

KOSO PARCOL

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CODE OF ETHICS

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1. Foreword

Koso Parcol S.r.l, a company founded in 1954 and part of Nihon Koso Co. Ltd - Japan, is a leading manufacturer of control valves and steam desuperheating systems for customers in the following sectors: desalination plants, power generation, oil & gas and ammonia & urea plants.

The company's main activity is the design, production and marketing of industrial valves and actuators, as well as related components and accessories, such as globe and angle control valves, pressure reducers and attemperature reducers, rotary valves, etc.

Since its inception, Koso Parcol S.r.l (hereinafter also referred to as "Koso Parcol" or the "Company") has taken great care in enhancing and safeguarding the ethical profiles of its business activities. For this reason, the Company has always been committed to disseminating to its employees and all its stakeholders the values and principles on which the performance of its business is based.

Koso Parcol has therefore formalised in this document, also in application of Legislative Decree No. 231 of 2001, the principles and values underlying the conduct of its business, which also refer to principles contained in national and international documents and standards, including:

- United Nations Universal Declaration of Human Rights (1948)
- Italian Constitution (1948)
- Charter of Rights of the European Union (2000)
- ILO Conventions
- UN Global Compact (2004)
- Foreign Corrupt Practices Act (Section 15 U.S.C. § 78 dd)
- Bribery Act 2010 (Chapter 23)
- UNI ISO 45001

2. Reference Values

This section of the Code of Ethics sets out the general principles that govern Koso Parcol's activities and in which it recognises itself.

Legality

Respect for the principle of legality represents for Koso Parcol a foundation for establishing with its collaborators, and more generally with its stakeholders, a lasting working relationship free from any kind of suspicion.

It is therefore forbidden to resort to actions that could place the Company in situations of commission of the following categories of offence included in Legislative Decree 231/01:

- Misappropriation of funds, fraud to the detriment of the State, a public body or the European Union or for the purpose of obtaining public funds, computer fraud to the detriment of the State or a public body and fraud in public supply offences against industry and trade
- Computer crimes and unlawful processing of data
- Organised crime offences
- Embezzlement, extortion, undue inducement to give or promise benefits, bribery and abuse of office
- Forgery of money, public credit cards, revenue stamps and instruments or identifying marks
- Crimes against industry and trade
- Corporate offences
- Crimes for the purpose of terrorism or subversion of the democratic order provided for by the Criminal Code and special laws
- Female genital mutilation practices
- Crimes against the individual personality
- Market abuse offences
- Other market abuse cases
- Crimes of culpable homicide and grievous or very grievous bodily harm, committed in breach of the rules on accident prevention and protection of hygiene and health at work
- Receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as self-laundering
- Crimes relating to non-cash payment instruments
- Other cases concerning non-cash payment instruments
- Copyright infringement offences
- Inducement not to make statements or to make false statements to judicial authorities

- Environmental offences
- Employment of illegally staying third-country nationals
- Racism and xenophobia
- Fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices
- Tax Offences
- Smuggling
- Crimes against the cultural heritage
- Laundering of cultural property and devastation and looting of cultural and landscape assets
- Liability of entities for administrative offences
- Transnational offences

Consistency

Operating consistently with the principles and values set out in this Code of Ethics is a fundamental prerequisite for the Company to manage its activities on a daily basis, to define its strategic planning and to manage its relations with its stakeholders.

Loyalty and integrity

Koso Parcol considers it essential to operate towards third parties, both internal and external, with respect for the values of loyalty and integrity in order to achieve its objectives.

Fairness and transparency in managing relations with stakeholders

The management of relations with the Company's stakeholders must be carried out with the utmost fairness and transparency.

The Company undertakes to disseminate this principle to its employees and collaborators and to adopt an internal control system that guarantees the completeness, reliability and timeliness of information in order to avoid misleading communications that could allow Koso Parcol to gain undue advantages of any kind.

Excellence in products and services rendered to the customer

Koso Parcol has always placed the satisfaction of its customers at the heart of its business, seeking to understand their different needs on a case-by-case basis and to offer a reliable, state-of-the-art product that meets the quality standards of the valve manufacturing industry.

In doing so, Koso Parcol aims to establish a lasting and reliable relationship with its business partners, while consolidating its position within its target market and guaranteeing high quality products.

Innovation and knowledge sharing

Investments in research and innovation of the company's own products and processes are considered an essential part of the company's continuous improvement path.

The sharing of knowledge within the working environment and the dissemination of innovative approaches among staff is one of the fundamental pillars of the company philosophy.

Social and environmental responsibility towards local communities

Since its foundation, the Company has always maintained a constant, open and transparent dialogue with the local communities affected by its activities, promoting initiatives that can foster the economic, social and civil development of the local communities, while also pledging not to cause any damage.

Moreover, in defining its strategies and policies, the Company is committed to always putting respect for the environment at the forefront, investing in systems aimed at continuously reducing environmental emissions and increasing energy efficiency.

Respect for the person and equal opportunities

Koso Parcol, in the definition and application of its corporate policies, undertakes to repudiate any form of discrimination and intolerance of any kind (gender, race, nationality, age, political opinions, religious beliefs, sexual orientation, state of health and economic-social conditions).

For this reason, Koso Parcol has in place selection and personnel management processes aimed at ensuring equal opportunities for all employees, based on merit criteria free of any kind of favouritism, facilitation and discrimination.

At the same time, the Company is committed to creating and fostering a work environment where the appreciation of diversity is seen as a strength and promotes the principles of inclusion and equal opportunities by treating people fairly and guaranteeing the right to working conditions that respect the dignity of each person.

The Company undertakes to allow all forms of free association among workers, in compliance with the laws in force in the countries where it carries out its activities.

Finally, Koso Parcol is opposed to any practice of slavery or human trafficking and monitors any risk that could lead to the violation of human rights.

Occupational health and safety protection

Koso Parcol has always been committed to spreading a culture of safety among its employees and collaborators.

This objective is embodied in the provision of health and safety training, investment in management systems aimed at preventing serious and very serious accidents or injuries, and the definition of initiatives to make its staff aware of all the risks arising from the performance of their duties.

3. Principles and Standards of Conduct

This section of the Code of Ethics sets out the rules of conduct and related principles to be observed by all addressees of this document.

I. Staff

Working at Koso Parcol means behaving with commitment and loyalty towards one's colleagues and the company's employees.

For this reason, the Company recognises a high value in the actions and behaviour of its employees and collaborators, while assuming the task of taking all necessary actions and initiatives to promote a working environment where these values can be applied in daily activities.

No form of exploitation of irregular labour or the use of child labour is tolerated. All work must be performed on a voluntary basis and not under threat of punishment or sanction. The use of forced, compulsory or unpaid labour in all its forms and unpaid overtime work is prohibited.

General principles of conduct for staff

All Koso Parcol personnel must conform their conduct to the principles expressed in this Code of Ethics, the regulations in force and the rules of conduct specifically indicated. It is therefore necessary for each employee and collaborator to work ethically and loyally to achieve the company and personal objectives.

Selection and protection of employees and collaborators

Right from the selection phase, the Company makes assessments both on the basis of correspondence between the profiles sought and the applications received and on the basis of objective data and criteria.

Koso Parcol adopts measures to eliminate all forms of discrimination and favouritism, allowing no distinction on grounds of religion, skin colour, political belief, trade union membership, sexual orientation and nationality.

The company undertakes not to employ foreign workers without a regular residence permit.

Once hired, Company personnel undertake to behave professionally and decently both in relations with their colleagues and in relations with stakeholders, respecting the content of this Code of Ethics and protecting the Company's image.

In order to promote the dissemination of the corporate culture, the Company provides each employee and collaborator with a copy of this Code of Ethics upon hiring.

Protection of the workplace, workers and their obligations

Koso Parcol is responsible for ensuring that its employees and collaborators have a working environment that complies with the law and is suitable for preventing accidents of any kind, as well as safeguarding their physical and moral integrity.

It is the duty of the company to devote all necessary resources, monetary and non-monetary, to achieve this purpose.

Instead, it is the responsibility of each employee and collaborator:

- fulfilling statutory health and safety obligations
- observe the instructions of the employer, managers and supervisors
- make appropriate use of the work equipment and protective devices made available by the Company
- do not alter safety devices
- not to perform actions outside one's duties that may endanger one's own safety or that of others
- undergo the health checks provided for by the regulations in force or in any case ordered by the general practitioner
- report any risks, also in relation to workers' health and safety, and situations of non-compliance with regulations

Conflict of Interest Management

Each employee and collaborator is called upon to avoid any kind of situation or behaviour in which conflicts of interest may arise to the benefit of the Company and/or the employee and collaborator themselves.

For this reason, employees and collaborators are not allowed to accept or offer any kind of benefit (money, gifts, etc.).

If an employee and/or collaborator perceives that he/she is in a situation where a potential conflict of interest risk may arise, he/she shall immediately suspend his/her activity and promptly inform his/her superior thereof.

It is the hierarchical superior's duty to report the case to the Management and the Supervisory Board for their assessment.

Protecting corporate resources

Employees and collaborators are obliged to act with the utmost diligence to protect and enhance the company assets assigned to them, also in compliance with the operating procedures laid down.

It is always the obligation of employees and collaborators not to use assigned company property improperly.

Protection of information and privacy

Koso Parcol undertakes to ensure that each employee and collaborator treats any information in their possession with absolute confidentiality, even after termination of employment.

At the same time, Koso Parcol protects with extreme care the personal data of its employees and collaborators, in compliance with current legislation (e.g. European Data Protection Regulation) and internal procedures. To this end, the Company provides its employees, collaborators and third parties with complete and updated prior information on the processing of data acquired by the Company in the course of its activity, requesting their informed consent, if necessary, exclusively for the purposes for which they are intended.

II. Members and members of corporate bodies

The adoption of good corporate governance practices is of vital importance to Koso Parcol, as it allows the company to protect its value and reputation in the long term.

All Shareholders and members of all corporate bodies, by reason of their role, are required to comply with the contents of this Code of Ethics, even if they are not employees of the Company, in the performance of their activities.

Likewise, they must maintain a responsible behaviour towards the Company, its employees and collaborators, which is embodied in the implementation of prudent, non-speculative policies aimed at safeguarding the company's soundness, refraining from acting in the presence of a conflict of interest.

Protection of transparency in intra-group transactions

Intra-group transactions, including transactions with related parties, must be carried out in accordance with market conditions and in a transparent manner.

Protection of information

All members of the corporate bodies must make confidential use of the information they become aware of by reason of their office.

III. Customer relations

Satisfying the needs of its customers is one of the core objectives of Koso Parcol's business.

Promoting the quality and safety of products and services

The company pays great attention to the quality level of its products and the services it offers, ensuring compliance with the highest industry standards (e.g. PED, ATEX, ISO 9001, SIL, CRM, CUTR, ...), through continuous updating of these standards. For this reason, Koso Parcol invests resources both in training its staff and in improving processes to keep the standards of its goods high while guaranteeing their reliability. As proof of this, the company has obtained the above-mentioned certifications.

Fairness in business dealings

Koso Parcol conducts business relations with its customers with the utmost fairness, transparency, integrity, honesty and good faith, avoiding the use of any deceptive practices.

The Company strictly forbids its employees and collaborators from offering and/or receiving gifts and benefits of any kind to/from its customers, which may lead to unlawful conduct, even partial, aimed at obtaining an advantage or personal interest.

Communication of ethical principles

Koso Parcol undertakes to communicate the ethical principles contained in this Code of Ethics to all its customers through its sales orders.

IV. Relations with Suppliers

Koso Parcol maintains business relations with its suppliers aimed at respecting the utmost fairness, transparency, integrity, honesty and good faith. This category also includes parties acting in the name and/or on behalf of the Company such as, for example, agents.

Ensuring transparency in the supplier selection process

Koso Parcol expects its suppliers to respect the principles and values of this Code of Ethics and all applicable laws and regulations, including those concerning the protection of people and the environment. For this reason, it communicates the content of this document to its suppliers before entering into any business relationship.

Koso Parcol adopts an impartial policy in the selection of suppliers and their offers, based on objective criteria and the principles of fairness, quality, cost-effectiveness, loyalty and ethicality.

Fairness in business dealings

Koso Parcol conducts business relations with its suppliers with the utmost fairness, transparency, integrity, honesty and good faith, avoiding the use of any deceptive practices.

The Company also strictly forbids its employees and collaborators from offering and/or receiving to/from its suppliers gifts and benefits of any kind that may lead to unlawful conduct, even partial, which may be aimed at obtaining an advantage or personal interest.

Health and safety protection of suppliers

Koso Parcol is committed to protecting and supervising the health and safety of the workers of its suppliers carrying out activities at its premises.

Confidentiality of information

Koso Parcol and all its staff treat the confidential information of its suppliers with the utmost confidentiality and caution, forbidding any form of disclosure unless previously authorised.

V. Relations with the Public Administration

The definition of public administration includes all those entities that perform a public service or a public function.

All rules of conduct concerning relations with members of the public administration must also be observed towards members of supranational institutions, such as European Community bodies, its officials and more generally towards foreign states.

Fairness in dealings with the public administration

Relations with the Public Administration must always be conducted in a transparent and correct manner.

Company employees, collaborators or persons entrusted with any type of relationship with the Public Administration must avoid any type of behaviour that seeks to influence its decisions, or that could be interpreted as such.

Furthermore, it is forbidden to make false statements, omit information and accept or offer any kind of benefit.

Correctness in the use of public administration information systems

Manipulating the information contained in a Public Administration computer system for the sole purpose of gaining an advantage, even of a non-economic nature, is prohibited.

Protection in the management of contributions, subsidies and funding provided by the public administration

Koso Parcol prohibits the use of contributions, subsidies or funding obtained from the public administration for purposes other than those for which they were granted.

Selection of employees with dealings with the public administration

The management of the selection and hiring process of a civil servant, former employee or person who has had any kind of relationship with the Company and/or relatives of employees, must be carried out in compliance with the internal regulations of the Company and after hearing the opinion of the Supervisory Board.

VI. Lenders

In response to requests from its lenders, Koso Parcol ensures that the data requested represent the true assets, economic and financial situation of the Company.

Koso Parcol is also committed to meeting agreed deadlines with its lenders on time, in order to establish a relationship based on transparency and loyalty.

VII. Environmental Protection

Koso Parcol carries out its activities with respect for the environment and the relevant regulations. In pursuit of this aim, the Company adopts all means to preserve the ecosystem, with particular attention to waste disposal, water, soil, subsoil and atmosphere protection.

Furthermore, the Company undertakes to provide its employees and collaborators with continuous training on environmental protection, in order to make them aware of the environmental impacts of their activities.

4. Compliance with the Code of Ethics

The observance and dissemination of the principles and values contained in this Code of Ethics are a fundamental prerequisite for the performance of the Company's activities.

The addressees of this Code of Ethics, therefore, are required to comply with and ensure compliance with the principles contained therein.

Failure to comply with the content of this Code constitutes grounds for the Company to take corrective action and disciplinary action.

The Company's Board of Directors, therefore, acts as the main actor in disseminating and enforcing compliance with this Code of Ethics, also through the application of sanctions aligned with the 231 Model adopted, based on the disciplinary system provided for by the CCNL for the Metalworking sector and the reference contracts entered into with the relevant counterparts.

5. Violation Reporting System

The addressees of the Code of Ethics must fulfil precise communication obligations by reporting possible and possible violations of the Code of Ethics also pursuant to Legislative Decree 24/23.

Therefore, Koso Parcol S.r.l. in compliance with the regulatory provisions introduced by Legislative Decree 24/2023, has set up a process for reporting violations concerning conduct, acts or omissions that harm the public interest or the integrity of the Company., ensuring that whistleblowers are adequately protected through the provision of specific protection measures.

To this end, Koso Parcol has activated specific internal reporting channels aimed at guaranteeing maximum confidentiality of the reporting subject, the facilitator, the people involved and, in any case, mentioned in the report, as well as the content of the same and the related documentation also through the use of encryption tools and through the introduction of specific sanctions into the disciplinary system in the event of retaliation.

More precisely, reports must be transmitted through the following internal channels:

- By completing the form attached to the “Procedure for reporting illegal activities – Whistleblowing.”
- By an online IT platform, available on the intranet’s Company and on the website <https://kosoparcol.comunicazioneilleciti.it> .
- By a specific request of the whistleblower through a direct meeting with the Supervisory Body within a reasonable time and upon written request to the e-mail address: margiotta@margiottalegal.it.

The management of the reports is entrusted to the Supervisory Body, which must proceed with a timely analysis of the same in order to evaluate their validity and then it can possibly contact the competent internal bodies/functions (e.g. Board of Directors, Executive Committee, Resources

Human Manager, etc.) for the related follow-ups such as, for example, the carrying out of any further investigations, the evaluation of any sanctions to be inflicted and verifying the effective application and scope of the aforementioned sanctions, which must be commensurate with the seriousness of the fact committed and quantified with coherence and impartiality.

In view of the above, considering the fact that the person in charge of managing the reports is not responsible for verifying individual responsibilities, whatever their nature, nor for carrying out checks on the legitimacy or merit of acts and measures adopted by the company, under penalty of trespassing on the competences of the subjects responsible for this within each body or administration or the judiciary.

At the same time, the Supervisory Body will endeavor to implement all the necessary actions to ensure that the confidentiality of the reporting person is respected and not subject to retaliation, discrimination or, in any case, penalization by any person (except for the occurrence of any obligations of laws that require otherwise).

The reports must be as detailed as possible in order to allow the Supervisory Body to clarify the facts. In particular, the following information must be present:

- the circumstances of time and place in which the reported event occurred;
- the description of the fact;
- personal details or other elements that allow identifying the person to whom the reported facts can be attributed.

For further details and information, please refer to the "Procedure for reporting illegal activities - Whistleblowing", published on the company's website.

6. Amendments and updates to the Code of Ethics

Any amendments and/or updates to this Code of Ethics must be approved by the Board of Directors of Koso Parcol, which shall at the same time ensure that such amendments and/or updates are disseminated in a timely manner to all addressees of this document.