



**CLN GROUP**

**CODE**

**OF**

**ETHICS**

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This edition of the CLN Group Code of Ethics  
was approved by the Board of Directors of  
C.L.N. COILS LAMIERE NASTRI S.p.A.  
in January, 2023

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## INTRODUCTION

C.L.N. COILS LAMIERE NASTRI S.p.A. is the parent company of a group of companies ("CLN Group" or the "Group" or "CLN") consisting of several subsidiaries in Italy and abroad (the "Group companies" or "CLN Group companies").

The Group wants to establish a set of ethical and sustainability principles and requirements that express its vision to its subsidiaries, workforce, business partners and other stakeholders. The aim is to set out the core values which will ensure CLN activities are always carried out sustainably and with integrity, regarding human rights, environmental protection, and business ethics.

CLN has therefore prepared a Group Code of Ethics (the "Code") which sets out guidance on the principles and requirements to be respected by the Group as an integral part of its' business objectives, and which is aligned with our commitment to the mission of the United Nations Global Compact

## HOW TO USE THE CODE

### *What is the Code?*

The Code is a document approved by the CLN Board of Directors, which summarizes the principles and requirements of business conduct of CLN Group. The Code has been written to help CLN employees and management to conduct their behaviour in accordance with CLN's primary values and ethical standards. The Code also provides guidance to ensure effective prevention and detection of violations of laws and regulations applicable to the Group. In some cases, the Code may require that we do more than follow local laws and regulations.

### *Who does the Code apply to?*

The Code applies globally and to the whole workforce of the Group, including full-time or part-time employees, temporary workers, contract workers, officers, managers, directors of Group companies and members of the CLN Board of Directors (the "Recipients"). The Group encourages stakeholders, including suppliers, to act in accordance with the Code or

a similar set of principles. CLN Group is committed to encourage joint ventures and companies in which it holds a minority interest to adopt a Code of Ethics whose principles are aligned with the Code and in any case, are not inconsistent with it. CLN Group strives to ensure that the Code is considered as guidance for the conduct of business by those business partners with whom it maintains relationships of a lasting nature such as advisors, experts, agents, and customers.

*Where is the Code applied?*

The Code applies in all countries in which CLN Group operates and applies to all the activities carried out by the Group. The Group expects its workforce to understand and adhere to the principles and requirements set out in this Code in any setting that may affect the Group either at work or after hours.

*Where can I find the Code?*

The Code is available on the CLN Group website.

*How is the Code enforced?*

The Group expects Recipients to comply with the Code. Where violations of the Code are established, steps may be taken to apply the appropriate disciplinary measures. The Group may terminate relationships with Stakeholders who behave in a manner which is materially misaligned with the Code.

*What are my obligations under the Code as an employee?*

The Code is an integral and essential part of the employment relationship of every employee of the Group. As a result, the Group expects all employees to strictly comply with the Code. Any material violation of the Code will be treated seriously, with the consequent adoption of appropriate sanctions (which in certain cases can lead to the termination of the working relationship). Accordingly, all employees are required to:

- read and understand the Code and, if necessary, attend training courses.
- adopt actions and behaviour consistent and with the Code, refraining from any conduct that may damage CLN Group or compromise honesty, impartiality, or reputation in any way.

- comply with all internal policies and procedures introduced by the respective companies of CLN Group for the purpose of complying with the Code or of identifying violations of the Code.
- consult their supervisors for explanations regarding interpretation of the Code.
- give notice promptly and in good faith, regarding violations of the Code.
- cooperate fully in any investigation regarding Code violations, maintaining strict confidentiality regarding the existence of the investigations.

*What are my obligations under the Code as a manager or supervisor of CLN?*

Anyone within the CLN Group who has a role as supervisor, department head or manager must be an example in promoting the Code and providing leadership and guidance in accordance with the principles of conduct in the Code. They should behave in a manner that demonstrates to their collaborators that respecting the Code is an essential aspect of their job, ensuring that employees are aware that business results must be achieved, respecting applicable laws and the Code. Supervisors, department heads and managers are required to report any significant failure to comply with the Code and to ensure the protection of those who have reported violations of the Code.

## **BUSINESS ETHICS**

Business Ethics refers to anti-competitive practices, corruption and bribery, money-laundering, respect of confidentiality/privacy, conflict of interest, and fraud. The Code sets out the guidelines that need to be followed to ensure the Group always adheres to the highest levels of ethical behaviour.

### ***Compliance with laws***

All Recipients and subsidiaries of CLN Group are required to comply with all applicable laws and regulations in the countries in which they operate, and in their business relationships with suppliers and other business partners. CLN Group companies are not permitted to actively engage in or participate in criminal practices either directly or indirectly.

CLN Group expects Recipients to observe all applicable national and supranational sanctions to respect these restrictions and strictly adhere to the resulting embargoes and export control measures.

CLN Group requires legal compliance also from suppliers and other business partners, particularly regarding corruption and fraud prevention as well as anti-trust matters, taxation regulations, data protection and privacy.

### ***Conflict of Interest***

A conflict of interest is defined as a situation where an individual or company for which they work is confronted with choosing between the duties and requirements of their employment and their own personal interests. CLN Group requires that Recipients make decisions solely based on objective information and in the best interests of the Group and must not allow themselves to be influenced by personal interests. Employees are expected to disclose potential or actual conflicts of interest to their management to identify an appropriate response.

### ***Confidentiality and Data Protection***

Recipients are required to comply with applicable laws and regulations concerning e-privacy, data protection and data security. Recipients must take the necessary measures and establish appropriate controls to adequately protect personal data, including the data of employees, customers, suppliers, and business partners. It is mandatory that personal data, such as information on employees, is managed in accordance with applicable data protection legislation and with all applicable laws regarding confidentiality in force in the jurisdictions in which the information is managed. For Group companies in the EU for example, it is expected that the rules of Regulation (EU) 2016/679 or the General Data Protection Regulation (GDPR) are strictly adhered to, meaning that technical and organizational measures must be in place to assure compliance with the GDPR.

Recipients are required to protect non-public confidential information that, if disclosed, would cause harm to the Group, as well as the confidential information of third parties in the Group's possession. The following is considered confidential company information:

- Know-how and information related to research and development.
- Product engineering.
- Design of products (patented or registered and unregistered).
- Related documents such as codes, drawings, formulas, computer data, programs.
- Non-public information relating to the organization of the CLN Group.
- Confidential business information related to customers or other parties, including prices, strategy, and policies.

Recipients are required to respect the intellectual property rights of third parties and partners - such as patents, trademarks, and designs - and to respect the corresponding requirements under competition law. Recipients should ensure that the Group holds all the necessary rights of use to avoid infringements of intellectual property rights.

### ***Corruption, Bribery, and Illicit Payments***

CLN Group and Recipients are committed to meeting the highest standards of integrity, honesty, and fairness in all relationships within and outside the Group, in accordance with national and international laws against corruption.

Recipients must refuse all forms of corruption, including extortion and bribery, and all illicit behaviour, including fraud, and embezzlement. This means that it is strictly forbidden to receive or offer gifts, invitations, advantages, or payments from or to a domestic or foreign public official or between private parties as an inducement to do something which is dishonest, illegal or a breach of trust in the conduct of CLN Group's business.

Examples of behavior that is not permitted by CLN Recipients are as follows:

- CLN expressly prohibits payments or in-kind contributions to political parties, politicians, public officers, government officials and other politically exposed

persons. Any payments or contributions made by employees of CLN Group shall be intended only as handed over as a personal voluntary contribution.

- CLN expressly prohibits facilitation payments or kickbacks, defined as small bribes paid to facilitate routine Government action or fees made to secure or expedite the performance of a routine or necessary action to which the payer already has a legal or other entitlement.
- CLN expressly prohibits favoritism whereby an employee of CLN uses his/her position to get a favored treatment for a relative or friend.
- CLN expressly prohibits payments or in-kind contributions to directors, general managers, managers responsible for preparing corporate accounting documents, auditors, and liquidators such that they may fulfil or omit acts in violation of transparent financial reporting.
- CLN expressly prohibits payments or gifts to public officials, representatives or any other party connected with public officials that has the objective of causing the official to act in violation of his or her duties and grant CLN Group any improper benefit or advantage.

Payments in cash should be avoided where possible. Payments must generally be made by bank transfer, taking care that the related transactions are documented in writing, in particular the services rendered, and payments made.

### ***Money Laundering***

CLN Group and Recipients must not be engaged or involved in any activity which may imply money laundering or the funding or facilitation of criminal activity.

All financial information, including the necessary taxes, duties, and license fees in connection with CLN's business activities must be disclosed in accordance with applicable national and international provisions.

### ***Anti-competitive practices***

Anti-competitive practices refer to a wide range of business practices in which a company or group of companies may engage to restrict inter-company competition to maintain or increase their relative market position and profits without necessarily providing goods and services at a lower cost or of higher quality (OECD). Anticompetitive behaviors distort competition.

To protect the vital importance of the existence of a competitive market, CLN Group is committed promote fair competition, to avoid all anti-competitive practices and to respect all the laws, rules and regulations on competition and transparency in commercial operations.

Therefore, Recipients must not engage in business practices which may represent a breach of competition laws, antitrust or other competition legislation in force in the countries in which the Group is active. Recipients are expected to acknowledge that activities must always be undertaken with an understanding of the importance of compliance with all applicable laws and regulations relating to antitrust and competition, and to preserve and promote free, fair, and open competition. Recipients should be particularly aware of the following to avoid restricting competition:

- Recipients must not become involved in any competitive business decisions with suppliers or customers of CLN Group that attempt to restrain competition in the supply chain.
- Recipients should not discuss, formally or informally, prices, market sharing, bid rigging, limiting production or supply, boycotting or unfair discrimination with its competitors or suppliers.
- Recipients should not fix sale or purchase prices with competitors or customers, including maximum or minimum prices, discounts, rebates, or credit terms.
- Recipients should not act in any way to carve up markets or customers.

- Recipients should not exchange or collect or disseminate business secrets or other commercially sensitive information with their competitors, suppliers, or customers.
- Recipients must not participate in any discussion or action which might be construed as an agreement or understanding to prevent a business entity from gaining access to any market or to any customer.

Within the framework of fair competition, CLN Group will not knowingly violate third party intellectual property rights.

### ***Internal Control Systems and Records***

The orderly conduct of CLN business requires that Recipients appropriately manage the business records that our customers, investors, business partners and government agencies rely on. Such business records are required to meet legal and regulatory requirements.

CLN Group companies are required to maintain effective internal control systems. To respect this requirement, they are required to keep accurate and complete internal records of business activities, including accounting records, and to ensure that the operations and the assumption of contractual commitments have been authorized at the appropriate level of the organisation.

### ***Company Assets***

Recipients must use company assets and resources to which they have access, or which are in their care, in an efficient manner, and solely to achieve the business goals and objectives of CLN Group. The use of such assets should also be managed to protect their value. Recipients are responsible for protecting CLN Group assets and resources against loss, theft and unauthorized use or disposal.

### ***External Activities***

Recipients may not be members of the boards of directors of other companies without the authorization of the Group and may not engage in recurring private business activities that

interfere with their respective obligations towards the Group. Any employment relationship of officers or employees of CLN Group with business partners or competitors of the Group, or the provision of services to them, require prior written approval from the appropriate level of management.

## **EMPLOYEES AND HUMAN RIGHTS**

CLN Group recognizes that the motivation and professionalism of its workforce is an essential factor in maintaining competitiveness and ensuring customer satisfaction. The Group is committed to maintaining a diverse, fair, and inclusive workplace, free from harassment and discrimination, and endorses principles that protect human rights. The Group's principles are derived from the United Nation Global Compact, the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, and the Fundamental Conventions of the International Labour Organization (I.L.O.). They set out the importance of respect for the individual, equality, and avoidance of any form of discrimination.

All suppliers and partners are encouraged to observe the human rights principles set out in this Code. Where a serious negative effect on human rights is known to exist in the supply chain, suppliers are expected to establish due diligence to cease, prevent and mitigate these adverse impacts within a reasonable period.

### ***Child Labour and Forced Labour***

CLN Group does not tolerate any form of forced labour, modern slavery, human trafficking, or child labour.

The age of employment for young workers must meet or exceed legal regulations in the country of operation. In any case no employee should be under the age of 15 years old, and any employee under the age of 18 should be properly assessed to ensure there is no possible case of exploitation of child labour. Robust checks are expected to check the age of employees and applicants accordingly.

CLN Group companies must ensure all employees, including contract employees, are working of their own free will and that they are free to terminate their employment, giving appropriate notice. Employees of the Group must not be burdened through the withholding of wages or expenses or the imposition of fees as part of the hiring process. Group companies must not restrict their employee's freedom of movement through withholding their identity documents.

CLN Group is also committed to not establishing or maintaining working relationships with suppliers or partners that are found to use child labour, as defined above, or any forms of forced labour.

### ***Freedom of Association and Collective Bargaining***

CLN Group is committed to ensure the right to freedom of association and collective bargaining. CLN Group recognizes and respects the right of its workforce to be represented by trade unions or other representatives established in accordance with the local legislation and practices in force. CLN is committed to cooperating with employee representative organisations with transparency and fairness, and to having a meaningful and constructive relationship with trade unions

### ***Equal Opportunities***

CLN Group is committed to providing equal opportunity and diversity in employment and career advancement to all employees. Everyone is valued for their contribution to the Group. The principle of equal pay for equal value must apply regardless of gender, and decisions relating to recruitment, training and career development must be taken solely based on the individual's skills, experience, and potential.

CLN Group companies must ensure that in all aspects of the employment relationship - such as recruitment, training, compensation, promotion, transfer, and termination of employment - employees are treated according to their abilities to meet the requirements of the job, avoiding any form of discrimination and, in particular, discrimination based on

ethnicity, skin colour, gender, pregnancy and maternity, sexual orientation, political affiliation, disability, age, nationality, religion or belief.

CLN seeks to proactively support its employees' individual life situations using flexible working environments and working hours where these are feasible for the respective activity.

### ***Harassment***

CLN Group considers unacceptable any type of harassment or behaviour which has the purpose and effect of violating the dignity of any person, both inside and outside of the workplace. No form of violence, intimidation, bullying or persecution should be tolerated in CLN workplaces.

### ***Work Environment***

All CLN employees must work to maintain a good and collaborative working environment in which the dignity of everyone is respected.

For example, all employees of the CLN Group:

- must not work whilst under the influence of alcohol or drugs.
- must be sensitive to the needs of those who may physically suffer from the effects of "passive smoking" and refrain from smoking in places where smoking is prohibited by law.
- must avoid behaviour that might create an intimidating or offensive climate with respect to colleagues or subordinates.

### ***Pay and Working Hours***

CLN upholds the principle that all its workforce should have decent working conditions.

In relation to working hours, wages and benefits, social security benefits, overtime, and paid leave, CLN Group companies are required to comply with the applicable legislation and practices of the country of operation. Wages must be paid in full for services rendered and may not be unlawfully withheld.

### ***Hiring and Promotions***

At the time of hiring or promotion, employees should receive complete and transparent information on the conditions governing their employment relationship.

No employee of the Group must accept or demand promises or transfers of money or goods or benefits, inducements or services of any kind that may be designed to promote the recruitment of an individual as an employee or his or her transfer or promotion.

Management should ensure that proactive measures are put in place to prevent discrimination during any recruitment, and to prevent discrimination in professional development and promotion processes.

When undertaking a hiring, CLN should pay recruitment fees.

### ***Use of Security Personnel***

If a CLN company uses security personnel to protect its operations or assets, the security providers must warrant that they respect internationally recognized human rights. CLN Companies are not permitted to use security personnel that do not respect human rights.

## **HEALTH AND SAFETY**

### ***Health and Safety in the Workplace***

CLN upholds the principle that all its workforce has the right to a safe and healthy working environment and protective equipment and acknowledges the obligations of employers to protect the health and safety of the workforce.

The Group recognizes that industrial processes can be inherently hazardous, and that when accidents or occupational illnesses occur, they can have serious or fatal consequences. The top priority of CLN is therefore health and safety, and the Group promotes and encourages a culture of accident prevention and risk awareness at work.

All decisions made by the Group must respect health and safety in the workplace, and CLN requires its workforce to strictly apply safety rules and always remain vigilant to identify potential risks and address them immediately.

The Group seeks to ensure good working conditions at the industrial level according to the principles of good hygiene, industrial ergonomics, and individual organizational and operational processes. CLN Group requires management to focus on the dissemination of a culture of accident prevention and risk awareness among the workforce, and to actively promote health and safety through regular training courses and information. Employees are personally responsible to respect the preventive measures set by the Group for the protection of their health and safety as communicated to them through specific policies, procedures, guidelines, instructions, training, and information. Every employee is deemed to be responsible for the proper management of safety, and should not expose himself or herself or other people to dangers that can cause injury or harm. Joint labour and management health and safety committees or meetings are mandatory for all Group operational sites.

CLN Group companies are expected to comply with applicable local health and safety laws and regulations in the countries in which they operate.

CLN suppliers are encouraged to put health and safety management as a priority, to comply with local legislation wherever they operate, and are encouraged to implement a certified health and safety management system. Suppliers, subcontractors, and business partners are expected to follow the Groups safety rules while on Group premises and to ensure their activities are fully aligned with CLN's policies and procedures during their presence on site.

### ***Health and Safety Management System***

CLN Group production companies or sites are expected to operate an effective and certified health and safety management system, according to ISO 45001 or similar, to minimize health and safety risks and improve working conditions for the workforce and for subcontractors working on site. Where a production company has not achieved a certification, it is required to set a target date for audit and work towards certification accordingly.

CLN management must ensure that there is regular inspection or audit to ensure the safety of equipment and react promptly to correct any identified deficiency.

### ***Customer Health and Safety***

CLN recognizes that the design of its products and the materials used to produce them can impact the performance of the vehicle into which they are incorporated. CLN Group is committed to producing and selling products that meet the highest standards in terms of safety performance, and that are in full compliance with legal and regulatory requirements. Therefore, CLN employees are required to carefully assess any potential customer health and safety issues when designing or manufacturing products. Any potential negative health and safety impact of CLN products on the final customer or intermediate customers must be eliminated where possible in full cooperation with the customer involved.

### **ENVIRONMENTAL PROTECTION**

CLN Group environmental protection requirements are aimed at conserving natural resources as well as preventing the environmental damage caused by economic activity when it occurs. Environmental protection includes a wide range of topics, for example air, soil and water pollution, preservation of resources such as water, the promotion of renewable and clean energy sources, and the safe management of hazardous substances. CLN Group companies must comply with all applicable environmental laws, regulations, and formal agreements in the country in which they operate and must go above and beyond these local statutory requirements where required by the Code.

### ***Environmental Protection in Working Processes***

CLN Group expects working processes to be based on a systematic and holistic approach to environmental protection, according to the precautionary principle. This means that environmental protection must be enshrined in business conduct and in management systems and seek to prevent - and if this is not possible minimize - any environmental threats potentially resulting in environmental damage. The assessment of environmental impact is expected to be an integral part of decisions regarding sourcing, input materials, design, and the manufacture of products.

CLN Group is committed to continuously improving the environmental performance of its production processes, and to encouraging the development and diffusion of environmentally friendly technologies.

### ***Environmental Management System***

CLN Group production companies or sites are expected to operate an effective and certified environmental management system according to, or like, ISO 14001 to systematically minimize their resource consumption and environmental impact. Where a production company has not achieved a certification, it is required to set a target date for the audit and to work towards certification accordingly.

### ***Reduction of Greenhouse Gas ('GHG')***

CLN Group is committed to the Paris Agreement and contributing to a decarbonized economy is therefore one of the top priorities. This means that a key focus of the Group is to reduce the GHG emissions arising from its activities, in particular CO<sub>2</sub> emissions, by implementing effective avoidance and reduction measures, minimizing energy waste, lowering energy consumption, and reducing energy consumption through technology and equipment upgrades. Where possible the Group will implement innovative technical solutions to reduce or eliminate GHG and to allow the use of renewable energy sources.

CLN Group will monitor targets for Scope 1 and 2 emissions on a regular basis to meet our commitment and will align itself closely with its customers in the management and measurement of Scope 3 emissions when this is within the Group's control.

The Group's suppliers are encouraged to have GHG reduction goals, and CLN encourages the adoption and sharing of sustainable practices among business partners. CLN Group companies are expected to put GHG reduction as an integral part of purchasing decisions.

The purchase or generation of the energy required for CLN's operations should be from low or zero carbon sources such as hydroelectric, wind, sun or nuclear when these are readily available, and it is economically feasible.

## ***Conservation of Resources***

CLN Group companies should use natural resources, such as water, and technical resources, such as raw materials and energy, as economically as possible in its operations. Where possible, technically innovative solutions should be implemented to reduce the use of natural resources.

CLN companies should actively seek to replace consumables and packaging with materials that can be recycled or are made from recycled material. Where bio-based and renewable materials are available and it is economically and technically feasible, CLN Group companies are expected to use them to eliminate plastics or non-recyclable materials. Recycling of materials should be systematically undertaken where this is possible.

CLN Group companies are encouraged to proactively adopt technologies or practices to recycle or reuse water and to implement rainwater harvesting systems. Wastewater is required to be assessed in accordance with local legislation to ensure quality requirements are met before discharge.

## ***Hazardous Substances and Waste***

When handling, storing, or transporting chemicals or hazardous substances, CLN Companies are expected to implement rigorous specific procedures and corresponding identification and labeling to ensure that health, safety, and environmental risks are minimal. The risks arising from such substances, such as soil and air pollution and water contamination, must be reduced as much as possible. The workforce must be provided with appropriate instructions accordingly.

Group companies are expected to put in place appropriate waste management systems and procedures to ensure that hazardous waste is correctly classified, collected, stored, treated, and disposed of. Technical and organizational safeguards must be put in place to prevent the contamination of surface water or groundwater. Under no circumstances can waste be disposed of illegally. CLN companies are required to comply with local legislative

requirements regarding hazardous waste, management of wastewater, and waste discharges.

### ***Biodiversity***

CLN Group companies are required to respect protected and conserved areas and not to initiate activities or plan associated facilities in protected areas. CLN's business activities should not contribute or benefit from the illegal conversion of natural ecosystems, for example illegal deforestation. CLN encourages its subsidiaries to engage locally in greening initiatives, such as planting of vegetation, and to encourage the adoption of green spaces and tree planting around its facilities.

## **EXTERNAL RELATIONS**

CLN Group and Recipients are committed to conducting their relationships with third parties acting in good faith, with fairness and transparency, and with due respect for the fundamental values of the Group set out in this Code.

### ***Customers***

CLN Group aims to fully meet the expectations of its customers. Recipients are required to aim to exceed customer expectations and continuously improve the quality of the products and services of the Group. It is essential that customers are always treated fairly and honestly, and every relationship and contact with customers must be characterized by honesty, professional integrity, and transparency.

Group companies must not discriminate unfairly in dealing with customers and must always manage the relationship in accordance with the Code and the individual Codes of Conduct or Sustainability Policies communicated to them by their customers.

### ***Suppliers and responsible sourcing***

Suppliers play a fundamental role in improving the overall structural competitiveness of the Group. To consistently maintain the highest level of customer satisfaction, the Group

selects suppliers using appropriate and objective methods, based on the quality, innovation, costs, and services offered, as well as the social and environmental performance and the values outlined in the Code.

CLN is committed to a policy of responsible and sustainable sourcing of production materials, equipment, and services. The Group aims to use only production materials whose extraction, production, transport, trade, processing, and export neither directly or indirectly contribute to human rights abuses, health & safety issues, or compliance breaches. Accordingly, CLN encourages suppliers to act in accordance with the Code or a similar set of standards and to encourage their subcontractors to do likewise. The respect of the Code or a similar set of standards is an integral part of supply decisions. CLN Group suppliers should communicate accordingly with their own direct suppliers to promote compliance within their sphere of influence. All suppliers are expected to comply with applicable laws and regulations, particularly those relating to fair competition, anti-trust, the environment, labour, and human rights.

Suppliers are expected not to commit or contribute to any severe human rights violation, cruel, inhumane, or degrading treatment or crimes against humanity. Suppliers of materials that originate from conflict-affected and high-risk areas must have due diligence processes in their supply chain to minimize the risk of actual or potential adverse impacts. CLN Group managers and employees are expected to establish and maintain stable, transparent, and cooperative relations with suppliers. CLN will give preference to suppliers whose policies and practices support a high level of corporate social responsibility. If CLN becomes aware that a supplier does not substantially align with the Code, the Group reserves the right to take appropriate measures which may ultimately lead to the suspension or termination of the supply relationship.

CLN's commitment to promoting socially and environmentally responsible procurement includes restricting the use of cassiterite, wolframite, coltan (which contain tin, tungsten, and tantalum respectively), and gold mined in the Democratic Republic of Congo ("DRC") or adjoining countries in conditions of armed conflict and human rights abuses. It is CLN

policy to refrain from purchasing minerals from any known conflict sources, and we expect our suppliers to adhere to the same standards.

The receipt or offer of any sum, benefit or advantage from/by a supplier which would influence the normal fair sourcing or business relationship is strictly prohibited. Recipients are not permitted to solicit or encourage a supplier to offer gifts or entertainment. Receiving such a gift or entertainment could be perceived as a bribe.

### ***Banks and Other Financial Institutions***

Relations with banks and other financial institutions must be transparent and conducted in compliance with the Code or a similar set of standards. The Group is committed to engage in relations only with lenders who have a high level of fairness and transparency and will not enter into financial agreements or borrow money from unreliable financial institutions.

### ***Public Institutions***

Relations with public institutions must be transparent and conducted in compliance with the Code. No interaction with public institutions should be aimed at obtaining or trying to obtain unfair advantages for the Group.

CLN aims to fully cooperate with regulatory and governmental bodies within the context of their legitimate activity. Should any Group company be subjected to legitimate inspections by public authorities, they are expected to cooperate fully.

Any lobbying activity by CLN should be conducted only as permitted by applicable law and in strict compliance with local legislation and always in strict accordance with the Code.

CLN Group is committed to contributing to technological advancement and to collaborating with public institutions, universities and other organizations for the research and development of innovative solutions for sustainable mobility and related technology.

### ***Protection of Local Communities and Indigenous Peoples***

CLN is aware that its decisions can have a significant impact on local communities and indigenous peoples where it operates. Therefore, CLN Group companies must take all

reasonable steps to inform these communities of actions or projects that could impact them and must promote an open dialogue to ensure that their legitimate expectations are considered. CLN Group companies must avoid potential adverse impacts on the health, safety and living conditions of local communities and indigenous peoples by taking appropriate preventive measures.

CLN Group intends to contribute to the social, economic, and institutional development of local communities through specific programs in the region of operation.

CLN Group requires Recipients to behave in a socially responsible manner, respecting the cultures and traditions of each country and the community in which the Group operates, and to act with integrity and good faith to ensure the trust of the community.

### ***Corporate Communication and Information***

CLN values honest and clear communication with its workforce, customers, stakeholders, and the communities where its business is conducted. It is therefore necessary for communication and information - including to the media - to be organized according to clear, uniform criteria, which consider both the needs of the business and of the Code, as well as applicable legal requirements. The information provided by CLN must be complete, accurate and trustful and coordinated at the Group level where it has a material impact. Only CLN senior management are entitled to speak on behalf of the Group.

Recipients responsible for communicating information regarding CLN Group companies, business lines or geographical areas, in the form of speeches, participation in conferences, publications or any other form of presentation, must receive prior approval of the duly designated company department or senior Group management.

## **ACCOUNTING AND INTERNAL MONITORING**

CLN Group will maintain high standards of financial planning and control together with accounting systems consistent with the accounting principles and guidelines applicable to the CLN Group Company concerned and in compliance with applicable laws. CLN Group will

operate with maximum transparency consistent with best business practices, with the aim of:

- ensuring that all transactions are duly authorized, verifiable, and legitimate.
- ensuring that all operations are carried out promptly, accurately recorded, accounted for, and duly documented in accordance with applicable accounting standards and best practices.
- timely delivery of complete, accurate, reliable, clear, and comprehensive financial reports.
- identifying, analysing, and managing risks related to the activities of CLN.
- setting up rigorous business processes to ensure that management decisions (including those relating to investments and disposals) are based on sound economic analysis, including a prudent risk assessment, and ensure that company assets are properly employed.
- ensuring that decisions on finance, tax and accounting are made by the right level of management and in full compliance with applicable laws.

CLN requires Recipients to maintain accurate and timely records of financial transactions and business transactions, accompanied by adequate supporting documentation. Irregular maintenance of accounting records is a violation of the Code and is considered illegal in most jurisdictions. It is therefore prohibited for any employee to prepare records that might lead to inaccurate or incomplete information including:

- the recording of false transactions.
- the incorrect registration of transactions or insufficient documentation.
- the failure to record commitments, including guarantees that might generate responsibilities or obligations for CLN Group companies.

## IMPLEMENTATION

The management of each company in the Group have the responsibility of ensuring that the Code is understood and put into practice by the workforce. Management must ensure that the requirements of the Code are implemented in their sphere of responsibility.

CLN management should carry out training regarding the Code and its supporting policies on a regular basis.

Employees are encouraged to solicit guidance from their managers or the regional CSR officer regarding any doubts they may have regarding the Code and regarding appropriate behaviour. Responses to requests for clarification should be given in a timely manner without any risk of sanction or retaliation.

Major violations of the Code must be investigated by senior management for the perimeter involved, and any consequences must be consistent with applicable laws and with employment contracts. The false accusation of a breach of the Code also constitutes a violation of the Code.

Code violations may lead to the initiation of legal proceedings, the termination of the fiduciary relationship between the Group and the employee or partner, and to the contractual and statutory consequences applicable in the country where the violation occurred.

Major exceptions to the Code must be clearly justified and be authorized by the Chief Executive Officer of C.L.N. COILS LAMIERE NASTRI S.p.A. CLN has implemented a confidential Whistleblowing portal on its website where Recipients can report serious concerns regarding the application of the Code.