

Teknofanghi

Ethical Code

Revision 0

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1. INTRODUCTION

1.1 Purpose and Recipients

This Ethical Code (hereinafter "Code") is a public declaration by **Teknofanghi S.r.l.** (hereinafter "Teknofanghi") identifying general principles and behavioural rules that hold positive ethical value.

It also serves as an instrument by which Teknofanghi, in fulfilling its mission, commits to contributing to the socio-economic development of the territory, in compliance with laws and principles of loyalty and fairness.

The purpose of this Code is to ethically guide Teknofanghi's actions, and its provisions are therefore binding on the conduct of all directors, executives, employees, consultants, and anyone establishing a collaborative relationship with Teknofanghi.

While considering regulatory, economic, social, and cultural differences, the Code also applies to activities carried out by Teknofanghi outside the national territory.

The Code is widely disseminated internally by being posted in accessible locations and is made available to any stakeholder. Externally, it is published on the company website to be accessible to all interested parties at any time.

1.2 Relationship with Stakeholders

The Code aims to guide Teknofanghi's conduct toward cooperation and trust with stakeholders—individuals, groups, and institutions whose contributions are necessary for fulfilling the mission and/or whose interests are directly or indirectly affected by Teknofanghi's activities.

1.3 Value of Reputation and Credibility

Reputation and credibility are fundamental intangible assets.

The good reputation and credibility of Teknofanghi promote relationships with institutions, external financing, customer loyalty, human resource development, and the fairness and reliability of suppliers.

1.4 Contents of the Code

The Code comprises:

- General ethical principles identifying the core values of Teknofanghi's activities;
- Behavioural criteria toward each stakeholder, providing guidelines and standards recipients must adhere to;
- Implementation mechanisms outlining the control system for proper application and continuous improvement of the Code.

1.5 Contractual Value of the Code

Compliance with the Code's standards is considered an essential part of Teknofanghi employees' and collaborators' contractual obligations under Articles 2104, 2105, and 2106 of the Civil Code.

Serious and persistent violations of the Code undermine the trust relationship with Teknofanghi and may result in disciplinary actions or termination of agreements, while respecting workers' rights as per Article 7 of Law 300/1970 (Workers' Statute) and collective labour agreements.

1.6 Code Updates

With approval from General Management, the Code may be amended or supplemented based on suggestions and input from internal personnel and/or stakeholders.

2. GENERAL PRINCIPLES

2.1. Responsibility Toward Society

In fulfilling its Mission, the behavior of all recipients of this Code must be guided by an ethic of responsibility. TEKNOFANGHI considers adherence to the laws and regulations in force in Italy and all other countries where it operates or may operate, as well as respect for the democratic order established therein, as an essential principle. The recipients of this Code are required to comply with the applicable laws and regulations.

Under no circumstances is it permissible to pursue or achieve TEKNOFANGHI's interests in violation of the law. TEKNOFANGHI is committed to ensuring adequate and continuous information about the Code to the interested parties, including by making it available through its digital channels.

2.2. Transparency

The principle of transparency is based on the truthfulness, accuracy, and completeness of information both inside and outside TEKNOFANGHI.

The system for verifying and resolving customer complaints must ensure that information is communicated, both verbally and in writing, in a consistent and timely manner.

In drafting contracts, TEKNOFANGHI formulates clauses in a clear and comprehensible manner, always ensuring parity conditions and refraining from favouring any specific group or individual.

2.3. Legality and Fairness

The principle of legality and fairness entails respecting rights, including privacy and equal opportunities, as well as compliance with applicable national and international laws, directives, and regulations designed to protect the individual personalities of all those involved in the company's professional and work activities.

Decisions and behaviour must always be appropriate and aligned with the care of the public interest entrusted to the company.

This principle also requires eliminating any form of discrimination and any potential conflicts of interest among employees, collaborators, and TEKNOFANGHI.

2.4. Honesty

Moral transparency is synonymous with honesty, which TEKNOFANGHI demands from its personnel and all collaborators, ensuring that the product offered meets the expectations of the client.

Should discrepancies arise to the detriment of the client or supplier, TEKNOFANGHI commits to reporting the issue, even if it is unfavourable to itself, to ensure the anomaly is corrected.

2.5. Efficiency

The principle of efficiency requires economic management of resources at every stage of production, while guaranteeing the delivery of a high-quality product that fully meets customer expectations.

2.6. Spirit of Service

The principle of the spirit of service requires that each recipient of the Code always orient their actions toward sharing the Mission of providing a high-value product that also benefits society. The community must consistently benefit from the highest quality standards.

2.7. Competition

TEKNOFANGHI seeks to enhance the value of competition by adopting principles of fairness, fair competition, and transparency with all market operators, while safeguarding its know-how associated with its patents.

2.8. Community Relations and Environmental Protection

TEKNOFANGHI is aware of the impact of its activities on the socio-economic development and quality of life in the regions where it operates.

For this reason, TEKNOFANGHI contributes to the sustainable development of these areas to improve its reputation and operational legitimacy.

Regarding environmental protection, TEKNOFANGHI is committed to its preservation, both locally and globally. The company participates in the Tree Nation project, a worldwide initiative dedicated to reforestation and combating climate change.

TEKNOFANGHI ensures sustainability at every stage of product development, from concept to market launch. Each TEKNOFANGHI product stands out not only for its quality and durability but also because every decision is guided by the goal of optimizing available resources, such as water and energy, while minimizing the use of chemicals.

2.9. Human Resource Development

Human resources are an essential pillar for the development of TEKNOFANGHI. For this reason, their professional growth is a priority, with the goal of enriching both individual and corporate expertise.

3. GOVERNANCE SYSTEM

The governance system adopted by TEKNOFANGHI complies with applicable laws and aligns with the most authoritative guidelines and best practices in the field.

It aims to ensure maximum and balanced collaboration among its components through the harmonious balancing of different roles in management, direction, and control.

This system is designed to guarantee responsible and transparent management, with a focus on value creation and the pursuit of social and environmental objectives, as agreed with the relevant local authorities.

Members of TEKNOFANGHI's top management must conduct their activities in accordance with principles of fairness and integrity, refraining from acting in situations of conflict of interest within the scope of their work at TEKNOFANGHI.

These members are also required to act in accordance with principles of autonomy, independence, and adherence to the guidelines provided by TEKNOFANGHI in their interactions, on its behalf, with public institutions and any private entity.

They must treat any information obtained in the course of their duties as confidential and are prohibited from using their positions to gain personal, direct, or indirect advantages. All communication activities must comply with laws and ethical practices.

The members of TEKNOFANGHI's governing bodies are required to adhere to applicable laws and the principles contained in this Code.

The obligations of loyalty and confidentiality remain binding even after their relationship with TEKNOFANGHI ends.

TEKNOFANGHI adopts an organizational system that delegates powers and functions based on clearly defined and specific terms, assigning responsibilities to individuals with the appropriate skills and competence.

4. INTERNAL CONTROL SYSTEM

In compliance with the laws and regulations applicable in its geographical area of operation, and with the aim of planning and managing activities to ensure efficiency, fairness, transparency, and quality, TEKNOFANGHI implements organizational and management measures designed to prevent unlawful behaviour or actions that are contrary to the rules of this Code by individuals acting on behalf of TEKNOFANGHI.

To this end, in matters of internal control, TEKNOFANGHI adopts organizational practices aimed at ensuring the proper implementation of defined management procedures and compliance with applicable regulations.

Dedicated internal and external personnel periodically verify the adequacy and effective functioning of the control system, carrying out any necessary or appropriate interventions to ensure its optimal performance.

5. RELATIONSHIPS WITH PERSONNEL

5.1. Personnel Relations

TEKNOFANGHI recognizes the value of human resources, respects their autonomy, and values their active participation in work activities.

TEKNOFANGHI is highly aware of the importance of its human resources and is committed to actively fostering a work environment that promotes collaboration, respect, and safety. Recognizing the value of employees' skills and autonomy is essential for the success of any organization and the creation of lasting and sustainable value.

Consequently, any form of discrimination based on race, gender, nationality, religion, language, union membership, or political beliefs is strictly prohibited in hiring, compensation, promotions, or termination, as well as any form of favouritism.

Additionally, TEKNOFANGHI obtained the Gender Equality Certification, reaffirming its commitment to promoting an inclusive work environment and ensuring equal opportunities for all employees.

5.2. Safety and Health

TEKNOFANGHI is committed to safeguarding the moral and physical integrity of its employees, consultants, and customers in the context of its work activities.

Safety also encompasses the preliminary verification and/or monitoring of requirements concerning the use of equipment, tools, and machinery that could endanger others.

To this end, TEKNOFANGHI promotes responsible and safe behaviour and adopts all safety measures required by technological advancements to ensure a secure and healthy work environment, fully compliant with the applicable regulations on prevention and protection as outlined in Legislative Decree 81/2008 and subsequent amendments.

The general health and safety measures for workers in the workplace include:

- Assessing all health and safety risks;
- Planning prevention strategies aimed at an integrated approach that incorporates technical conditions and the influence of environmental and organizational factors;
- Eliminating risks where possible or minimizing them in relation to technological progress;
- Respecting ergonomic principles in work organization, workplace design, equipment selection, and task definition, particularly to reduce the effects of monotonous and repetitive work;
- Replacing hazardous materials with less dangerous or non-hazardous ones;
- Minimizing the number of workers exposed to risks;
- Giving equal consideration to collective and individual protection measures;
- Conducting periodic health checks for workers;
- Reassigning workers from risk exposure due to health concerns and, where possible, assigning them to other roles;
- Providing adequate information and training for workers, managers, supervisors, and worker safety representatives;
- Offering clear instructions to workers;
- Encouraging worker participation and consultation, including safety representatives;
- Planning measures to ensure ongoing safety improvements through best practices;
- Establishing emergency procedures for first aid, fire management, worker/customer evacuation, and immediate threats;
- Using appropriate warning and safety signals;
- Regularly maintaining facilities, equipment, and systems, especially safety devices, in compliance with manufacturers' recommendations.

5.3. Protection of Individuals

TEKNOFANGHI is committed to ensuring the necessary conditions for a collaborative and non-hostile work environment while preventing any form of discriminatory behaviour.

Everyone's cooperation is essential to maintaining a climate of mutual respect for the dignity, honour, and reputation of every individual.

It should be noted that TEKNOFANGHI's regular operations do not involve the use of substances that could endanger individuals, except for the ordinary use of cleaning products for machinery or workspaces.

Employees who believe they have experienced discrimination can report the incident to their supervisor, who will investigate the potential violation of the Code.

Disparities justified by objective criteria do not constitute discrimination.

The goal is to create an inclusive, respectful, and safe workplace for everyone.

5.4. Recruitment of Personnel (Office, Workshop, and Collaborators)

Subject to obligations arising from applicable regulations, recruitment is based on verifying candidates' substantial alignment with the required professional profiles, in compliance with current laws and equal opportunities for all applicants.

5.5. Forms of Collaboration

The hiring of personnel is based on regular employment contracts, with no acceptance of any form of non-compliant or evasive employment relationships under current laws.

Collaboration agreements with external resources (consultants, collaborators, etc.) are subject to the same fundamental rules to ensure complete transparency and legality in the relationship between the parties.

5.6. Duties of Personnel and Collaborators

Personnel are required to comply with the obligations set forth in this Code and must perform their duties in accordance with the law, upholding principles of integrity, fairness, loyalty, and good faith.

All employees should recognize that their behaviour (e.g., prolonged absences from the workplace) impacts their colleagues' operations. Insubordination and disrespect toward colleagues constitute serious violations of this Code.

External collaborators are also informed of TEKNOFANGHI's adherence to this Code through its publication on the company website, as well as via other digital communication methods (email, social media, etc.).

This ensures a cohesive work environment aligned with the principles of respect, integrity, responsibility, and transparency.

5.7. Additional Duties: Accounting Records and Entries

Those responsible for maintaining the company's accounting records must ensure that every entry is accurate, complete, truthful, and transparent, and that it is available for review by internal or external parties authorized to conduct audits.

Accounting records must be based on precise and verifiable information and must fully comply with internal accounting procedures.

Every record should enable the reconstruction of the related transaction and be accompanied by adequate documentation.

All actions related to TEKNOFANGHI's activities must be documented appropriately, allowing for audits and controls of the decision-making, authorization, and execution processes.

Anyone aware of omissions, errors, or falsifications must report them to their supervisor.

5.8. Conflict of Interest

Employees must maintain autonomy and integrity to avoid making decisions or engaging in activities that create a conflict of interest with TEKNOFANGHI's operations.

Any activity that compromises the proper fulfilment of one's duties or harms the organization's interests or reputation must be avoided.

Any real or potential conflict of interest must be disclosed in advance to the supervisor, who will notify the company's management as required.

This approach ensures the transparency and integrity of business operations while fostering a culture of responsibility and mutual respect.

5.9. Use of Office and Production Assets

Employees must use and maintain with care the assets provided for office and production purposes.

Misuse of TEKNOFANGHI's assets and resources, including their use for personal purposes beyond reasonable necessity, is not permitted. Similarly, the use of mobile phones for personal purposes should be limited to necessity or kept to a level that does not impair operational efficiency or company results.

Each employee is directly and personally responsible for the protection and legitimate use of the assets and resources entrusted to them for performing their duties.

TEKNOFANGHI, in compliance with applicable laws, adopts measures to prevent improper use of its assets and resources.

5.10. Use of IT Systems

In using IT systems, each employee is responsible for ensuring the security of the systems and is subject to applicable legal provisions and licensing agreements.

Improper use of company assets and resources includes using network connections for purposes unrelated to work, sending offensive messages, or engaging in activities that could harm the company's image.

Employees must also make every effort to prevent potential crimes from being committed using IT tools.

5.11. Gifts, Hospitality, and Other Benefits

Employees and collaborators are prohibited from soliciting, for themselves or others, gifts or other benefits, nor may they accept such benefits unless they are customary, of modest value, or in line with standard commercial practices and courtesies of a specific country, from anyone who has benefitted or may benefit from TEKNOFANGHI's activities.

Similarly, employees or collaborators are not permitted to offer gifts or other benefits to individuals in a position to grant favourable treatment in connection with any activity related to TEKNOFANGHI.

Unlawful advantages must not be provided to public or private customers or suppliers.

Any gifts or advantages offered by third parties to the organization must be reported to management to allow for an appropriate evaluation of the actions to be taken.

5.12. Privacy Protection

TEKNOFANGHI protects the privacy of its employees in accordance with applicable laws, ensuring that personal data and information are not disclosed or shared, except as required by law or with the individual's prior consent.

The collection, processing, and storage of such information are conducted within specific procedures designed to prevent unauthorized access and ensure full compliance with privacy protection regulations.

5.13. Confidentiality and Information Management

Employees and collaborators are required to maintain the confidentiality of any information learned in the course of their duties, in accordance with the law, regulations, and relevant circumstances.

This duty of confidentiality extends beyond the termination of employment or collaboration. Employees must ensure compliance with legal obligations regarding privacy and carefully safeguard the documents entrusted to them.

5.14. Reporting Obligations

All employees and collaborators are required to promptly and confidentially report to their department manager any information they become aware of in the course of their work regarding violations of legal norms, this Code, or other company regulations that could, in any way, involve TEKNOFANGHI.

Department managers must oversee their colleagues' activities and report any potential violations of the aforementioned norms to senior management.

5.15. Obligations of Collaborators

The provisions outlined in the preceding sections also apply to all collaborators, consultants, and distributors of TEKNOFANGHI, where not explicitly mentioned.

Communication and dissemination of these obligations occur through the company website and, if necessary, via other digital or analog communication methods (e.g., during events).

6. RELATIONSHIPS WITH CUSTOMERS

6.1. Equality and Impartiality

TEKNOFANGHI is committed to satisfying its customers in accordance with the obligations established by contracts and any agreements.

TEKNOFANGHI also ensures that it does not discriminate against its customers.

The company establishes relationships with customers that are characterized by high professionalism, availability, respect, courtesy, and a commitment to providing maximum collaboration and satisfaction.

6.2. Contracts and Communications

Contracts and communications with customers must be:

- Clear, simple, and written in language as close as possible to the customer's understanding;
- In compliance with applicable laws and the guidelines of relevant authorities.

TEKNOFANGHI is committed to promptly and appropriately communicating any information regarding changes or variations in the service provided and/or product features.

6.3. Quality and Customer Satisfaction

TEKNOFANGHI is dedicated to achieving the required quality and safety standards and to periodically monitoring the quality of its marketed products and customer satisfaction.

6.4. Interaction with Customers

TEKNOFANGHI strives to foster interaction with customers by managing and resolving complaints promptly, using appropriate communication systems.

The company rejects litigation as a tool to gain undue advantages and resorts to it only when its legitimate claims cannot be satisfied by the counterpart.

To achieve systematic feedback from customers, TEKNOFANGHI uses customer satisfaction information (including data provided by customers themselves) as a resource to identify improvement goals for its products.

TEKNOFANGHI protects its customers' privacy in accordance with applicable laws, ensuring that personal, financial, and consumption-related data is not disclosed or shared, except as required by law.

7. PARTICIPATION IN TENDERS AND RELATIONSHIPS WITH CLIENTS

7.1. Participation in Competitive Tender Procedures

When participating in competitive tender procedures, TEKNOFANGHI carefully evaluates the feasibility and appropriateness of the requested supplies, with particular attention to regulatory, technical, and economic conditions. The company promptly highlights any potential anomalies, when possible, and under no circumstances undertakes contractual commitments that could force it to resort to unacceptable compromises in the quality of performance, labour costs, or workplace safety.

7.2. Fairness in Commercial Negotiations

In dealings with clients, TEKNOFANGHI ensures fairness and transparency in commercial negotiations and in assuming contractual obligations, as well as faithful and diligent fulfilment of those commitments.

8. RELATIONSHIPS WITH SUPPLIERS

8.1. Supplier Selection

The selection of suppliers must comply with applicable laws and internal procedures.

The selection of suppliers and the procurement of goods and services of any kind must respect current legislation, principles of competition, and equality of conditions among bidders. Decisions are based on objective evaluations of competitiveness, quality, utility, and price of the supply.

In supplier selection, TEKNOFANGHI adopts objective and transparent criteria as required by current regulations and does not exclude any supplier meeting the necessary requirements from competing for a contract. Additionally, TEKNOFANGHI considers the supplier's ability to implement adequate quality management systems where applicable, the availability of resources and organizational infrastructure, and the ability to meet confidentiality obligations.

All selection procedures must respect impartiality among competitors, and any deviation from this principle must be authorized and justified.

TEKNOFANGHI ensures that its supplier selection criteria do not create barriers to entry for other providers.

8.2. Transparency

TEKNOFANGHI's relationships with suppliers are governed by the principles of this Code and are subject to constant and careful monitoring to ensure that the goods or services provided align with the agreed terms.

The company adopts adequate measures to ensure maximum transparency in the selection of potential suppliers and the procurement of goods and services, including comparing multiple alternative suppliers whenever possible.

The procedures for requesting supplies and signing contracts include documentation and archiving systems that allow or full traceability of operations.

8.3. Fairness and Diligence in Contract Execution

TEKNOFANGHI and its suppliers must work to establish a collaborative and mutually trusting relationship.

TEKNOFANGHI is committed to informing suppliers accurately and promptly about the characteristics of its activities, payment terms and schedules, and other relevant details, in compliance with applicable laws and the legitimate expectations of the counterpart, considering the circumstances, negotiations, and contract content.

Suppliers must fulfil their contractual obligations with fairness, diligence, and good faith, adhering to current regulations.

TEKNOFANGHI is committed to promoting and raising awareness of moral and environmental standards in its procurement activities, as well as ensuring compliance with the ethical principles described in this Code, using the methods and channels outlined in the preceding sections.

TEKNOFANGHI's support and promotion of ethical standards aim, among other objectives, to prevent offenses against public administration, crimes against minors, and environmental disasters related to the activities of the supplier and its collaborators.

9. RELATIONSHIPS WITH LOCAL AUTHORITIES

TEKNOFANGHI pursues the objectives outlined by the relevant public institutions and collaborates effectively with their regulatory and supervisory bodies.

The company integrates these objectives with its mission and the need for organizational and managerial autonomy inherent to any economic operator.

10. RELATIONSHIPS WITH AUTHORITIES

Integrity and Independence in Relationships

To ensure maximum transparency in institutional relations, these are managed exclusively by representatives explicitly authorized by TEKNOFANGHI's governing bodies. These representatives must not have any conflicts of interest with the institutional representatives involved.

Gifts, courtesies, or hospitality extended to government representatives, public officials, or public employees are permitted only to the extent that their modest value does not compromise the integrity, independence, or reputation of either party.

In any case, such expenses must be properly authorized and documented.

During business negotiations, requests, or commercial relations with Public Administration entities, no direct or indirect actions may be undertaken that could propose employment and/or commercial opportunities resulting in benefits for Public Administration employees or their relatives.

To this end, TEKNOFANGHI commits to:

- Acting without any form of discrimination, exclusively through official communication channels designated for interactions with Public Administration entities;
- Representing its positions and interests transparently, rigorously, and consistently, avoiding any collusive behaviour;
- Prohibiting the falsification, alteration, or omission of data or information to gain undue advantages or any other personal benefits.

If TEKNOFANGHI is represented by a "third party" in dealings with Public Administration, the same directives apply to the consultant and their personnel.

11. RELATIONSHIPS WITH THE ENVIRONMENT

Environmental Policy

Recognizing that the issue of "water stress" has become increasingly pressing in many regions of the world, TEKNOFANGHI actively contributes to improving water availability and reducing pollution through its core business of designing solutions for sludge and wastewater treatment.

Thanks to its commercially driven approach, with a strong focus on international markets, TEKNOFANGHI has successfully established a presence in emerging markets with high rates of urbanization, such as India, Egypt, and Brazil, where the demand for clean water is rapidly increasing.

Proper treatment of sludge and wastewater not only enables recycling operations but also facilitates the reuse of water resources, which are becoming ever more precious.

TEKNOFANGHI's environmental policy is rooted in its commitment to sustainability, with the understanding that environmental awareness represents a competitive advantage. However, sustainability is not merely a business strategy but also an ethical imperative.

TEKNOFANGHI is also committed to promoting scientific and technological advancements in appropriate forums, aiming to protect the environment and conserve resources. This includes adopting advanced criteria for environmental protection, energy efficiency, and resource optimization in its operational management.

TEKNOFANGHI ensures that its activities fully comply with current regulations on waste prevention, protection, and management.

12. RELATIONSHIPS WITH POLITICAL PARTIES, TRADE UNIONS, AND ASSOCIATIONS

TEKNOFANGHI does not contribute in any way to the funding of political parties, movements, committees, political and trade union organizations, their representatives, or candidates, except in cases provided for by specific laws.

13. IMPLEMENTATION AND MONITORING OF THE CODE

The Quality Management System and the Steering Committee serve as the internal oversight body responsible for ensuring compliance with this Code.

14. PROHIBITED CONDUCT

For the proper management of all business activities, TEKNOFANGHI commits to NOT:

- Engaging in behaviour that violates the law or could potentially lead to such violations;
- Offering or providing, directly or indirectly in various forms of assistance or contributions, payments, or material benefits to public employees or officials to influence or compensate for an act within their duties, or to promote or advance the company's interests;
- Granting other advantages of any kind to public employees or officials;
- Using hiring practices or compensation systems to provide direct or indirect benefits to public employees or officials;
- Allowing conditions that compromise personal safety due to the use of prohibited substances, hazardous materials, or dangerous equipment;
- Setting performance targets tied to rewards that are practically unattainable for individuals with spending authority or external delegations;
- Making false declarations to Public Administration entities;
- Issuing purchase requests without a justifiable rationale or proper authorization according to delegated authority;
- Paying fees to consultants and suppliers that are unjustified in relation to the nature of the work performed and market rates.

15. DISCIPLINARY AND SANCTION SYSTEM

The establishment of an adequate disciplinary system is an essential prerequisite for TEKNOFANGHI to ensure the proper application of an ethical code inspired by principles of legality and transparency in conduct.

Sanctions are applied for any violation of the normative and procedural principles contained in the Code of Ethics, regardless of whether a legal offense has been committed or any external consequences have resulted from the non-compliant behaviour.

The responsibility for identifying, investigating violations, and imposing disciplinary sanctions lies with TEKNOFANGHI's governing bodies, within the scope of their delegated powers and competencies.

Regarding the types of sanctions, it should be noted that, in cases of employment relationships, any disciplinary measures must comply with the procedures outlined in Article 7 of the Workers' Statute.

According to established practices and legal precedents, the principles underlying this Code of Ethics are considered binding not only for employees but also for business partners, consultants, and other parties in contractual relationships with TEKNOFANGHI, in compliance with the laws applicable in the countries involved in the agreements.

Failure to adhere to the principles contained in this Code may result in a loss of trust and lead to the termination of the existing employment or commercial relationship.

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