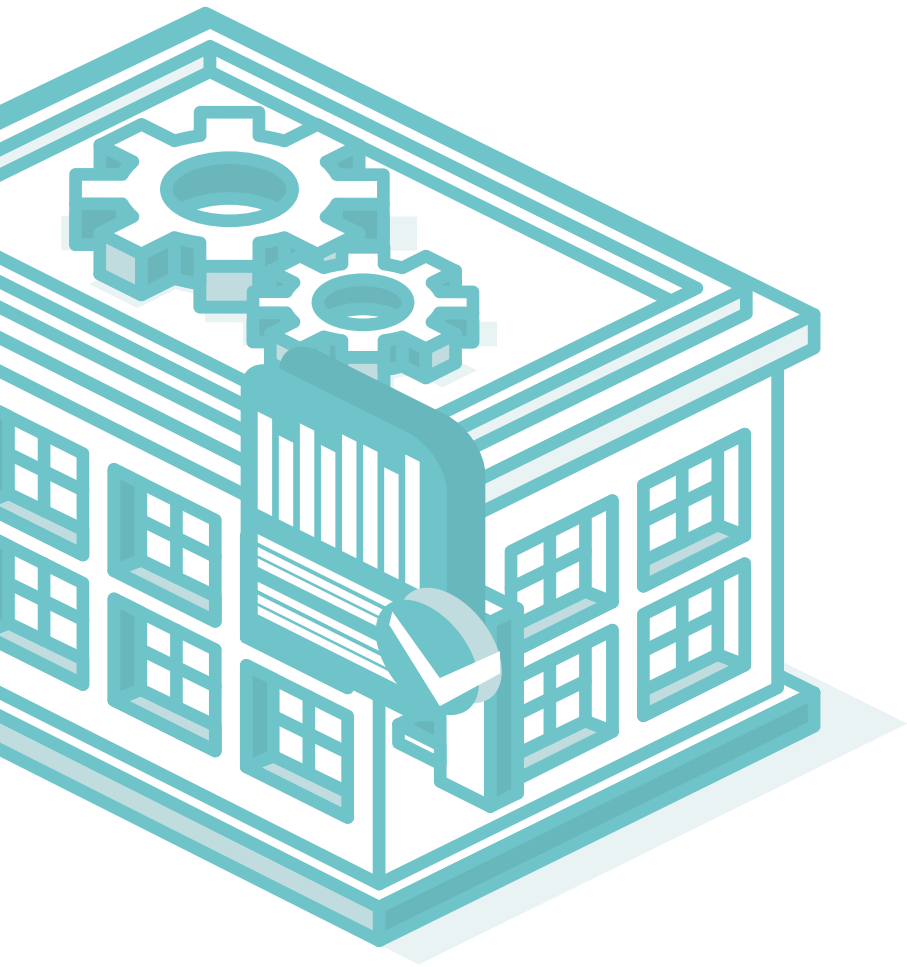
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About Bausano

Bausano & Figli S.p.A. started out as a manufacturer of extrusion lines for plastics back in 1946.

From the outset, the work ethic of Bausano (hereafter also referred to as the Company) has been based on close cooperation between employees. It believes in the importance of a strong synergy between the business world and society, and strives to enhance the internal and external environment. By doing this, it is able to be a stimulating company in which workers can find their place, and this is what makes Bausano a company in which people want to work and that other companies want to collaborate with.

The company's core values, which are now more important than ever, are environmental, social and economic sustainability. In fact, it conducts its business in compliance with all the rules aimed at ensuring a healthy indoor and outdoor environment and the health of its workers, which must always come first.

Bausano strives to create a work environment without any kind of discrimination, ensuring that its workers are given an opportunity for professional growth, which must be purely based on their abilities. Respect for staff and their dignity are of paramount importance.

Bausano has been investing in management training since 2016 in order to impart ethical values such as responsibility and positive, constructive communication.

Through its R&D activities, Bausano not only wishes to improve its products and services, but also sets itself the goal of finding the best solutions when it comes to plastics and environmental sustainability.



Preamble

This document is intended to highlight all the moral rights and duties that inspire the Company in conducting its business.

In fact, besides complying with laws and the National Collective Labour Code, the Company undertakes to be guided by ethical and moral principles so as to operate in a transparent, loyal and fair manner. Please note that this Code of Ethics, while mandatory for the company in conducting its internal and external business, is not intended to supersede the law in any way; in fact, in no way is it above the law, but only complements it with regard to ethical and moral principles.

By adhering to and complying with this document, a double safeguard, both internal and external, is ensured:

- By setting out the ethical principles to be followed within the Company, as regards workers, collaborators and the management, the Code of Ethics ensures a safe and fair working environment, which is free from discrimination and unfair behaviour;
- At the same time, by adopting the Code of Ethics, the Company introduces itself to the market as a reliable and trustworthy partner, with which to pursue a tangible and long-lasting path of growth that will generate value to be shared with the stakeholders.

This document constitutes a “moral contract”, which does not directly strengthen the Company's competitiveness, but if properly adopted and adhered to it will do so indirectly, thus giving Bausano a more solid and reliable image.

0.1 | Aims and recipients of the Code of Ethics

The Code of Ethics serves as a guideline to inspire ethically correct behaviour within the company, both in-house and towards external stakeholders.

It is an effective and efficient way of determining whether those who act in the name of and on behalf of the Company have behaved irresponsibly and/or unlawfully, and to prevent such conduct in the future. The Code of Ethics establishes the values and principles that the Company must be guided by in its business activities and in its relations with clients, suppliers, partners, employees, collaborators, administrators, public institutions, and any other party involved in the company's activities.

It is therefore easy to understand how the Code of Ethics, which covers all of the Company's internal and external activities, is addressed to all persons that interact with the Company, regardless of whether they are employed by the latter or hold managerial/administrative positions, or whether they interact with it as collaborators or as clients. As a result, all those concerned must follow the principles set out in the Code of Ethics in all situations and contexts, within the scope of their duties and activities, depending on their position in the company.

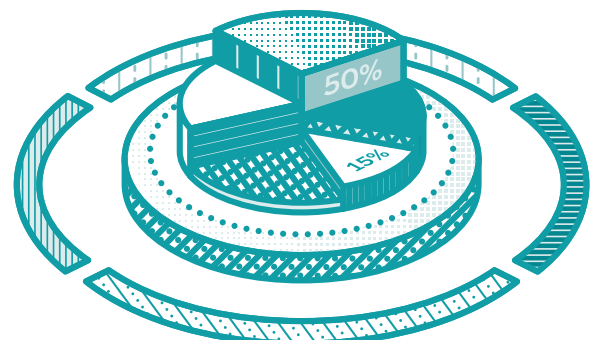
0.2 | Adoption and dissemination

The Code of Ethics is adopted by the Company after being approved by the Board of Directors.

Since the Code of Ethics is binding for all those who interact with the Company, it is widely disseminated through all available means of communication, which include publishing the Code on the Company's website, sending out specific messages to all those concerned, holding special informative meetings, and through staff training.

In this respect, staff training plays a major role, as it is aimed at promoting wider knowledge of all the ethical and moral rights and duties that are essential in any job.

The Code of Ethics is not a static document, but is constantly evolving in order to keep pace with updates pertaining to the corporate and operational environment in which the Company interacts. Because of this ongoing updating process, it is crucial for the Code to be regularly monitored and amended as necessary.



0.3 | Supervisory and reporting activities

All recipients of the Code have a duty to report and inform the Supervisory Body whenever they come across information, even when provided by third parties, regarding conduct that deviates from what is set out in the Code.

Those who report such information are granted full anonymity so as to protect them from any form of discrimination, penalisation and retaliation.

In addition to ensuring that the confidentiality of the person who reported the matter is protected, and in order to avoid false reports or reports made for the sole purpose of stirring up frivolous disputes, each report must be signed by the person who wrote it.

Once the report has been received, the administrative body is responsible for investigating its truthfulness at the suggestion of the Supervisory Body. In fact, the following are responsible for checking that the Code of Ethics is implemented and applied: managers and/or officials, the Board of Directors and the Supervisory Body.

0.4 | Disciplinary measures

Compliance with the rules of the Code of Ethics is an integral part of contractual obligations, which means that non-compliance with such rules will result in sanctions and disciplinary measures being applied as set out in the Collective Labour Agreements.

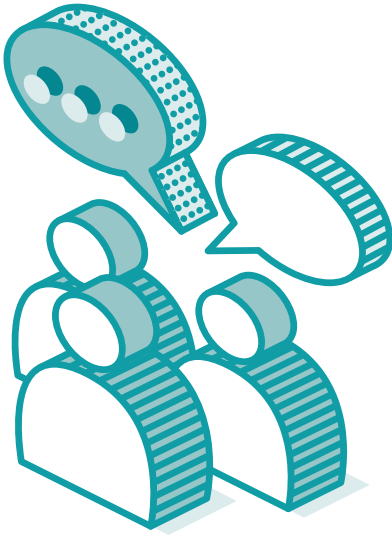
Should the directors violate these rules, the Supervisory Body has the duty to inform the Board of Directors, which will then take appropriate measures in accordance with the law and regulations.

As regards the disciplinary sanctions applicable to directors, managers and employees, please refer to those established by the national collective labour agreements that are set out in detail for each category.

0.5 | Privacy protection

The Company attaches great importance to respecting the privacy of its staff with regard to sensitive data, and implements all relevant regulations in order to ensure that such data is only used within the Company and for purposes strictly linked to what is essential for work purposes. To this effect, the Company scrupulously complies with the requirements set out in Legislative Decree 196/2003 and Regulation (EU) 2016/679 (GDPR).

Bausano undertakes to respect the human resources employed in the organisation and their privacy; in fact, inquiring about ideas, preferences, personal tastes and, more generally, anything that is strictly related to the personal life of employees and collaborators is prohibited and condemned.



Behavioural Rules

1.1 | Employees and collaborators

Section 1 - Rules of conduct

The only criterion taken into account when selecting personnel is whether the candidate's profile matches the company's requirements. Any form of discrimination based on gender, race, religion, language, skin colour, political choices, sexual orientation, physical appearance, economic and social status, and any other parameter that does not pertain to the candidate's professionalism and reliability will not be tolerated. Any information that is requested as part of the personnel selection process is strictly limited to checking the aspects required for the job position to be filled.

Illegal employment of any nature is not permitted; all members of staff are employed with a regular employment contract.

Employees and collaborators are an essential resource for the company's growth and its proper operation. All members of staff are guaranteed equal opportunities when it comes to training and professional development, with no discrimination whatsoever.

Bausano undertakes to ensure fair working conditions for all workers, which guarantee a peaceful working environment in which they can do their job knowing that their rights are fully respected. Professional growth and the opportunity to access senior positions and to obtain a higher salary exclusively depend on each worker's professionalism and work skills, thereby ensuring equal growth opportunities for all.

1.2 | Health and safety

Any kind of behaviour considered as discrimination or harassment must be immediately reported to the Supervisory Body, which will then act accordingly.

Bausano undertakes to ensure a working environment that does not pose any risks to the health and safety of its staff members.

The Company, which abides by the philosophy set out in Legislative Decree 81/2008, undertakes to ensure that its members of staff are aware of all possible risks in order to foresee and avoid them, and promotes responsible and diligent behaviour among all members of staff.

All individuals are required to observe the warnings aimed at limiting risks, and to report any potentially dangerous situations in good time.

When it comes to the safety of workers, the main focus is on performing extraordinary maintenance on all the company's systems so that it can ensure that there are no hazards for its employees and collaborators. The company addresses not only the present situation, but also the future and any necessary implementations.

To make such a commitment even more impactful, Bausano plans to meet all the requirements for the ISO 45001 certification as soon as possible.

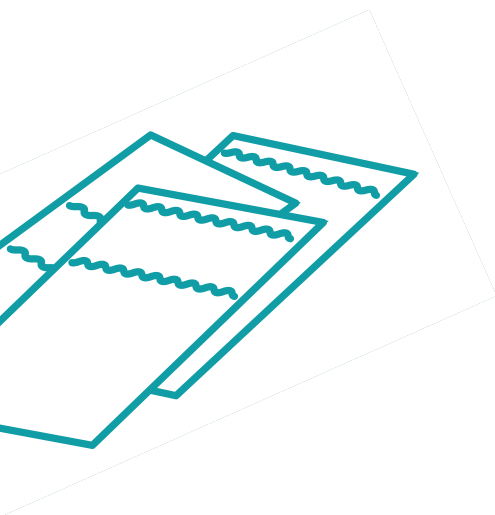
1.3 | Staff duties

All employees of the Company must act loyally so as to properly comply with the obligations stipulated in the employment contract and set out in this document.

Workers must comply with the following:

- Confidentiality of information: any workers who, in carrying out their duties, may learn confidential information regarding the Company and/or third parties, must not disclose it under any circumstances. Should it be necessary to discuss important or, in any case, confidential matters, the person in question must make sure to take all necessary precautions to protect confidentiality, taking into consideration the nature of the matters in question.
- Use of company assets: all employees and collaborators must treat company assets, whether tangible or not, with the utmost respect and discretion. In carrying out their duties, workers who will have access to any asset, whether it is a movable asset or, for instance, a facility of the Company, must ensure it is used with the utmost respect and in a manner that is appropriate and pertaining to the task at hand. Workers are authorised to use any company asset for work-related purposes only. It is strictly forbidden to use company endowments for private purposes or interests.

All workers must carry out their duties in a **professional and honest manner, showing dedication and loyalty, and in a spirit of cooperation and mutual respect.**



Workers are expected to take responsibility and be reliable in carrying out their tasks, so as to achieve the set goals from both a quantitative and a qualitative standpoint.

1.4 | Staff training

All employees have the opportunity to participate in training and refresher courses.

Bausano has always believed that quality training is synonymous with improved work performance and lower stress levels, which has a positive impact not only on the company's numbers, but also on the well-being and self-esteem of each employee.

In addition to offering various optional training programmes, Bausano has been collaborating with local schools for many years now to give students the chance to participate in internships and programmes specially developed for them, to the benefit of the economic growth of the area in which the company operates.

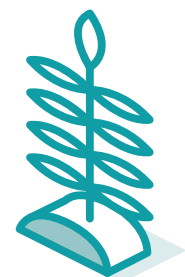
Over the years, in an effort to ensure continuous training and to improve the quality of its corporate policy, Bausano has forged strong relationships with the Humans4Humans group as a partner of EVO Imprese.

1.5 | Conflict of interest

All activities carried out by workers, collaborators and any other person affiliated with the company in any capacity whatsoever must be carried out in the exclusive interest of the company itself and in a lawful, correct and transparent manner.

All members of staff must avoid any activities or situations that may entail a conflict of interest with the interests pursued by the Company, or that may interfere in any way with ordinary business activities in compliance with the law and this code.

Should any situation arise that may result in a conflict of interest, it must be reported to the management in a timely manner.



2.1 | Relations with competitors

Section 2 - External relations

Bausano is a firm believer in free and fair competition and focuses its efforts on achieving competitive results that reward competence, experience and efficiency. The Company and its collaborators are required to behave properly and in accordance with the ethical principles of loyalty and reliability in their business dealings and in their relations with the Public Administration.

Any actions taken to alter the terms of fair competition are in conflict with the Company's corporate policy and are prohibited for all persons acting on its behalf.

By no means may the pursuit of the company's interests justify conduct by senior management or collaborators that is not compliant with the applicable laws and with the rules of this Code.

In all external communications, information regarding the Company and its activities must be accurate, transparent and verifiable.

2.2 | Relations with clients

The Company's primary business goal is to make sure that its customers are fully satisfied. This does not only involve supplying quality materials, but also building a relationship based on transparency and fairness throughout business negotiations, taking on contractual obligations, and ultimately resulting in a truthful and diligent fulfilment of the contract itself.

The company strives daily to improve the quality and increase the level of technology of the machinery used so as to optimise the production process and be able to offer its clients satisfactory products. Bausano cares deeply about its clients and always strives to help them accomplish their business projects.

The Company is keen to solve its clients' everyday problems, and this is exactly why it is actively committed to producing more efficient and sustainable machines. Specifically, the induction system of Bausano's extruders can save up to 35% energy compared to conventional systems. This translates into less pollution and fewer natural resources being used.

2.3 Production of goods

One of the distinctive features of Bausano is that it produces extruders for WPC, which are composite materials containing a natural fibre component with a polymer matrix. The latter can be made of materials such as PVC, PE or PP.

In addition to wood, rice husks, plant waste, cork, almond shells and natural fibres in general can also be used. WPC has a very low environmental impact. Why is that? The reason for this is easy to explain and has to do with the fact that it can be produced using waste from renewable resources. It is also fully recyclable. After

use, it can be extruded again, which extends the product's life cycle as part of a circular economy approach.

This last year, Bausano has incorporated a specially dedicated resource for the plastics recycling project, a key topic for the future of its industry, as it wants to be ready for it.

From a 4.0 perspective, the Company has been working on digitalising a number of activities, both in management and production. The Company's facilities have also been modernised with Industry 4.0 and IOT in mind.

2.4 | Relations with stakeholders

A- RELATIONS WITH SUPPLIERS

Searching for a supplier is extremely important to the Company as it aims to subsequently achieve full customer satisfaction. For this purpose, Bausano plans to rely on knowledgeable, qualified and loyal suppliers who are willing to forge a honest and reliable relationship with the company's employees in order to offer the best possible service.

Should the selected supplier later engage in behaviour that is not in line with the company's Code of Ethics and principles, appropriate action will be taken.

In order to ensure that the best supplier is chosen, the company is committed to not only selecting a supplier, but also to constantly monitor the latter.

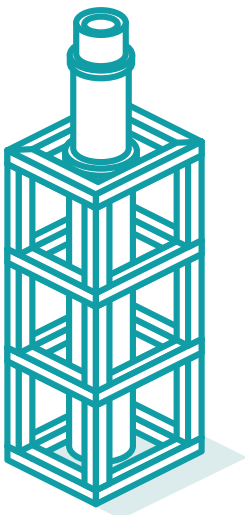
B- EXTERNAL STAKEHOLDERS

Production takes place in Italy and suppliers from Turin and the surrounding area are chosen whenever possible. These are suppliers with which our company has established close relationships and long-standing synergies that contribute to the growth of the Bausano group and of the community in which it operates. It is often the case that certain suppliers will recommend the Company to their clients, preferring it over other competitors.

Every day our company strives to create a better business by working alongside its partners, and does this by focusing especially on understanding, collaboration and shared values.

The relationship with clients is also very close because of the special nature of production. Before preparing the offer, preliminary consultancy work is carried out, which already establishes a very close relationship that is aimed not only at solving the client's problem, but also at increasing knowledge in the field of research.

The fact of having two types of clients, one that is highly advanced when it comes to research and development and that relies on the Company as a partner for finalising special projects, and another with a craftsmanship approach, is what allows the experience gained to be passed on through the former to the latter.



2.5 | Relations with employees and corporate welfare goal

With regard to research and development, Bausano collaborates with other companies and research centres in national and international training events and syndicated projects with the aim of finding the best sustainable solutions in the field of plastics and when it comes to recycling and reducing environmental impact.

Not only is collaboration with local suppliers crucial in terms of social sustainability, but it is also important to participate as much as possible in the life of the area in which the company operates.

In this sense, Bausano promotes the economic development of local sports associations through projects and sponsorships. These include the football club Rivarolese 1906 and amateur sports associations such as the A.s.d. Rivarolo Volley volleyball team, A.s.d. Varese – Trekking, as well as participation in the Rally motor event. Sports is not the only field in which Bausano plays an active role by participating in major events. In fact, it is also involved in cultural activities, not only by providing financial support but also by participating actively.

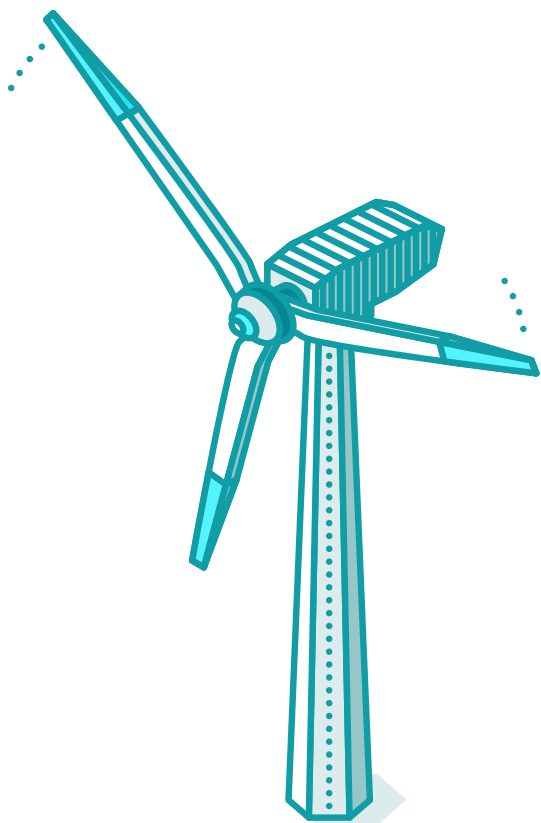
In this respect, some major events worth mentioning are the APOLIDE Festival or the Rotary – “WEITS 21” event, and specially organised initiatives in collaboration with local social welfare organisations in support of local healthcare. For example, in the last two years, a portable ultrasound scanner was purchased for the gynaecology ward in Ivrea and mammography screening was sponsored for 50 women in the area.

Bausano has always preferred to hire staff from areas near the company’s headquarters so that it can promote employment development and economic growth in the local area.

Since each recruit is considered a major added value for the company, all people joining the team must complete a long-term integration and growth process, which is also aimed at maximising internal innovation.

Corporate welfare plans are aimed at increasing employee engagement, improving the working environment, and reducing turnover in various work groups. Our company is committed to achieving these goals by taking several tangible measures, from production bonuses to health insurance. As for this last aspect, Bausano has taken out additional insurance that provides a specific indemnity for all employees should they test positive for Covid-19.

Work-life balance policies are also part of the welfare plan, thereby promoting flexible remote work.



Bausano for society

In the social field, Bausano adopts the Corporate Citizenship philosophy, which demonstrates its level of commitment and awareness.

The Company has duties towards citizens and must put itself out there every day to improve the community in which it operates.

3.1 | Environmental protection

In many cases, environmental pollution is linked to corporate activities in both the input and output phases. Bausano has undertaken to make environmental protection one of its main priorities, and this requires taking action with regard to several areas of risk, including:

- The use of natural resources;
- The emission of harmful substances;
- Waste generation during production;
- The overall impact of the product during its life cycle.

Bausano seeks to implement responsible consumption and production models and has the primary goal of taking urgent measures to fight climate change and its consequences. In order to achieve these goals, an agreement was signed with the company ForGreen S.p.A. for the supply of electricity from 100% renewable sources.

Not only does the company have a supplier of clean electricity, but it can also manage its heat pump remotely, which allows it to avoid waste and to avoid overusing it. As a result, the company is able to reduce its energy consumption and its impact on the environment.

In order to deal with environmental issues with a structured approach and as efficiently as possible, Bausano intends to meet the requirements for ISO 14001 certification. In this case, the purpose is to combat climate change more effectively by putting a plan in place with clearly defined rules to be followed.

3.2 | Relations with the public health system

Also with regard to environmental protection, Bausano S.p.A. has embarked on a digitalisation journey. In fact, the purpose of harnessing the potential of digital technology is to automate and streamline production processes, while also having a major positive impact by reducing waste and minimising CO₂ emissions.

The Company's constant concern for the health of our environment is what drove it to design and develop the twin screw extruders, which stand out for their exclusive patented Multidrive transmission system. This special transmission system, with its carefully designed interpenetrating and counter-rotating screws, along with cutting-edge motors and consumption analysis functions, offers outstanding levels of efficiency, durability, reliability and sustainability. MD extruders feature an innovative energy management system, i.e. the Smart Energy System, which significantly reduces wear and ensures energy savings of up to 35%.

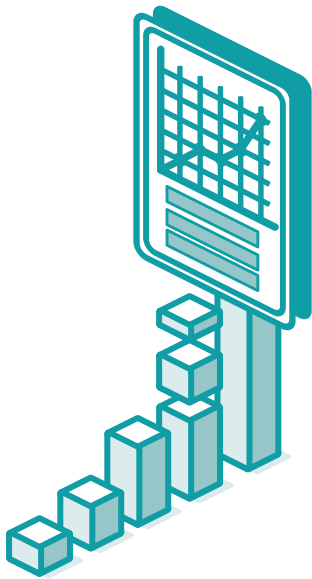
Over the last few years, we have realised just how important public health is.

Some of the most vulnerable patient groups were particularly affected by the great pressure that the health emergency placed on the Italian National Health Service. In particular, pregnant women, who are considered fragile individuals, at a time when hospitals were overcrowded, had to go to medical centres located further away for the medical check-ups that must be done during pregnancy, which increased their risk of exposure to SARS-COV-2 infection.

In order to give a helping hand at this critical time in history, Bausano bought a portable ultrasound scanner for the gynaecology and obstetrics ward at the local health authority unit (ASL TO4).

The previously mentioned welfare plan has a dual purpose. By aiming to offer a peaceful and flexible working environment for workers, it allows them to strike a balance in their lives between personal and professional needs in order to better meet their demands. This also has a direct impact within the community in which workers-citizens live and go about their lives.





Businesses, innovation and infrastructure

4.1 | Innovation

Bausano aims to build a resilient infrastructure, promote inclusive and sustainable industrialisation, and continuously foster innovation.

The activities carried out in order to meet this goal do not only concern the economic growth of the company and of the area in which it operates, but also have to do with environmental and social factors. It is for this reason that focusing research, development and innovation efforts towards achieving environmental sustainability is a basic principle for building a company that is able to bring about virtuous changes.

4.2 | Industry 4.0

The latest project is focused on Industry 4.0, which took shape in 2021 with the launch of the IoT Orquestra software.

For the companies that purchase it, this software offers an opportunity for them to significantly improve the quality of their infrastructure, thus initiating an internal change and innovation process.

Thanks to the Industry 4.0 and the Orquestra software, machine failure due to inefficient management can now be avoided. In addition, production data can be analysed in order to maintain extrusion speed and power at a constant level.

4.3 | Research

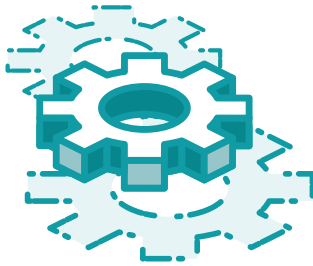
As already mentioned, Bausano invests substantial resources in research, focusing especially on recyclable and water-soluble materials.

Bausano's R&D laboratory continuously analyses recovered materials and studies their mechanical properties and qualities in extrusion cycles.

As regards PVC and polyolefins, the company has prepared a report concerning

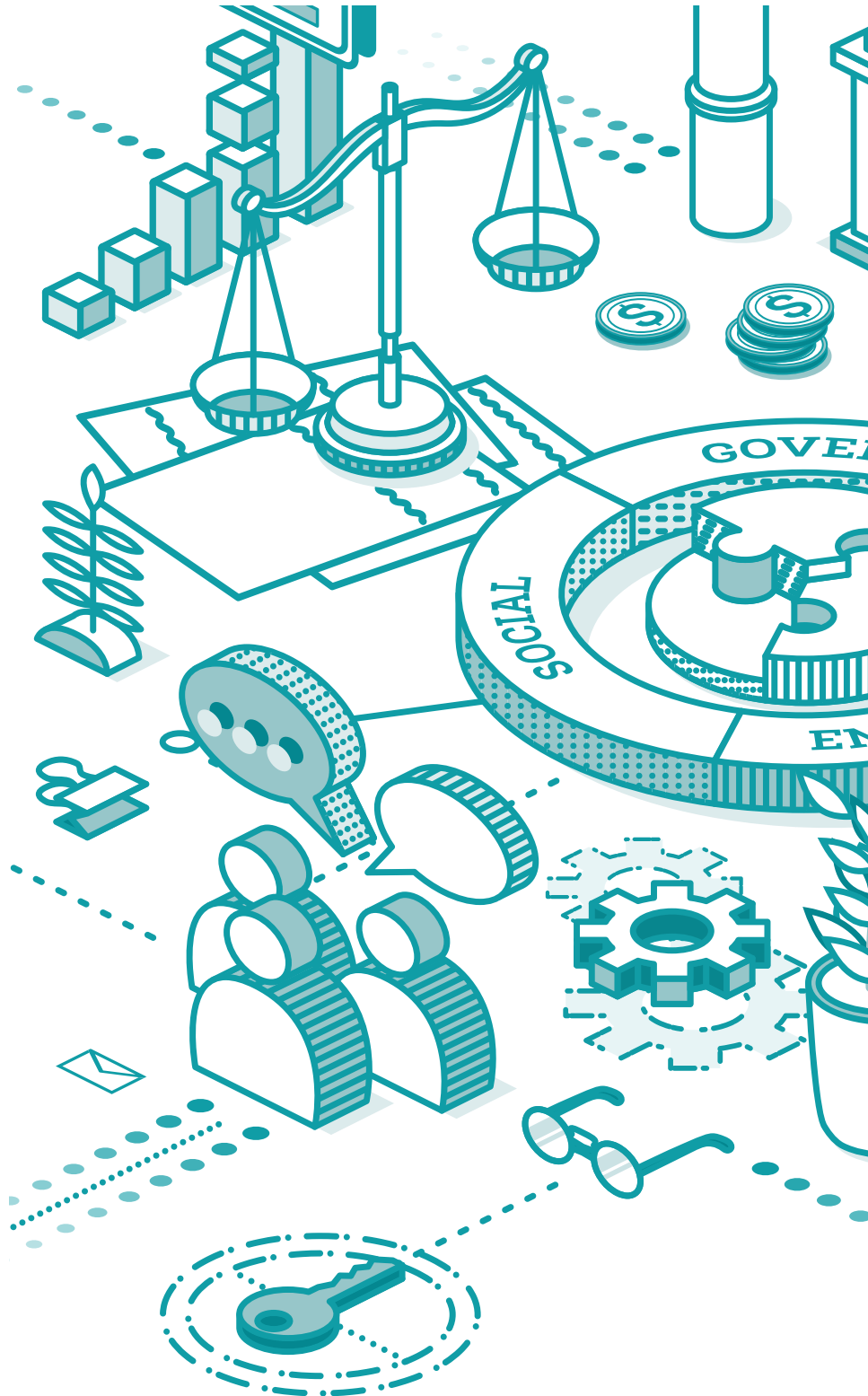
their recovery and recycling in order to provide its clients with information and offer them multiple solutions for recovering post-production waste.

4.4 | Production



Bausano tests its extruders extensively, not only for research purposes, but also to check that its clients' machines are in perfect working order before delivery.

When possible, waste material is reused for various testing sessions. In most cases, waste material and, in general, unused raw material is reused by local companies in their business activities. This decision has a threefold positive effect, that is, it brings with it economic, social and environmental benefits. In fact, in this way, a vast network of collaborations is built up with the various businesses based in Turin and the surrounding area. Moreover, costs are reduced for both Bausano and other companies that can source materials at zero cost.





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