

PANGUANETA

PLYWOOD FOR LIFE

Code of Ethics

ENGLISH



CODE OF ETHICS

Approved by the Board of Directors on 16/07/2018

TABLE OF CONTENTS

01 Preamble and disciplinary value of the Code of Ethics 5
02 Addressees of the Code of Ethics pursuant to Legislative Decree No. 231/2001. 6
03 General ethical principles. 7
04 Principle of legality 7
05 Integrity and proper conduct 7
06 Relations with the Public Administration 8
07 Prevention of private corruption 8
08 Respect for human dignity and equal opportunities 9
09 Safeguarding health, safety and working conditions 10
10 Commitment to sustainable development and environmental safeguard 10
11 Administrative and financial rules. 11
12 Corporate communications and financial reporting 11
13 Conflicts of interest 12
14 Confidentiality and information protection 12
15 Anti-money laundering and counter-terrorism 13
16 Compliance with the Code of Ethics 13
17 Supervisory body and disciplinary system 14
17.1 Purpose 14
17.2 Reporting of violations of law and the Code of Ethics (whistleblowing). 14

01 PREAMBLE AND DISCIPLINARY VALUE OF THE CODE OF ETHICS

This Code of Ethics expresses ethical principles and standards of conduct, as well as the core values, that are relevant to the company Panguaneta S.p.A. (hereinafter the "Company") for the purposes of ensuring sound management, reliability, compliance with applicable laws and regulations, and the protection of the Company's reputation.

The Code establishes the ethical and behavioural measures the Company implements to ensure compliance with Legislative Decree No. 231/2001 and the internal and external standards of conduct applicable to achieving the Company's corporate objectives. The principles set out herein are further specified and enforced through the Organisational, Management and Control Model established under Legislative Decree No. 231/2001 (the "231 Model") and the associated protocols adopted by Panguaneta S.p.A.

This Code has been approved by the Board of Directors, which undertakes to ensure its widest possible dissemination.

This Code, considered as a whole and together with all specific implementing procedures approved by the Company, shall be deemed an integral part of employees' individual employment contracts, pursuant to Article 2104 of the Italian Civil Code.

Any violation of this Code and/or of the 231 Model by employees may result in the application of disciplinary sanctions, in accordance with applicable law and with the provisions of the relevant National Collective Labour Agreement (Contratto Collettivo Nazionale di Lavoro – "CCNL"). Upon identification of a potential violation of this Code and/or of the 231 Model and related protocols adopted by the Company, the Company shall initiate disciplinary proceedings against the employee in accordance with the procedures and time limits set out in Article 7 of Law No. 300/1970 and the applicable CCNL.

With regard to collaborators, consultants, contractors and other third parties, the execution of, or in any event adherence to, the provisions and principles set forth in this Code shall constitute a conditio sine qua non for the execution of any contractual relationship with the Company. Accordingly, the approved provisions, once disclosed and accepted, shall form an integral part of the relevant contracts. Any violation by third parties of specific provisions of this Code shall entitle the Company to terminate the existing contractual relationship and may also be identified in advance as an express termination clause pursuant to Article 1456 of the Italian Civil Code.

02 ADDRESSEES OF THE CODE OF ETHICS PURSUANT TO LEGISLATIVE DECREE NO. 231/2001

The addressees of this Code of Ethics are:

- Members of the Board of Directors;
- Members of the Board of Statutory Auditors and the Supervisory Body;
- Employees with permanent or fixed-term contracts;
- External collaborators;
- Suppliers, consultants, and other third parties with whom the Company maintains contractual relationships aimed at achieving corporate objectives, including the provision of services, whether temporary or ongoing, or activities carried out in the name and on behalf of the Company, thereby establishing a fiduciary relationship.

Compliance with this Code of Ethics shall be regarded as an essential part of the contractual obligations of all the above addressees, in accordance with the Organisational Model adopted by Panguaneta S.p.A.

The Board of Directors of Panguaneta S.p.A. undertakes, with respect to all addressees, to:

- Organise appropriate training and awareness programs on the contents of the Code (meetings, courses);
- Ensure timely dissemination of the Code, including the delivery of a copy to all personnel to provide evidence of prior knowledge, as well as publication on the Company website and intranet;
- Periodically verify compliance with and adherence to the Code;
- Ensure the review and updating of the Code to reflect any changes in the Company's organisational or managerial structure, developments in civil awareness, or environmental and regulatory conditions;
- Adopt suitable preventive measures, implement appropriate disciplinary actions, and promptly apply them in the event of confirmed violations of the Code.

Employees, given that the Code forms an integral part of their employment relationship, undertake to act and behave in accordance with its provisions, to report any violations as soon as they become aware of them, and to cooperate with the internal procedures established to implement the Code.

03 GENERAL ETHICAL PRINCIPLES

Panguaneta S.p.A. considers its corporate image and reputation to be fundamental values that must be protected and enhanced, in particular through the widespread dissemination, sharing, and adherence to the ethical and behavioural principles set forth in this Code.

In carrying out its business activities, the Company is guided by the following ethical principles, the observance of which is required from all individuals in the performance of their respective duties.

04 PRINCIPLE OF LEGALITY

In conducting its business activities, the Company complies with this Code of Ethics, internal company regulations, and all applicable laws and regulations. Internal addressees are required to be aware of and comply with the operational protocols and company procedures applicable to them according to their role and level of responsibility. They are also required to stay informed of and adhere to updates to the Company's internal regulations through the information tools provided by the Company (regulations, protocols, service orders, etc.), in order to perform their work correctly and to maintain their conduct consistent with the Company's directives on work organization.

05 INTEGRITY AND PROPER CONDUCT

The Company conducts its relationships with stakeholders in accordance with principles of fairness, loyalty, cooperation, and mutual respect. Employees and collaborators shall not accept gifts, benefits, or other advantages, nor allow themselves to be influenced by any form of pressure that could direct their conduct towards external interests.

06 RELATIONS WITH THE PUBLIC ADMINISTRATION

Relations between the Company and the Public Administration, public officials, and individuals entrusted with public service functions shall be conducted in compliance with applicable laws and regulations, as well as with the relevant internal rules and protocols, and must in no way compromise the integrity or reputation of the Company. The undertaking of commitments and the management of any type of relationship with the Public Administration are reserved exclusively to duly appointed and authorised personnel.

Any payment, offer, or promise of money or other benefits made for unlawful purposes or to obtain improper advantages is strictly prohibited. Any form of gift–understood as any benefit whatsoever, including discounts outside the Company's standard commercial practices or the promise of employment–that may even be perceived as exceeding customary commercial or courtesy practices, or as intended to obtain favourable treatment in connection with any activity related to the Company, is expressly prohibited. In particular, any form of gift to public officials or to their family members is prohibited. This rule of conduct applies both to gifts offered or promised and to gifts received. In any event, the Company refrains from practices that are not permitted by law, commercial customs, or the codes of ethics of the companies or entities with which it maintains relationships. Gifts offered–except for those of modest value–must be managed and authorised in accordance with the Company's internal procedures and must be duly documented.

This standard of conduct applies not only to direct payments and/or promises, but also to indirect ones made in any form, including through consultants or third parties. In dealings with Judicial Authorities, including participation in administrative, civil, or criminal proceedings, the Company undertakes to act in compliance with the law and with the provisions of this Code of Ethics.

07 PREVENTION OF PRIVATE CORRUPTION

The Company undertakes to seek, in its suppliers and external collaborators, appropriate professional competence as well as a commitment to sharing the principles and contents of this Code, with a view to preventing the risk of so-called "private cor-

ruption" that could distort the ordinary relationship between Panguaneta and its suppliers. Personnel delegated to purchasing activities are required to comply with the Company's internal procedures for the selection and management of relationships with suppliers and external collaborators and shall not preclude any party meeting the required criteria from competing for the award of supply contracts with the Company. Selection procedures shall be based exclusively on objective evaluation criteria, applied in a transparent and declared manner, and the remuneration agreed shall be solely commensurate with the services specified in the relevant contract.

Likewise, any conduct towards customers that could distort the normal commercial relationship is prohibited. Any payment, offer, or promise of money or other benefits made for unlawful purposes or to obtain improper advantages is strictly prohibited. Any form of gift – understood as any type of benefit whatsoever, including discounts outside the Company's standard commercial practices or the promise of employment– that may even be perceived as exceeding customary commercial or courtesy practices, or as intended to obtain favourable treatment in connection with any activity related to the Company, is expressly prohibited.

08 RESPECT FOR HUMAN DIGNITY AND EQUAL OPPORTUNITIES

The Company respects fundamental human rights and safeguards the moral, physical, and cultural integrity of individuals, ensuring equal opportunities. In both internal and external relations, any conduct of a discriminatory nature based on race, religious belief, age, health status, political or trade union opinions, nationality, sexual orientation, or, more generally, any personal characteristic of the individual is not permitted.

The Company considers diversity to be an opportunity for innovation, growth, and development, fostered through dialogue and the exchange of ideas, opinions, and experiences. The Company ensures working conditions that are respectful of generally accepted standards of proper conduct and professional civility. Furthermore, it acts to ensure that no instances of intimidation, mobbing, or stalking occur within the working environment.

09 SAFEGUARDING HEALTH, SAFETY AND WORKING CONDITIONS

The Company is committed to promoting and strengthening a culture of health and safety by increasing awareness of workplace risks, encouraging responsible conduct by all employees, and ensuring full compliance with applicable legislation on occupational health and safety. The Company carries out continuous monitoring in order to guarantee increasingly high standards of safety and hygiene in the working environment.

Employees and collaborators of the Company are required to provide full cooperation and availability to the person delegated by the Employer pursuant to Article 16 of Legislative Decree No. 81/2008, to the Health and Safety Officer (RSPP), and to any individuals carrying out inspections or controls on behalf of the competent public authorities. Where any anomalies or irregularities in this area are identified, they shall promptly report them to their supervisors or to the Employer's delegated representative pursuant to Article 16 of Legislative Decree No. 81/2008, as well as to the RSPP.

10 COMMITMENT TO SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL SAFEGUARD

The Company undertakes to operate in compliance with applicable environmental legislation, within the framework of its ISO 14001 Environmental Management System, and to promote and plan the development of its activities with a view to preserving the environment for the benefit of future generations, as well as to supporting initiatives aimed at the widespread protection of the environment.

In particular, the Company is committed to:

- complying with environmental protection legislation;
- adopting certified environmental and quality management systems;
- ensuring the continuous technological upgrading of its facilities in order to reduce polluting factors;

- minimising the direct and indirect environmental impacts arising from its production activities and adopting eco-efficient technologies.

11 ADMINISTRATIVE AND FINANCIAL RULES

Each transaction or operation must be duly authorised and must be verifiable, legitimate, appropriate, consistent, and accurately and promptly recorded in the Company's accounting system, in accordance with the criteria set out in the Company's internal protocols and delegation system.

No employee or collaborator may carry out collections or payments on behalf of, or in the interest of, the Company without appropriate supporting documentation and formal authorisation. Financial documentation must accurately reflect the Company's operations and be prepared in compliance with applicable laws and accounting principles. The Company strictly prohibits the establishment and/or maintenance of undisclosed funds or off-the-books reserves.

12 CORPORATE COMMUNICATIONS AND FINANCIAL REPORTING

The Company undertakes to comply with all applicable laws and regulations governing financial statements and corporate communications, including financial disclosures. All individuals involved in such activities are required to act in a manner that prevents any events or conduct that could distort the accurate representation of the Company's economic and financial position.

Transparency is founded on the accuracy, truthfulness and completeness of the information underlying accounting records. Each member of the Board of Directors, senior management and employee is required, within the scope of their respective duties, to cooperate in ensuring that management transactions are recorded correctly and promptly, and in compliance with applicable legal requirements, in the accounting records. Any conduct that may compromise the transparency and traceability of financial reporting is not allowed.

Employees and collaborators who become aware of omissions, falsifications or negligence in accounting records or related documentation, or more generally of any conduct carried out in violation of applicable laws on which accounting records are based, are required to report such matters to their immediate supervisor, to Management, or to the Supervisory Body. With reference to consultants, and limited to the activities performed for the Company, any such reports shall be submitted directly to the Supervisory Body.

13 CONFLICTS OF INTEREST

The addressees of the Code are required to ensure that all business decisions are taken in the best interests of the Company. They must therefore avoid any situation of conflict of interest between their personal or family economic activities and the duties performed within the Company, which could impair their independence of judgement and decision-making.

Where any addressee finds themselves in a situation that may, even potentially, constitute or give rise to a conflict of interest–such as holding economic or financial interests, including through family members, in suppliers, customers or competitors; accepting gifts, money, benefits or favours of any kind from individuals, companies or entities that have, or intend to enter into, business relationships with the Company; or using their position within the Company or the information acquired in the course of their work in a manner that may create a conflict between personal interests and those of the Company–they are required to promptly report such situation to their immediate supervisor or to the Supervisory Body.

No employee may take advantage of business opportunities arising through the use of the Company's assets, information or their position within the Company, nor may they engage in any activity that competes with the Company.

14 CONFIDENTIALITY AND INFORMATION PROTECTION

The Company's collaborators undertake to treat all information acquired in the course of their work as confidential and not to disclose it, except to the extent necessary for the performance of their duties. The Company prohibits the use of information obtained for personal interests, in order to derive undue advantage, in violation of applica-

ble laws, or in a manner that may cause harm to the rights, assets or objectives of the Company.

The Company manages and processes all information and data acquired in compliance with applicable legislation on the protection of personal data and privacy.

15 ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM

The Company ensures that its economic and financial activities do not become a means, even potentially, to facilitate unlawful activities or criminal or terrorist organisations. The Company complies with national and international anti-money laundering legislation and therefore carries out, with the utmost diligence, the verification of available information relating to commercial counterparties, suppliers, partners and consultants, in order to ascertain their integrity and the legitimacy of their activities before entering into any business relationship with them.

The Company also verifies that the transactions to which it is a party do not present, even potentially, a risk of facilitating the receipt, transfer, concealment or use of money or assets deriving from criminal activities.

16 COMPLIANCE WITH THE CODE OF ETHICS

The Company ensures the widest possible dissemination of the Code of Ethics among its employees. It requires its employees to be familiar with and to comply with the provisions of the Code of Ethics and, to the extent reasonably possible, to promote awareness of the Code among newly hired employees, as well as among third parties affected by its application with whom they come into contact in the performance of their duties.

In particular, employees are required to:

- refrain from conduct contrary to the provisions of the Code of Ethics and to ensure compliance therewith;
- refer to their supervisors or to the competent corporate functions where clarifica-

tion is required regarding the application of the Code;
- promptly report to their supervisors and the relevant corporate representatives any information, whether directly observed or reported by others, concerning possible violations of the Code, as well as any request made to them to breach its provisions;
- cooperate with the functions responsible for verifying possible violations.

17 SUPERVISORY BODY AND DISCIPLINARY SYSTEM

17.1 PURPOSE

An internal body, known as the Supervisory Body (the "SB"), has been established and entrusted with the task of continuously monitoring the effective functioning of, and compliance with, the Organisational, Management and Control Model (the "Model"), as well as overseeing its updating.

The Supervisory Body continuously monitors the effective implementation of the Model and, to this end, it:

- carries out inspection activities in accordance with predetermined procedures approved by the Supervisory Body itself;
- monitors compliance with the rules of conduct by employees, including those holding managerial positions, as well as by all addressees of the Model;
- has access to all documentation relating to the Model;
- may request information from any individual acting on behalf of the Company within the risk areas and sensitive processes identified in the Model;
- receives the information expressly identified by the Model as mandatory;
- proposes the initiation of disciplinary procedures following violations of the rules of conduct set out in the Model;
- periodically reviews the Model to assess its effectiveness and its actual capacity to prevent the commission of offences, and oversees its updating by proposing any necessary amendments to the governing body;
- expresses its opinion on the adequacy and suitability of amendments to the Model prepared on the Board of Directors' own initiative, prior to their adoption;
- receives any reports of irregularities or legal violations ("ethical alerts") and manages the related assessment and decision-making process.

17.2 REPORTING OF VIOLATIONS OF LAW AND THE CODE OF ETHICS (WHISTLEBLOWING)

It is the responsibility of each employee, executive, manager with supervisory or control duties, member of the corporate bodies or collaborator to verify, within the scope of their knowledge and expertise, the correctness of the processes in which they are involved, and to promptly report (so-called whistleblowing) to their hierarchical superior, to Management or directly to the Supervisory Body (via the dedicated email address) any irregularity qualifying as a "relevant irregularity". This includes, by way of example, offences, violations of civil law (including negligence, fraudulent performance of a contract, or breaches of administrative law), violations of internal protocols, legal risks, threats to safety, health or the environment, and/or the concealment of any of the foregoing.

As a general rule, anonymous reports to the Supervisory Body are not permitted; however, the Supervisory Body guarantees the confidentiality of the reporting party's identity, and ensures that reports are handled in a confidential and secure manner.
The Company has established appropriate reporting channels through which the relevant parties may submit reports concerning the Code of Ethics or any alleged breaches thereof, in full compliance with the right to adversarial proceedings and with the utmost confidentiality, without prejudice to mandatory legal obligations. Reports may be submitted via email to: *odv.panguaneta@gmail.com*.

Any individual who submits a report in good faith and on the basis of a reasonable belief shall be protected against any punitive disciplinary measures or retaliation by superiors.

PANGUANETA
PLYWOOD FOR LIFE

Panguaneta S.P.A.

Via Gino Solazzi 19
46018 Sabbioneta (MN) ITALIA
Tel. +39 0375 223411
risorseumane@panguaneta.com

www.panguaneta.com