

COMPANY CODE OF ETHICS

Since 1980, the company MF Trasformatori is active in the design and construction of mineral oil transformers, to which since 1985 MF has flanked cast-resin transformers manufacturing to. MF Transformers has obtained ISO 9001:2015 and 14001:2015 certification.

Premise

The MF Trasformatori's Code of Ethics, approved by the Board of Directors of the company with a resolution of 10/12/2013, identifies a core of values as a constant reference for the daily actions of all MF Trasformatori's employees in the conduct of business and their activities.

It is the responsibility of all employees and collaborators of the company to observe the principles and policies of the Code of Ethics in the management of relations and to promote their disclosure.

MF Trasformatori undertakes, towards all recipients of the Code of Ethics, to:

- ensure its disclosure by making it available to all recipients;
- ensure its periodic review in order to adapt it to the evolution of civil sensitivity and current legislation;
- adopt an adequate sanctioning system to suppress any violations of the provisions of the Code of Ethics;
- adopt adequate procedures for reporting, checking and responding to any violations;
- ensure the confidentiality of the identity of those who report any violations, without prejudice to legal obligations;
- verify periodically compliance with the Code of Ethics by its recipients.

Whistleblowing Institute

With the enactment of the Law of 30 November 2017, n. 179, containing "Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship", art. 6 of the Legislative Decree 8 June 2001, n. 231, containing "Discipline of the administrative liability of legal persons, companies and associations, including those without legal personality" in order to provide timely protection for all those employees and / or collaborators of Organizations who have reported offenses of which they have become aware as part of their work duties, activating measures aimed at guaranteeing the protection of the whistleblower from retaliation or discriminatory acts against him, and more generally, a timely and non-abusive use of the new reporting tool.

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As an Organization, the Company MF Trasformatori Srl undertakes to operate in an ethical manner, and requests and expects from its employees and managers, consultants, collaborators, temporary workers and freelancers, third party partners such as contractors, suppliers, as well as from the members of the corporate bodies, a behavior aligned with:

- Ethical code;
- Values and Statute;
- Organizational, management and control model pursuant to Legislative Decree 231 of 8 June 2001;
- Applicable laws and regulations.

To this end, the Organization has structured whistleblowing rules to guarantee a certain and confidential channel of information on potential non-compliance with ethical standards, principles or applicable laws and regulations. The application of these rules is limited to cases where the Whistleblower (or whistleblower) is in good faith and reasonably believes it has occurred, or is occurring or is likely to occur.

The procedure should not be used for personal disputes or unfounded accusations.

The Organization encourages any whistleblower to speak frankly and guarantees confidentiality against any damage or retaliation or discriminatory acts, direct or indirect, against the whistleblower, directly or indirectly connected to the report itself. Therefore, in the disciplinary system adopted, pursuant to paragraph 2, letter e), sanctions against those who violate the protection measures of the whistleblower, as well as those who make reports that turn out to be unfounded with willful misconduct or gross negligence.

However, if the informant deems it more appropriate for the communication to remain anonymous, he can make a report of this nature. The Organization will consider and analyze anonymous reports based on:

- the seriousness of the issue raised;
- the credibility of the disputed issue;
- how likely it is that the issue raised is confirmed by reliable sources.

In any case, anonymity is guaranteed as long as the confidentiality of the identity is enforceable before the law.

- **Whistle-blowing** : tool used to promptly report any types of risk, such as: hazards in the workplace, damage caused by the organization, environmental damage, false social communications, medical negligence, illegal financial transactions, health threats, cases of corruption and / or extortion.
- **Whistleblowers** (or informant) are those who, in the context of their work function, are involved or informed of corruption or misconduct facts, and decide to report the fact or behavior allowing an effective repression but above all showing an ethically correct involvement and a cultural setting which itself constitutes the primary deterrent to the phenomenon of corruption and in general to ethically incorrect and / or illegal behavior.

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Recipients of the Code of Ethics

The rules of the Code of Ethics apply, without exception, to all employees of MF Trasformatori and to all those who, directly or indirectly, permanently or temporarily, establish relationships with it, or work to pursue its objectives (hereinafter the "Recipients").

The Code of Ethics is an integral part of the employment relationship; all recipients therefore undertake to:

- act in line with what is indicated in the Code of Ethics;
- report all violations of the Code of Ethics to the Supervisory Body as soon as they become aware of them;
- adequately inform third parties about the obligations imposed by the Code of Ethics, demand compliance and adopt suitable initiatives in case of non-fulfillment.

FIRST PART

Ethic principles

1) Integrity: The reports and behavior of the Recipients of the Code of Ethics must be based on the principles of honesty, fairness, integrity, transparency and mutual respect, and be open to verification and based on correct and complete information.

2) Loyalty and fidelity: MF Trasformatori maintains a relationship of trust and mutual loyalty with each of its employees.

Relationships between MF Trasformatori's employees and between them and third parties must be based on the utmost loyalty, which consists in faithfulness to the word given and the agreements, acting with a sense of responsibility, in the enhancement and protection of the company's assets and in the application of an attitude of complete good faith in every activity or decision.

3) Principle of legality: MF Trasformatori in the course of its activities and in the conduct of its business assumes, as its guiding principles, respect for national and international law and regulations, as well as internal rules, within a framework of integrity, fairness and confidentiality. It is also proposed to reconcile the search for competitiveness in the market with compliance with competition rules and to promote, with a view to social responsibility and environmental protection, the correct and functional use of resources.

4) Confidentiality: Information of a confidential nature relating to data or knowledge belonging to MF Trasformatori shall not be acquired, used or communicated except by authorized persons.

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In addition, also in compliance with the legislation protecting privacy, Recipients must undertake to protect the information generated or acquired and to avoid any misuse or unauthorized use. Therefore, unless they are already in the public domain, it is forbidden to use, disclose or communicate without a specific authorization and without respecting company procedures, the above-mentioned knowledge, information and data for purposes unrelated to the performance of their duties or, in any event, for their personal benefit or for the benefit of third parties.

5) Respect for the dignity of the person: MF Transformers respects the fundamental rights of persons by protecting their moral integrity and guaranteeing equal opportunities.

In both internal and external relations, discriminatory behavior based on political or trade union opinions, religion, race, nationality, age, sex and sexual orientation, health status or any other intimate characteristic of the person in general shall not be allowed.

MF Transformers condemns any activity that may involve the exploitation or reduction in subjection of any individual and recognizes the primary importance of the protection of minors and the repression of all forms of child labour.

6) Health and safety at work: MF Trasformatori promotes working conditions and environments that protect the psycho-physical integrity of persons.

MF Trasformatori acknowledges the correct application of current legislation and compliance with the related technical legislation, together with the information and training of workers and their involvement, the indispensable tools for the achievement, maintenance and improvement of working and environmental conditions that allow the protection of the safety and health of employees, collaborators and third parties present in the company.

Each Recipient must comply with the legislative and internal provisions (including, for example, the Company Regulations and the Safety Manual) aimed at protecting health and safety.

7) Environmental protection: MF Trasformatori complies with current environmental laws and regulations and contributes to the sustainable development of the territory, including through the use of the best available technologies, constant monitoring of business processes and the identification of industrial solutions with lower environmental impact in terms of choice of materials and resources, packaging of products, etc.

8) Equal opportunities: Professional development and management of employees and collaborators are based on the principle of equal opportunities. The recognition of the results achieved, the professional potential and the skills expressed by the Recipients are the essential criteria for career advancement and pay.

9) Impartiality and absence of conflicts of interest: The Addressees must avoid situations and/or activities that may lead to conflicts of interest with those of MF Trasformatori or that could interfere with their ability to make impartial decisions, in the protection of society's best interests.

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SECOND PART

Rules of conduct

The rules of conduct are intended to indicate the conduct to be held in the performance of business activities in order to respect the contents of the Ethical Principles.

They are divided into:

- 1) ethics in business management;
- 2) work ethics and the protection and enhancement of employees.

Ethics in the management of business

MF Trasformatori manages its business by applying the Ethical Principles identified in this Code and requires its employees to comply with these principles in all circumstances regardless of the relevance of the business and market conditions.

1) Transparency of accounts

MF Trasformatori recognizes the importance of transparency, accuracy and completeness of accounting information and strives to have an administrative system-reliable accountant in correctly representing management facts and providing the tools to identify, prevent and manage, as far as possible, financial and operational risks.

Accounting records must be based on accurate, exhaustive and verifiable information, must reflect the nature of the transaction to which they refer in compliance with external principles (law, accounting principles) and internal policies and procedures, and must be accompanied by the supporting documentation necessary to enable objective analysis and verification.

It is expressly forbidden to include in the financial statements, reports and other social communications provided for by the law data not corresponding to the truth (even if subject to assessment) and to omit information whose disclosure is required by the law on the economic situation, Asset or financial position of MF Transformers.

2) Relationships with customers

MF Trasformatori directs its activities to the satisfaction and protection of its customers, listening to requests that can encourage an improvement in the quality of products and services offered.

In communications to customers MF Transformers pursues the following objectives:

- clarity and simplicity;
- compliance with current regulations, condemning the use of circumventing or otherwise incorrect practices;
- completeness, so as not to neglect any element relevant to the customer's decision;
- truth and transparency, excluding the use of misleading information criteria.

The employees of MF Trasformatori, in their relationships with customers, undertake to:

- promptly respond to customer complaints and evaluate their suggestions;
- require customers to respect the principles of the Code of Ethics;
- promptly report to their head any behavior of a customer that does not seem to observe the principles of this Code of Ethics.

3) Relations with suppliers

MF Trasformatori is committed to using the suppliers that have the best characteristics in terms of quality, innovation, cost, service, continuity and ethics.

MF Trasformatori's employees are required to select suppliers on the basis of the Ethical Principles indicated in this Code. In particular, they shall:

- observe internal procedures for the selection and management of relations with suppliers;
- not discriminate between suppliers, allowing all those who qualify to compete for the award of contracts and making the relevant choice on the basis of objective criteria;
- ask the collaboration of the suppliers in assuring the more convenient relationship between quality, cost and times of delivery;
- apply the required contractual conditions;
- require suppliers to respect the principles of the Code of Ethics;
- promptly report to their superior any behavior of a supplier that appears contrary to the principles of this Code of Ethics.

4) Relations with external collaborators

External collaborators (agents, consultants, representatives, etc.) must observe the principles of this Code of Ethics.

All employees of MF Trasformatori, in relation to their duties, must:

- carefully consider the use of freelancers;
- select only suitably qualified employees;
- obtain from external collaborators the guarantee of the satisfaction of the most convenient relationship between level of performance, quality, costs and times;
- operate in compliance with applicable laws and regulations;
- apply the contractual conditions; in regards to the compensation paid to the external collaborator, it is specified that it must be proportionate to the performance indicated in the contract;
- maintain a dialogue with external collaborators, in line with best business practices;
- require external collaborators to respect the principles of the Code of Ethics;
- promptly report to your superior any behavior of an external collaborator that appears contrary to the principles of this Code of Ethics.

5) Relationships with the Public Administration

MF Trasformatori condemns any phenomenon of corruption, bribery, embezzlement, fraud, embezzlement and takes all appropriate measures to prevent and prevent such crimes from being committed.

Business negotiations must be conducted in accordance with the law and in

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accordance with the principles of loyalty, fairness, transparency and verifiability. In the relationships between MF Trasformatori and the Public Administration, the Recipients must act according to ethical and legal norms. Relations must be managed without recourse to illicit means.

Corrupt practices, unlawful favours, collusive behaviour, solicitations of personal advantages for oneself or for others are explicitly prohibited.

MF Transformers condemns these behaviors, whether directly held by the members of the Corporate Bodies or by the employees, or if implemented through external collaborators or other third parties.

6) Competition

MF Trasformatori refrains from anti-competitive behaviour and complies with the rules for the protection of competition and the market.

For the purposes of this Code of Ethics, anti-competitive behaviour means any deceptive, fraudulent or unfair conduct, business practice or resolution, The Court of First Instance held that the Court of Justice of the European Communities could not be required to rule on the application of Community law.

7) Relationships with political parties, trade unions and associations

MF Trasformatori does not contribute in any way to the financing of political and trade union parties, movements, committees and organizations, or their representatives and candidates.

Work ethics and the protection and enhancement of employees

1) Recruitment of workers

The search and selection of personnel are carried out respecting the privacy of candidates and according to criteria of objectivity and transparency, ensuring equal opportunities and avoiding favoritism.

MF Trasformatori does not employ child labour in the production of any product or in the provision of any service, where child labour is defined as the provision of persons under the age of 16 who are unable to attend compulsory school and/or to have an existence appropriate to one's age. It shall ensure that under-age workers have effective conditions of learning, growth and professional development, as well as appropriate health and safety conditions and training.

All staff are employed under a regular employment contract in compliance with applicable legislation; MF Trasformatori does not tolerate any form of irregular work.

At the time of recruitment and during the first period of incorporation into the undertaking, each worker shall receive adequate information in relation to the rules governing his employment relationship, and the rules and procedures for prevention relating to safety and health at work, Company policies and the norms of the Code of Ethics of MF Trasformatori, in order to guarantee an immediate knowledge and to facilitate a rapid integration in the life and culture of the company.

2) Freedom of association

MF Trasformatori will not prohibit, hinder or penalize trade union activity, by guaranteeing the personnel the appropriate conditions to practice this right in the

working environment. It also undertakes to ensure that its employees can negotiate publicly and according to the law, without fear of interference or restrictions.

The freedom to join the union must be ensured by not putting pressure on those who join and without discrimination of any kind, recognizing the elected representatives as privileged interlocutors, guaranteeing them the places and the time to carry out trade union activities.

3) Disciplinary practices

MF is committed to:

- not apply disciplinary measures contrary to the dignity and respect of the worker's person, limiting themselves only to the measures provided for by the legislation in force.
- Treat all workers with dignity and respect, strictly excluding the use of any type of unusual disciplinary practice and/ or body. Disciplinary practices must comply with all applicable local laws and regulations for workers in use.
- pay attention to the fact that "psychological terror" and "sexual harassment" do not occur, that is, psychological pressures and conditioning with verbal and gestural allusions, not to use unfavourable working conditions as "instruments of punishment", not to adopt disciplinary practices in a hasty and simplistic way.

4) Working hours

Working hours must respect the time limit laid down in the national occupational contract and overtime must, where necessary, be appropriately rewarded and must not exceed 8 hours per week.

In particular, it is important to plan the work carefully, trying to rationalize the production processes, to correctly predict the necessary staff, to avoid forcing their employees to overtime excessively and to ensure that they enjoy the planned holidays.

Employees must still be guaranteed at least one day of rest in seven.

5) Remuneration

MF Trasformatori guarantees its workers a salary not lower than that fixed by the law and assures its workers a salary for a decent life.

6) Internal communication

MF Transformers considers internal communication and the exchange of information and experiences as essential elements for the effective functioning of the company. Internal communication is the primary and direct responsibility of each function manager as part of a proper management of interpersonal relations with his collaborators.

7) Protection of assets

Employees are responsible for the protection of the assets assigned to them and must work diligently to protect them, through responsible behaviour and in line with company procedures.

It is absolutely forbidden for employees to make or allow others improper use of the assets and resources of MF Trasformatori.

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MF Trasformatori's employees and collaborators are required to use the tools at their disposal exclusively for business purposes and never for private and/or personal purposes, in compliance with current regulations and business procedures.

In particular, MF Trasformatori condemns the use of computer networks for the use and exchange of pornographic and pedo-pornographic material.

MF Trasformatori still condemns all illegal conduct in relation to systems information technology, including the use of unauthorized or unlicensed software, falsehood in public or private computer documents, abusive access to a computer or telematic system, possession or misuse of access codes to computer or telematic systems, interception, impediment or unlawful interruption of computer or telematic communications, etc.

THIRD PART

Implementing rules

Management duties

The manager is required to comply with all obligations laid down for employees, to act in such a way as to set an example for their collaborators and to direct them in such a way that they perceive compliance with the Code of Ethics as an essential part of the quality of work performance.

He shall be responsible for ensuring that employees comply with these obligations and shall take the necessary measures and controls for that scope. Checks shall also be carried out directly and at appropriate intervals to the type of activity to be verified.

Training and communication

The Personnel Department is responsible for preparing and implementing appropriate means of internal communication for the dissemination and knowledge of the Code of Ethics.

Similar communication plans are implemented to communicate outside MF Trasformatori the contents of the Code of Ethics and to inform the interested parties about the methods of reporting any violations.

Non-compliance and penalties

The violation of the duties provided for in this Code affects the relationship of trust established with MF Trasformatori and can lead to disciplinary, legal, civil and/or prosecutions, provided by law and collective bargaining.

In the most serious cases, the breach can lead to the termination of the employment contract, if implemented by the employee, or to the termination of the relationship, if put in place by a third party.

Reports of violations of the Code of Ethics

The Entity has planned a specific process to ensure that violations (even in hypothetical or potential form) of the principles expressed by the Code of Ethics are

systematically and promptly brought to the attention of the Supervisory Body.

The reporting to the Supervisory Body can be made through:

- Mail (odv@mfttrasformatori.it),
- letter or registered letter sent by post to the company address,
- phone communication,
- dedicated box inside the organization.

The report may be communicated anonymously, in full compliance with the will of the whistleblower, without any possible repercussions on his person, provided that the report is based on factual elements, with the reasonable belief that the reported conduct is verified and necessarily refers to one or more of the predicate offenses included in this Organization, Management and Control Model pursuant to ex. Legislative Decree 231/2001 or in contrast with the principles of this Code of Ethics.

The Supervisory Body has the task of investigating the validity of the report of the violation ("incident"), possibly listening to the reasons of the whistleblower and the responsible person of the reported violation and reporting on the matter as defined in the Supervisory Body's operating regulations.

The above is in line with the provisions of Law no. 179 containing "Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship", better known as the "Whistleblowing Institute", which aims to encourage the collaboration of workers to encourage the emergence of corruption inside public and private entities, discouraging reports made with willful misconduct or gross negligence or which prove to be unfounded, and dictated by personal or discriminatory purposes.

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