



# ***SMI Industrial Group***

## **Company's Code of Ethics:**

**ENOBERG S.r.l.**

**SARCO RE**

**SMI S.p.a.**

**SMIGROUP S.p.a.**

**SMILAB S.r.l.**

**SMIMEC S.p.a.**

**SMIPACK S.p.a.**

**SMITEC S.p.a.**

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## **CONTENTS**

### **1 INTRODUCTION**

- 1.1 Addresses and scope of application of the Code of Ethics
- 1.2 Relationship with *stakeholders*
- 1.3 Principles of conduct

### **2 GENERAL PRINCIPLES**

- 2.1 Compliance with laws and regulations
- 2.2 Models and rules of conduct
- 2.3 Dissemination and observance of the Code of Ethics
- 2.4 Corporate Governance

### **3 HUMAN RESOURCES AND OCCUPATIONAL POLICY**

- 3.1 Main conditions
- 3.2 The policy for selection
- 3.3 Development of skills
- 3.4 Human Resources and the Code of Ethics
- 3.5 *Work environment and privacy* protection

### **4 CONFLICT OF INTERESTS**

- 4.1 Company interests and individual interests

### **5 OPERATING PROCEDURES AND ACCOUNTING DATA**

- 5.1 Specific protocols
- 5.2 Compliance with procedures

### **5.3 Accounting transparency**

## **6 PROTECTION OF COMPANY ASSETS**

### **6.1 Custody and management of resources**

### **6.2 Unlawful transactions on shares or company capital**

### **6.3. Information security**

## **7 INTERCOMPANY RELATIONSHIPS**

### **7.1 Autonomy and common ethical values**

### **7.2 Cooperation and communication within the Group**

## **8 EXTERNAL RELATIONSHIPS**

### **8.1 Relations with Authorities, Public Institutions and other bodies representing public interests**

### **8.2 Relations with customers, suppliers, other parties in transactions, business partners, etc.**

## **9 COMPANY INFORMATION**

### **9.1 Availability and access to information**

### **9.2 Relevant communications**

## **10 MEDIA RELATIONS AND INFORMATION MANAGEMENT**

### **10.1 Conduct lines**

### **10.2 Price sensitive information**

### **10.3 Confidentiality**

## **11 BREACHES OF THE CODE OF ETHICS – SANCTIONS SYSTEM**

**11.1** Report of the breaches

**11.2** Sanctions system

## 1) INTRODUCTION

Smi Group is one of the world's largest manufacturers of bottling plants and packaging machines, and is composed of the parent company SMIGROUP, the subsidiary companies ENOBERG, SARCO.RE ,SMI, SMIENERGIA, SMILAB, SMIMEC, SMIPACK, SMITEC and of a network of branches, providing support for sales, after sales and spare parts supply:

- OOO Smi Russia
- SMI ASIA Services Snd. Bhd.
- SMI CENTROAMERICANA S.A C.V.
- Smi Do Brasil LTDA.
- SMI EASTEUROPE S.r.l.
- SMI France Sas
- SMI Machineries Beijing Co. Ltd
- SMI Machinery India P.L.
- SMI Makina sanayi ve ticaret AS.
- SMI UK & Ireland Ltd
- SMIUSA INC.

The present Code (hereinafter referred to as “**Code of Ethics**”) expresses the commitment and the ethical responsibilities related to the conduct of business and company affairs, undertaken by anyone dealing with the companies of the Group.

**The Code of Ethics is one of the instruments of Corporate Social**

**Responsibility** to promote good practices of corporate conduct for SMI Group employees and for those who are interested in contribute to achieving the corporate mission.

The Code of Ethics doesn't replace national laws or contractual rules but rather integrates them: there is a gap between what laws foresee and everyday reality. This is what the Code of Ethics is for: defining as clearly as possible how we must behave in certain situations that are not fully determined by the law, statutes or regulations.

The conduct of all the people composing the organization, primarily involving those charged with the main governing responsibilities and the greater decision-making power, plays a part in shaping and bringing the image of the company in line with the corporate mission. Thus there is a direct relationship between the observance of the rules and the authoritativeness, liability and success of the company.

SMI Group deemed it necessary to adopt a Code of Ethics (adopted by all the Group companies) expressing the values to which all Addressees are required to strictly adhere. The violation of the present Code does not involve any corporate responsibility towards third parties, but entails personal assumption of responsibility towards the company and

outside. The knowledge and observance of the Code of Ethics by anyone working for the Group companies is a primary condition for the company's transparency and reputation.

The Group companies also undertake to bring the Code of Ethics to the attention of anyone with whom they have business relations, by requiring the knowledge and observance of it. As to the internal control system, the Code of Ethics represents an essential instrument for an ethical conduct of the company affairs and an essential element of corporate strategy and organization.

This Code was approved by a resolution of the Board of Directors of SMIGROUP S.p.A., and, subsequently, through a relevant decision of the management body of all SMI Group subsidiaries.

Any amendments and/or additions to this Code shall be made in the same manner for its initial approval.

### ***1.1. Addressees and scope of application of the Code of Ethics***

The principles and provisions of the present Code of Ethics are binding on all of the following addressees:

a) members of the Board of Directors, when

setting the company targets, deciding the activities, developing projects, suggesting investments and making decisions about the Company's business performance;

**b)** members of the Board of Auditors, during their check of the formal and substantive correctness of the company activities and of the internal control system;

**c)** Top management and Executives, with regard to the company internal and external activities;

**d)** employees and collaborators with any type of contract with the company, including occasional and/or temporary contracts;

**e)** anyone having business and/or financial relations with the company;

**f)** representatives of directly or indirectly controlled companies.

The aim of the Code of Ethics is primarily to define the conduct of the people who work in SMI Group companies but it is also intended to pursue other objectives:

**a.** *to increase internal cohesion and consistency:* the aim of the Code of Ethics is to improve internal relations and to create a clear and unified external image;

**b.** *a better efficiency:* the motivation of participants to achieve positive objectives increases the capacity to produce benefits,

both for those most directly concerned and for the environment;

c. *a good reputation*: a well regulated organization which manifests its own values generates security.

The Code of Ethics is therefore above all a reference tool, useful in helping all those to whom the Code is addressed to face ethical dilemmas (that are closed combined with the organisational problems and with the entrepreneurial choices) which arise in the day to-day life of business.

To be a leader represents a source of pride and confidence for Smi Group and means:

- for customers, receiving expected products and services and feeling themselves as a part of a sustained process of cooperation;
- for male and female workers, feeling actively involved in the achievements of the company with their expertise, their involvement and their passion;
- for stakeholders, being assured that the economic value of the business will continue to be generated, respecting the principles of Corporate Social Responsibility;
- for local community, becoming the economic and social wealth to promote for a sustainable future;
- for suppliers, being the actors in the value

chain and partners in the economic growth.

### ***1.2 Relationship with stakeholders***

The company is present on the national and international markets and is operating in different contexts and with many interlocutors; therefore, the relationship between the company and the stakeholders is of primary importance (“*stakeholder*” meaning any public or private person/entity - be it Italian or foreigner – having any relationship with the company and /or any interest in the company activities). The company is committed to the observance of the laws (in Italy and in the Countries where it is operating), of the market regulations and of the principles of fair competition.

### ***1.3 Principles of conduct***

Compliance with law, transparency, correct management, reliability and cooperation with the *stakeholders* are the principles on which the Group companies are based – and from which they derive their models of conduct - in order to be effectively and loyally competitive on the market, to improve the satisfaction level of their customers and to increase the capabilities and the professional

growth of their human resources. Under no circumstances are any actions in conflict with these principles permitted. All Addressees, without distinction or exception, are compelled to observe these principles and have them observed within their functions and responsibilities. Such commitment implies that any third party having any kind of relationship with the company shall also apply rules and means inspired by the same values.

## **2) GENERAL PRINCIPLES**

### ***2.1 Compliance with laws and regulations***

The Group companies operate in strict compliance with the laws and regulations in force in the Country where their activities take place, in accordance with the principles of the Code of Ethics and with the procedures established by specific protocols. In particular, SMI Group is compliant with the following issues:

SA8000

O.N.U. United Nation's Global Compact

ISO 45001

ISO 14001

ISO 9001

ISO 27001

Moral integrity is a constant duty for all Addressees, who shall be aware and observe, within their respective area of competence, the laws and regulations in force in the Countries where SMIGROUP operates. Within this framework, attention and observance shall be paid to any competition law and regulation, both on the national market and at international level.

Any relationship between the Addressees and

the Public authorities and institutions shall be based on transparency and cooperation, in accordance with the laws and regulations and with their institutional roles.

## ***2.2 Models and rules of Conduct***

All activities undertaken by the Addressees must be carried out with professional care, uprightness and correctness, in order to safeguard the company reputation.

All internal and external operations must be inspired to transparency and respect; any director or auditor must stand as an example for all the human resources, by complying with the principles of the Code of Ethics, by promoting their circulation among all employees and by collecting any requests for further explanations or updating, if necessary. In particular, administrators are required to actively contribute to the improvement of the company economical, technological and professional resources, by suggesting new project and investments and by taking useful actions from a commercial and management point of view.

The company also makes information sources available, in order to enable the supervisory bodies and the Internal Auditors to carry out the best and most effective control activities. The use of IT and electronic tools must be in

compliance with the privacy rules and the principles of fairness and transparency and in a such a way as to guarantee the integrity of the information systems and of the processed data, in order to protect the company's and third parties' interests.

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The use of IT and electronic tools must be in compliance with the privacy rules and the principles of fairness and transparency and in a such a way as to guarantee the integrity of the information systems and of the processed data, in order to protect any involved persons' interests.

### ***2.3 Dissemination and observance of the Code of Ethics***

The Group companies undertake to promote the knowledge and observance of the Code of Ethics, of the specific protocols and their updates among all Addressees, by requiring the observance and by taking adequate disciplinary measures in case of violation. The Addressees are expected to know the contents of the Code of Ethics, to comply with it and to cooperate to its implementation by denouncing any failure or violation they

might become aware of.

The company also promotes and encourages the employee's cooperation in respecting the Code and the specific protocols.

To this purpose, the Company organizes specific training programmes, according to the different exigencies and responsibilities of the employees.

#### ***2.4 Corporate Governance***

SMI Group companies adopts a Corporate Governance system, in compliance with the law and with the best international standards.

The Corporate Governance system aims at maximizing value to the benefit of customers and shareholders, at controlling enterprise risks and maintaining transparency towards the market.

## **3) HUMAN RESOURCES AND OCCUPATIONAL POLICY**

### ***3.1 Main conditions***

Human resources are an essential element for the existence of a company and play a crucial role for a successful competition on the marketplace. Fairness, professionalism, technical expertise and commitment are key conditions in order to achieve the company targets; all co-operators, employees and auditors are required to strictly adhere to these values.

Our Group companies undertake to overcome any kind of discrimination, corruption, child labour exploitation or forced labour; in general, they promote dignity, health, freedom and workers equality, in accordance with the Universal declaration of Human Rights, with the International Labour Organization (ILO) conventions and OCSE guidelines.

### ***3.2 The policy for selection***

In order to achieve the corporate targets, and to ensure that these targets are all pursued in compliance with ethical principles and values to which the company aspires, all employees and co-operators are selected according to the principles of the Code of Ethics. SMIGROUP

offers equal job opportunities and grants an adequate compensation, on the basis of individual expertise and skills. Employees are selected according to the company real needs, without any discrimination based on private life and according to selection criteria based on professionalism and expertise.

SMIGROUP staff is employed under a regular employment contract, according to the laws and to the collective labour agreement in force. In particular, SMIGROUP doesn't allow or tolerate any relationships violating the laws in force concerning child labour, feminine labour or immigrants.

### ***3.3 Professional development***

During the working relationship, SMIGROUP undertakes to create and maintain the necessary conditions for the employees' growth according to the Code of Ethics, by organizing training or refreshing courses in order to improve the employees' professional profile. To this purpose, employees are required to improve their knowledge and skills and the managers shall take care to create the proper conditions for the development of the employees' potential skills.

The staff selection and management must be

inspired to fairness and impartiality, by avoiding favoritism or discrimination and respecting the employee's skills.

In order to achieve the corporate targets, employees must be aware that ethics are a major interest of SMI Group companies and that there shall be no tolerance for any conduct in contrast with the law, the current legislation, Organization Management and Control Model and the Code of Ethics though apparently in favour of the company interests.

### ***3.4 Human resources and Code of Ethics***

Each SMI Group company adopts adequate measures in order to promote the acquaintance with the Code of Ethics, its specific protocols and updates, as well as with the areas of activity of the various offices, by setting forth responsibilities, chain of command and the description of the personnel's tasks and training. The Code of Ethics and its specific protocols are made available for all employees in the company intranet site. Employees can ask their supervisors for further explanations about the Code of Ethics at any time.

### ***3.5 Work environment and privacy protection***

SMI Group companies undertake to create a working ambient that may guarantee safety and healthy conditions for all Addressees, in particular for the employees or anyone who works for or on behalf of the company or has business dealing with it.

In compliance with the law in force, SMIGROUP undertake to protect the employee's health, by adopting adequate measures and by enhancing the working ambient to the best hygienic and safety standards. SMI Group also promotes safety culture, by rising awareness about the risks and requiring responsible behaviour by all employees. According to the data protection code, SMI Group adopts specific regulations, in order to avoid the improper disclosure of confidential information without the prior consent of the person concerned.

In particular, the respect for the dignity of each worker is ensured through the respect of privacy in correspondence and in interpersonal relationships between employees, by prohibiting interferences in meetings or dialogues and any intrusion or form of control that might have harmful effects.

SMI Group undertakes to safeguard the moral

integrity of all employees or anyone who works for or on behalf of the company, by granting them the right to work in adequate ambient conditions and to exercise their political and union rights. SMI Group condemns any psychological violence or mobbing and any form of discrimination. Molestation of any kind in any work relationship is absolutely forbidden and it is forbidden, in general, to behave in any way that might compromise the peaceful performance of the functions assigned and otherwise cause prejudice to the dignity of the worker.

SMI Group also adopts adequate measures, in order to guarantee the integrity of the information available on the *internet* website and in order to protect the intellectual property rights about the use of the electronic/computer systems and programmes.

## **4) CONFLICT OF INTERESTS**

### ***4.1 Company interests and individual interests***

The relationship between SMI Group and its directors and employees is based upon complete trust, within which it is the primary duty of each director and employee to use the company assets and his/her own capacity to achieve the company/s interests according to the principles established in the Code of Ethics, which represent the values to which the Group companies are inspired. To this purpose, all directors, employees and anyone who works for and on behalf of SMI Group shall avoid any activity that might directly/indirectly contrast with the company interest and might create interference and obstacles to the ability of making impartial decisions in the interest of the company. Conflicts of interest are in contrast with the law and with the principles of the Code of Ethics and are detrimental to the company integrity and reputation.

All addressees shall avoid any possibility of overlapping or crossing any economic activity linked to their personal and family interests, or with their functions within the company.

In the same way, sales partners and consultants must avoid conflicts of interest, by refraining from any activity carried out on behalf of the company, but resulting in personal benefit.

## **5) OPERATING PROCEDURES AND ACCOUNTING DATA**

### ***5.1 Specific protocols***

Specific protocols, inspired by the Code of Ethics and meant to avoid prejudicial events with consequent negative impact on the company, have been prepared – and shall be integrated or modified -according to an analysis of the company's situation, in order to point out the risks of the existing control system.

The specific protocols must be adopted by anyone involved in the company production process, within the terms and pursuant to the procedures set forth and described by SMI Group competent offices. Their correct enactment makes it possible to identify the group of individuals with custodial, operating and authorization responsibilities: to such purpose, according to the principle of segregation of duties, each operation must be performed by different individuals within the different phases of execution, in order to avoid abuse of power.

Furthermore, it is necessary to ensure traceability of each process, in order to ensure that the reasons for the choices operated, the persons in charge and the relevant data for assessing whether the

correct choices have been made, can always be traced in the future.

### ***5.2 Compliance with the procedures***

All Addressees are required to strictly comply with the protocol procedures. Each operation and transaction must be performed in accordance to the company procedures. Each operation shall be supported by adequate and complete documentation to be recorded, in order to be able to check the legitimacy, coherence and congruity at any time, as well as the reasons for each operation and the individuals who authorized, performed and checked it, in the different phases. The observance of the indications provided by the specific protocols makes possible to promote the culture of control, thus improving and supporting the company management.

Any violation of the procedures defined in the protocols and in the Code of Ethics shall compromise the fiduciary relationship between SMI Group and anyone dealing with it.

### ***5.3 Accounting transparency***

Truthfulness, accuracy, completeness and clarity of basic information are the necessary conditions for a transparent report of the economic/financial results and represent

essential values for SMI Group, in order to grant shareholders and third parties a clear picture of the company's assets and financial situation.

For the protection of such values, it is necessary that the documentation of the basic events to be referred to in the company accounts in support of the records, is complete, clear, accurate and valid and is kept in the records in view of any control. The related accounting records shall reflect, in a complete, clear, accurate and valid manner, whatever may be described in the support documentation. In case of economic elements or elements related to assets and based on evaluations, the recording must be made according to reasonableness and prudence, explaining the criteria which guided the evaluation of the asset.

## **6) PROTECTION OF COMPANY ASSETS**

### ***6.1 Custody and management of resources***

SMIGROUP takes all necessary measures to ensure that the use of all available resources – in compliance with the current legislation and the contents of the company by-laws and code of ethics – be aimed at protecting, increasing and reinforcing the company assets, in view of the best protection of the company, of the creditors and of the market.

Therefore, the use of company assets must comply with the law and with the operating procedures.

### ***6.2 Unlawful transactions on shares or company capital***

In order to protect the integrity of the company assets, it is prohibited to return to the shareholders their contributions or to release them from their obligation to make their contributions, except for the transactions expressly permitted by the law; to distribute profits which have not been earned or were destined to reserve funds or to distribute reserve funds that can not be distributed, pursuant to the law; to acquire or subscribe shares or quotas of the company or of any

controlling company; to reduce the company capital or to carry out mergers or divisions in breach of the provisions on the protection of creditors; to falsely form or increase the company capital; to satisfy, in case of liquidation, the claims of the shareholders, to the detriment of the company's creditors.

In order to prevent the aforementioned violations, SMIGROUP undertakes to promote the circulation of, and acquaintance with, the provisions of the law, of the Code of Ethics and of the annexed protocols, by organizing specific training and refreshing courses for the directors and the employees on the company crimes.

### ***6.3. Information security***

In order to ensure that confidential information is adequately protected, SMI Group is committed to adopting security and protection measures with respect to the risks of confidentiality, integrity, and availability of IT assets.

The group's companies promote a culture of security within the company, to raise awareness of the need to keep information assets secure and to continuously improve business processes.

## **7) INTERCOMPANY RELATIONSHIPS**

### ***7.1 Autonomy and common ethical values***

SMI Group companies avoid any behaviour which, in their sole interest, might prejudice the integrity or the reputation of other companies of the Group. In the same way, the other companies are required to avoid any behaviour that might prejudice SMIGROUP integrity or reputation.

SMI Group undertakes to loyally cooperate in order to achieve the company's goals, in compliance with the laws in force.

### ***7.2 Cooperation and communication within the Group***

SMI Group stimulates the communication with all SMI Group companies, and encourages the intra-group synergy in the pursuit of the common objectives. The circulation of information within the Group, in particular for the purposes of the preparation of the consolidated balance sheet, shall be in accordance with the principles of truthfulness, loyalty, correctness, completeness, clarity, transparency and prudence, with observance of the autonomy of each company and of its specific area of activity.

The transactions negotiated between the

Group companies must be duly and formally stipulated and be carried out in compliance with the principles of fairness, actual occurrence and protection of the respective interests, with a particular attention to any aspects concerning the circulation of economic resources.

## **8) EXTERNAL RELATIONSHIPS**

### ***8.1 Relations with Authorities, Public Institutions and other bodies representing the public interests***

#### ***8.1.1 Relations with Authorities and Public Administration***

Any relationship which may have to do with the activity of the company and which is kept with public officers or persons in charge of public services - operating on behalf of the central or local Public Administration, or of legislative bodies, EU institutions, international public organizations and any foreign state – with the judicial authorities, with any public authority in charge of surveillance, with any other independent authority or with private partners which may be in charge of public services, shall be commenced and continued in rigorous compliance with the laws and regulations in force, with the principles of the Code of Ethics and of the internal protocols, in order to safeguard the integrity and reputation of both parties.

Attention and care shall be applied in the relationship with the above mentioned persons/entities, with particular regard to operations relating to: contract tenders, contracts, authorizations, licenses,

concessions, requests and/or management of, any financing from any public institution (national or European), management of contracts, relationships with any authority in charge of surveillance or with any other independent authority, with social security institutions, tax institutions, bankruptcy management bodies, civil, criminal or administrative proceedings, etc. In order to avoid any action in conflict with the provisions of the law or in any way harmful to the company integrity and reputation, the aforementioned operations and the management of the financial resources shall be carried out by the competent officers of the company, with due compliance with the laws and with the principles of the Code of Ethics and internal protocols.

### ***8.1.2 Relations with political organizations and trade unions***

SMI Group companies do not favour or discriminate against any political organization or trade union. The company refrains from providing any contribution to any political party, committee, political organization or trade union, except for the contributions which are due according to specific legal provisions.

This clause does not include solidarity initiatives, which are considered as an essential value by SMI Group; in fact, the company plays an active role in the social field.

### ***8.1.3 Gifts, benefits and promises of favours***

SMI Group prohibits all Addressees to accept, offer or promise, whether directly or indirectly, any money, gifts, goods, services, undue favours in connection with any relationship with public officers, for the purpose of influencing their decisions, with a view to more favourable treatment or of undue services or activities or for any other purposes.

Any request for or offers of money or favours (including but not limited to, gifts of considerable value) unduly made to or by anyone working on behalf of SMI Group companies within the context of any relationship with the Public Administration (Italian or foreign) or with private entities must be immediately notified to the competent offices of the company, in order to take adequate measures.

Within the context of any relationship with the Public Administration, SMI Group shall not unduly influence the activity, choices or

decisions of the other party, for example by offering undue advantages consisting in sums of money or other benefits, employment opportunities or consultancy arrangements, to the public person/entity or his/her family or to natural or legal persons connected to him/her.

In case of any requests from the Judicial Authorities and in case of any contact with the said Authority, SMI Group shall offer its full cooperation and refrain from any behaviour that might cause hindrance or prejudice, in compliance with the laws and regulations in force and in accordance with the principles of fairness, loyalty and transparency.

## ***8.2 Relations with clients, suppliers, other parties in transactions, business and/or financial partners, etc.***

### ***8.2.1 Business conduct***

SMI Group companies conduct their business in compliance with the principles of loyalty, fairness, transparency, efficiency, obedience to the law and to the values of the Code of Ethics, openness to the market and require a similar behaviour from anyone having commercial and/or financial relationships with them, paying particular attention to the

choice of other parties in transactions, suppliers, business partners and consultants.

SMI Group companies refrain from any relationship, even if indirect or through intermediaries, with natural or legal persons that are known to be, or are reasonably suspected of being, part of criminal organizations or involved in the trafficking of human beings and exploitation of child labour, as well as persons or groups acting for the purposes of terrorism, in order to intimidate the population, to destabilize or destroy political, constitutional, economic and social structures of a Country or an international organization.

Particular attention shall be paid to the receipt and payment of money: SMI Group refrains from accepting payments in cash, bearer securities or payments through intermediaries or third parties without having the possibility to identify the paying person/entity; SMI Group refrains from any relationships with entities operating in Countries that can not guarantee transparency, or from actions that would prevent the traceability of financial transactions.

It also refrains from behaviours that might compromise the integrity, reliability and safety of information/telematic systems and data.

The selection of parties in transactions, business and financial partners, consultants and suppliers shall be made in accordance to objective, transparent criteria and in compliance with the Code of Ethics and internal protocols, always in writing and according to the Group hierarchical structure. In any case, the selection must be made exclusively in accordance to objective parameters, such as quality, convenience, price, professionalism, competence, efficiency, guarantee of fairness of any consultants or sub-contractors. In particular, SMI Group companies refrain from any relationships with persons that are known to be or reasonably suspected of being involved in the exploitation of child labour or operating in conflict with the laws and regulations on protection of workers' rights. Special attention shall be paid to relationships with subjects operating in Countries without legislation on workers' protection; SMI Group companies shall check the presence of adequate hygienic and safety conditions. Commercial transactions require particular attention to the receipt and payment of money and securities in general. It is forbidden to make payments by cash. Agents, consultants and/or intermediaries are required to make a periodical report of their

tasks and responsibilities to the Company. The Company reserves the right to make auditing activities, in order to check that the contract obligations are fulfilled.

### ***8.2.2 Gifts, complimentary deliveries and benefits***

In business relationships with consultants, clients and suppliers, any complimentary delivery, benefit, gifts, complimentary acts and forms of hospitality are prohibited, unless they do not compromise the company reputation and may not be interpreted as aimed at obtaining a favourable treatment. In any case, any gift, complimentary act and form of hospitality shall be notified and submitted to the employee's superior.

Any Director, member of the Board of Auditors or employee who receives gifts which exceed ordinary business practice and made with the purpose of gaining preferential treatment in any corporate activities, shall promptly report it to the Board of Directors, the Board of Auditors, or, in case of an employee, his/her manager, who shall immediately inform the specific company bodies, which shall inform the author of the gift about the company policy.

### ***8.2.3 Environmental protection***

Environmental protection is a priority target for SMI Group, which tries to find an equilibrium between economic initiatives and environmental protection. To this purpose, the Group Companies minimize the environmental impact of their activities, by also keeping into consideration the scientific research.

## **9) COMPANY INFORMATION**

### ***9.1 Availability of and access to information***

Within the limits established by the law in force, SMI Group companies timely provide information, explanations and documentation requested by shareholders, clients, suppliers, public authorities in charge of surveillance, institutions and other stakeholders in the course of performing their respective functions.

Any relevant information shall be given in a timely manner both to the corporate bodies in charge of controlling the company management and to the authorities in charge of surveillance.

An exhaustive and clear company communication ensures the fairness of relationships: with the shareholders who shall be granted easy access to the information, according to the laws in force; with third parties which may come into contact with the company and shall be given a truthful picture of the economic and financial situation of the company; with the authorities in charge of surveillance; with the bodies in charge of accounting control and internal control, who shall perform their control activities for the protection of the shareholders and of the market; with the other companies of the

Group, in order to prepare the consolidated balance sheet or for other company communications.

### ***9.2 Relevant communications***

Thanks to the modalities and functions specified in the internal protocols, SMI Group ensures full transparency of its choices and access to all information, available for anyone who might be interested in the company events and in the evolution of its financial situation.

Special care shall be taken in the disclosure relevant information which might have significant effects on its business or on its credibility and reliability with other companies and/or banks. For this purpose, specific protocols shall set out control procedures, in order to ensure the truthfulness of the company information required by the law, information for shareholders and for the public about the financial situation of the company.

## **10) RELATIONS WITH MEDIA AND INFORMATION MANAGEMENT**

### ***10.1 Conduct guidelines***

Relationships with the press, the media and any similar third party shall be conducted only by the persons who have been expressly delegated to perform this task, in compliance with the procedures and regulations adopted by the company. Any request for information from the press or from the media received by SMI Group companies personnel shall be notified to the persons who are responsible for external communications.

The external communication shall be made in accordance with the principles of truthfulness, correctness, transparency and prudence and shall be aimed at encouraging the acquaintance with the company policy, programmes and projects. The relationships with the media shall be inspired to the observance of the law, of the Code of Ethics, of the internal protocols and of the principles concerning the relationships with public institutions, aimed at safeguarding the company reputation.

### ***10.2 Price sensitive information***

It is strictly prohibited that any form of

investment be made, either direct or through intermediaries, originating from the knowledge of company confidential information or not in the public domain, which might affect the price of financial instruments, acquired in the course of the activity carried out within the Group. The communication or disclosure of such information shall not be carried out outside the normal performance of the functions assigned.

### ***10.3 Confidentiality***

All Recipients shall keep strictly confidential – and therefore shall not disclose or unduly ask for information - all documents, know how, research projects, transactions and any information obtained by virtue of their functions. In particular, all information regulated by specific laws, concerning for example national security, scientific findings, protected technologies or new industrial applications, as well as the information to be kept secret according to contractual arrangements, are to be considered as confidential and secret. Furthermore, all information obtained during the performance of working activities, the circulation of which might be a cause of risk for or damage to the

company and/or of undue profits for employees, are also to be considered as confidential. The breach of the duty of confidentiality by employees or collaborators seriously affects the fiduciary relationship with the company and may lead to the application of disciplinary or contractual sanctions.

## **11) BREACHES OF THE CODE OF ETHICS – SANCTIONS SYSTEM**

### ***11.1 Report of the breaches***

All Addresses are required to comply with the Code of Ethics and to report any conduct that does not comply with the principles and rules contained therein.

Reports must be addressed to the Reporting Manager, using the reporting channels provided in the relevant internal procedure:

- reports of relevant offences within the meaning of Legislative Decree 231/01 and violations of the organisational model, concerning the company Smigroup;
- reports of relevant offences pursuant to Legislative Decree 231/01, violations of the organisational model, national provisions and European regulations concerning the companies Smi and Smipack;
- reports of violations of national and European regulations concerning companies Smitec and Smimec.

The internal reporting channel is accessible from the websites of Smi Group companies.

Whichever reporting channel is used by the reporter, the company shall ensure that nobody may suffer undue reactions,

influences, nuisances or discrimination.

Reports concerning offences under Legislative Decree 231/01 or violations of SMI Group's Organisational Model, will be communicated by the Reporting Manager to the Supervisory Board.

## ***11.2 Sanctions system***

### ***11.2.1 General principles***

The violation of the principles set forth in the Code of Ethics and in the procedures of the internal protocols, affects the fiduciary relationship between SMI companies and the Recipients.

These violations shall be effectively, promptly and immediately prosecuted by the Company, through suitable and adequate disciplinary measures, independently of any criminal relevance of the behaviours and of the institution of criminal proceedings, when those behaviours also amount to a crime.

The consequences of the breaches of the Code of Ethics and of the internal protocols shall be seriously considered by all Recipients: to this purpose, the company undertakes to disclose the Code of Ethics, the internal protocols and the information about the sanctions and their application in case of violation. In order to safeguard its image and

its resources, the Company shall not have any relationship with any person/entity which does not intend to operate in strict compliance with the principles of the Code of Ethics and the annexed protocols.

### ***11.2.2 Workers and middle management***

Any behaviour of employees which is in breach of any rule of the Code of Ethics shall be defined as disciplinary offense.

The sanctions applicable to the said employees shall fall within the provisions of the Company disciplinary regulations and in accordance with the workers statute of rights and any specific applicable regulations.

In relation to the above, the Organizational Model and the Code of Ethics, which is an integral part of it, refer to the categories of sanctionable acts under the existing sanctioning mechanism.

These categories describe the sanctioned behaviours according to the emphasis assumed by the single case and the sanctions actually applied depending on how serious the acts are.

### ***11.2.3 Executives***

In case of violation of the principles of the Code of Ethics by the Executives, the most suitable measures shall be applied, in

accordance with the National Collective Labour Agreement for industrial executives.

***11.2.4 Collaborators, consultants, partners, other parties and other external parties***

Any behaviour adopted by collaborators, consultants, partners, other parties in transaction or external parties which is in contrast with the Code of Ethics may lead to the termination of the contractual relationship, by application of the appropriate clauses. The Legal and Company affairs of the company shall look after the updating and insertion in the engagement letters of such specific contractual clauses.

### **Informations**

If in doubt after reading this Code of Ethics, if procedures and instructions are not completely understood, you can refer to your direct Manager.

### **Managers**

Managing the personnel is associated with a higher level of responsibility; your task is to create and maintain a safe working environment in which all employees are made aware of the conduct to adopt both in normal working conditions and in critical situations.

You must undertake to enable and encourage application of the ethical principles the Company is inspired by and the compliance with legality.

## SUPERVISORY BOARD

You can contact the Supervisory Board:

- of SMIGROUP, by sending an e-mail to the address [odv.smigroup@smigroup.net](mailto:odv.smigroup@smigroup.net) or by sending a letter to ODV SMIGROUP, via Ceresa 10, San Giovanni Bianco (BG);
- of SMIPACK, by sending an e-mail to the address [odv.smipack@smigroup.net](mailto:odv.smipack@smigroup.net) or by sending a letter to ODV SMIPACK, via Piazzalunga 30, San Giovanni Bianco (BG);
- of SMI, by sending an e-mail to the address [odv.smi@smigroup.net](mailto:odv.smi@smigroup.net) or by sending a letter to ODV SMIGROUP, via Ceresa 10, San Giovanni Bianco (BG).

SMI GROUP CODE OF ETHICS  
Revision 03 dated 2024, October,  
1<sup>st</sup>

On : \_\_\_\_\_

Submitted to Mr/Miss/Mrs:

\_\_\_\_\_

\_\_\_\_\_  
Signature for receipt

