

Ethical Code

With this ethical code, Lafer outlines its commitments, responsibilities, and principles adopted in conducting business activities.

Lafer adopts this Ethical Code, hereinafter referred to as the "Code", which defines the conduct principles to which the company's board members, all employees, all individuals or companies acting on behalf of Lafer, as well as all parties entering into any relationship with the company, must adhere.

These parties are collectively referred to as "recipients".

The Code is approved by the Board of Directors and is made known to all recipients, as defined above, through publication on the company website www.lafer.eu, from which it can be freely downloaded, and through posting on the company notice board. To submit reports or complaints regarding the application of the company's Ethical Code, it is possible to use the "report box" located in front of the company notice board or through the following link: <https://lafer.trufty.report/>.

Compliance with the Ethical Code is an integral part of the contractual obligations of the recipients.

Based on regulatory developments, international practices, and the experience acquired in applying the Code by Lafer, it is subject to revision by the Organization.

Part of the company's philosophy is to encourage and welcome constructive contributions to the content of the Code from both employees and third parties and not to establish or continue business relationships with anyone who expressly refuses to adhere to the principles of this Code.

The general ethical principles of the company are:

➤ *Protection of the Individual and Fundamental Rights*

Lafer conducts its business activities while respecting the fundamental rights of every individual, rejecting child labor exploitation and any form of modern slavery, safeguarding moral integrity, and ensuring equal opportunities. Human resources are, for the company, a fundamental and indispensable element for the existence and development of society. To this end, Lafer is committed to promoting training activities for its employees to continuously and steadily enhance their skills and thus facilitate their professional growth. Business relationships at all levels should be based on loyalty, honesty, fairness, non-discrimination, collaboration, mutual dialogue, and aimed at sustainable growth of created value. Employees must collaborate to maintain a climate of mutual respect for each person's dignity, honor, and reputation. Within itself, the company aims to maintain a serene work environment where everyone can work in compliance with laws, shared principles, and values; in particular, no form of isolation, exploitation, coercion, or harassment for any discriminatory reason, whether personal or professional, is tolerated.

➤ *Rejection of All Discrimination*

In decisions affecting relationships with its stakeholders (customer selection, relationships with capital holders, personnel management and work organization, supplier selection and management, relationships with the surrounding community and the institutions representing it), the Company opposes any discrimination based on age, gender, sexual orientation, health status and disability, race, nationality, political opinions, and religious beliefs of its interlocutors. The same criterion is applied in hiring decisions or relationships with personnel. Access to roles and assignments is based on skills and abilities. Furthermore, in line with the overall efficiency of work, flexible organizational forms are favored to assist individuals with precarious health conditions, those on maternity leave, or those who need to care for children or relatives. Lafer believes that cultural diversity and a plurality of opinions are sources of innovative ideas and represent an added value for the company's growth; therefore, it is a managerial objective to maintain a stimulating work environment open to change.

➤ *Salaries, Benefits, and Working Hours*

Lafer adheres to the national collective labor agreement for metalworkers. The second-level company bargaining has led to the establishment of an annual bonus, calculated based on the most relevant elements for improving the company's competitiveness, among which productivity and quality parameters are the most important. The second-level contract also provides various benefits and the possibility of accessing company welfare through a dedicated platform.

Regarding working hours, the company follows the directives of the national collective labor agreement for metalworkers and, operating on a continuous cycle, recognizes additional pay increases beyond the national reference levels for overtime, holiday, and night work.

➤ *Conflicts of Interest*

The recipients of this code avoid conflicts of interest in the performance of their functions. The following are examples of situations that recipients must avoid:

- Instrumentalization of their functional position to pursue interests contrary to those of the Company or for personal interests;
- Use of information acquired in the course of work activities for personal or third-party advantage, in any case contrary to the interests of the Company;
- It is also prohibited for personnel to accept, even indirectly, money, gifts, and goods (except for symbolic or modest gifts directly related to normal interpersonal relationships), services, benefits, or favors in relation to relationships with any third parties with whom Lafer has an existing relationship to influence their decisions, seeking more favorable treatment or undue benefits, or for any other purpose;
- Any requests or offers of money, gifts, or favors of any kind (except for symbolic gifts directly related to normal interpersonal relationships) received by personnel from individuals operating internally at Lafer or from individuals mentioned in the previous point must be promptly reported to their hierarchical superior;
- Every individual is required to act diligently to protect the company's assets, using the resources entrusted to them with scrupulousness and responsibility, avoiding improper use that could cause damage or reduce efficiency, or in any case, contradict the interests of Lafer and unauthorized personal use.

➤ *Freedom of Association*

Lafer protects and promotes the trade union freedom of its workers as guaranteed by Article 39 of the Italian Constitution and Law No. 300 of 1970 (Workers' Statute).

➤ *Legislative Compliance*

Lafer respects legislative standards concerning fair trade, advertising, and competition; furthermore, it strictly adheres to legal provisions regarding financial reporting and regular accounting procedures, observing strict compliance with the current regulations on anti-money laundering, committing to refuse to engage in any operations deemed suspicious in terms of correctness and transparency.

Lafer ensures the confidentiality of all confidential information received from its stakeholders.

➤ *Relations with the Community and Environmental Protection*

Lafer promotes and pursues the safeguarding of the environment to ensure sustainable growth and development through the use of the best available technologies on the market, the systematic adoption of industrial solutions with lower environmental impact, and the continuous improvement of business processes, also ensured by maintaining the environmental management system certification according to the latest revision of ISO 14001.

➤ *Health and Safety at Work*

The company is fully committed to ensuring the health of its workers and the safety of workplaces, adopting the most appropriate measures to create an environment suitable for the needs of employees and to avoid risks associated with its business activities. Through the Ethical Code, Lafer expresses its clear intention to inspire its behaviors not only by complying with laws, regulations, and the associative statute but also by adhering to moral principles that must govern all aspects of civil coexistence and all relationships among individuals, associations, private and public companies, and institutions.

➤ *Responsible Sourcing and Supply Chain Control*

In the selection and evaluation process of its suppliers and collaborators, Lafer prioritizes companies that promote ethical and environmental standards internally in line with the values outlined in this Code. Lafer reserves the right to conduct audits and periodic checks to monitor the performance and sustainability of its supply chain.

To ensure the proper sourcing of critical raw materials, the EU approved a new regulation in May 2017 to stop the import of minerals and metals from conflict zones and to prevent global and EU smelters and refiners from using minerals from conflict areas and to protect miners from abuse.

Lafer ensures responsible sourcing of “conflict minerals” (3TG) used in its processes, selecting only suppliers that use raw materials sourced from producers that adopt due diligence practices validated by an independent third party (e.g., RMI) or derived exclusively from scrap or recycling.

Lafer is committed to ensuring that its suppliers comply with the provisions of the aforementioned regulation for sourcing raw materials from conflict countries. In the event of a detected violation, if the situation persists after an agreed period with the other company, it will be removed as a supplier.

The Management