

CASTEL GROUP

Ethical Code

Version 2.0

Approved on 25 July 2025

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1. INTRODUCTION

Castel S.r.l. (hereinafter also referred to as “**Castel**” or the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Castel Group**” or the “**Group**”) adopt this Code of Ethics with the aim of clearly and transparently defining the values that guide their activities.

The Castel Group places the highest importance on the trust placed in its *performance* and integrity by clients, shareholders, employees, consultants, suppliers, and, more broadly, by all parties who carry out activities on behalf of the Group.

Such trust is fundamentally based on the conduct and capabilities of the individuals operating within the Castel Group, and on their commitment to creating value for both clients and the Group itself.

For these reasons, the Castel Group has adopted this Code of Ethics (hereinafter, also the “**Code**”), which applies to the corporate bodies, employees (whether under subordinate or quasi-subordinate relationships), regardless of their level or type of contractual arrangement, and interns of all Group companies (the “**Internal Recipients**”), as well as to consultants, suppliers, and clients of the Castel Group companies (the “**External Recipients**” and, jointly with the Internal Recipients, the “**Recipients**”).

This Code applies uniformly to all Recipients, unless otherwise provided by specific provisions **e.** All Recipients are required to comply with the principles set out herein and to adhere to the behavioural rules contained in the Code. To this end, the Castel Group undertakes to ensure the appropriate dissemination of the Code of Ethics and related documentation to all Recipients through suitable communication channels.

Relationships and conduct among all Recipients must be based on **transparency, fairness, and mutual respect**. Members of corporate bodies and senior management must set an example for all other Recipients by acting in accordance with the principles set out in the Code and in the company’s internal procedures, promoting awareness and encouraging Internal Recipients to request clarification whenever necessary.

Responsibility for updating the Code lies with the Company’s Administrative Body.

Each company within the Castel Group shall ensure the widest possible dissemination of this Code through its publication on the corporate website and by distributing it to employees.

Recipients are required to report any violations or failures to apply the Code, in accordance with the procedures set out in this document.

1.1. History

Castel is a family-owned Italian company active in the mechanical sector since 1961, specialised in the manufacturing of components for refrigeration and air conditioning systems (such as thermostatic and electronic expansion valves, solenoid valves, coils, connectors, safety devices, water pressure regulating valves, pressure regulators, sight glasses, filter driers and mechanical filters, oil level regulators, refrigeration service valves, vibration absorbers, brass fittings, and charging valves).

In particular, Castel provides operators and companies in the refrigeration and air conditioning industries with products designed and tested for systems using both synthetic refrigerants (HFCs and HFOs) and natural refrigerants (such as hydrocarbons and carbon dioxide).

The Castel Group began to take shape in 2010 with the establishment of a subsidiary in China, “**Castel Refrigeration (Shanghai) Co., Ltd**”, which operates as a logistics and commercial development platform for the Asia-Pacific region.

In November 2016, Castel acquired a 55% stake in the Chinese company “**Yingke Refrigeration Equipment Shanghai Co. Ltd**”, which has since been used as a production site for a specific product line.

In May 2018, a subsidiary was established in the United States, “**Castel USA, Inc.**”, to support the commercial and logistics development in the Americas (Canada, USA, Mexico, Brazil, Chile, and Argentina).

In June 2018, Castel acquired full ownership of **Pego S.r.l.**, a company specialised in the production of electrical panels for refrigeration, air conditioning, and humidification systems.

Subsequently, in 2019, Castel acquired 70% of the share capital of **Verniciatura Moderna S.r.l.**, a production facility specialised in liquid coating for metal and plastic surfaces.

Most recently, in 2023, the Group launched a new subsidiary in the Middle East, “**Castel Gulf DMCC**”, which includes both a warehouse and a commercial office located in Dubai.

In 2024, the Group acquired a majority stake in “**Dieci Electric S.r.l.**”, a company specialised in the design and implementation of control and management solutions for refrigeration systems.

2. CORPORATE PRINCIPLES AND VALUES

The Castel Group conducts its business on the basis of strong ethical principles and fundamental values that guide every action, relationship, and decision. Integrity, responsibility, and sustainability are the cornerstones of the Group's operations, in full alignment with the highest professional standards.

- **Prohibition of Any Form of Discrimination:** the Castel Group forbids any form of discrimination or harassment based on race, gender, age, religion, nationality, disability, political affiliation, or trade union membership, and promotes a fair, respectful, and inclusive workplace.
- **Environmental Respect and Protection:** The environment is a primary public asset that must be preserved and safeguarded. The Castel Group acknowledges its responsibility toward the ecosystem and commits to operating in full compliance with applicable environmental laws, adopting behaviors oriented towards sustainability. In particular, the Group and especially Castel itself is continuously engaged in:
 - implementing internationally certified quality and environmental management systems designed also for risk prevention;
 - regularly updating these systems and developing internal procedures aimed at continuously improving the management of environmental impacts to minimize them as much as possible;
 - monitoring the environmental impact and consequences of its operations;
 - actively contributing to the ecological transition by setting measurable goals for reducing emissions and environmental impact.
- **Protection of Personal Data:** the Castel Group also undertakes to safeguard personal data and comply with data protection regulations applicable in the various jurisdictions where its companies operate. Each Group company, within its competence, adopts appropriate technical and organizational measures to ensure the security and confidentiality of the data processed, in accordance with the accountability principle.
- **Health and Safety in the Workplace:** Workplace safety is an absolute priority for the Castel Group. The Group recognizes the importance of ensuring the best health and safety conditions in the workplace and, therefore, promotes and consolidates a safety and health culture among employees, raising awareness of risks and encouraging responsible behavior among Internal Recipients. As part of this commitment, each Castel Group company maintains facilities compliant with applicable health and safety regulations in force in its operative country.
- **Legality, Transparency, and Fairness:** compliance with laws, regulations, and this Code constitutes a fundamental and non-negotiable commitment for the Castel Group. No business interest may ever justify the commission of unlawful or improper acts. Recipients are therefore required to act in full compliance with all applicable laws, regulations, and standards. They must also perform their duties with the level of professionalism required by the nature of their role, always striving to achieve the assigned objectives with maximum diligence and dedication.

The Castel Group is committed to promoting conduct that avoids the emergence of business or personal conflicts of interest.

It is firmly established that no belief that one is acting in the interest or to the advantage of the Group or any of its companies can justify behaviors that are in conflict with the values set out in this Code, or with applicable laws and regulations.

Internal Recipients must act with honesty, loyalty, dignity, and integrity, avoiding any situation in which their professional responsibilities may be influenced by personal interests. They are also required to safeguard the reputation and image of the Castel Group through their conduct. Internal Recipients who become the subject of criminal proceedings (i.e., against whom criminal action has been formally initiated) for an intentional (non-negligent) offense must immediately notify the Company by sending an email to the following address: organismo.vigilanza@castel.it.

- **Centrality of the Individual and a Culture of Work:** The Castel Group recognizes individuals as central assets and is committed to ensuring dignified, safe, inclusive working conditions that respect fundamental human rights in accordance with international and national regulations and ESG best practices.
Specifically, it upholds the following principles:
 - Prohibition of Child and Forced Labor: Castel strictly prohibits all forms of child labor and forced labor at every stage of the value chain;
 - Respect for Human Rights: Castel promotes respect for the dignity, freedom, and equality of all individuals, rejecting exploitation, discrimination, and abuse;
 - Equal Opportunity: The Group fosters an inclusive environment based on equal opportunity and respect for diversity, encouraging merit-based recognition and the development of competencies;
 - Health and Well-being of Workers: Castel commits to safeguarding physical and mental health of employees, promoting corporate welfare initiatives, work-life balance, and continuous training.
- **Ethical Business Conduct and Social Responsibility:** The Castel Group operates on principles of fairness, fair competition, and integrity in relations with clients, suppliers, partners, and institutions. It strives to generate long-term sustainable value, contributing positively to the well-being of the communities in which it operates, while respecting human rights, the environment, and the rule of law.

3. CODE OF CONDUCT

The Code of Conduct Principles ("**Principles of Conduct**") represent **the operational behavioural rules** that all Recipients of this Code must observe in the execution of their professional duties, both within and outside the Castel Group.

These Principles translate **the Corporate Principles and Values** into concrete behaviours, fostering professional conduct that is compliant with regulations and respectful of individuals and the collective interest.

3.1 Protection of Corporate Quality and Image

The quality, efficiency of organisational processes, and the reputation of the Castel Group are invaluable assets cultivated over 60 years of commitment to **loyalty, transparency, and efficiency**.

Each Recipient must actively contribute to protecting the Group's reputation, ethical values, and **quality of its operations**, even outside professional settings.

Conducts inconsistent with **ethical values** whether on physical channels or on digital platforms and social media can harm the Group's image and its stakeholders.

Accordingly, it is every individual's duty to act with **accuracy, professionalism, and accountability**.

3.2. Integrity in Relations with the Public Administration

In its interactions with the Public Administration (including, by way of example, national, EU, and international public entities or institutions, as well as public officials and individuals performing public duties), the Company adheres to the principles of **legality, integrity, fairness, and transparency**.

Such relations are reserved exclusively for **Internal Recipients who have been expressly and formally authorised** by the respective Group companies.

It is forbidden to offer or accept, directly or through intermediaries, under any improper pressure, **any goods, services, or advantages** that are not connected to **ordinary work activities**, that are unlawful, or that fall outside standard local practices or regulatory provisions. **Modest gifts valued at above 150 euro** or equivalent in local currency are prohibited.

The Group rejects any form of corruption or fraud intended to obtain **undue advantages** from public authorities. The use of public funds must be strictly limited to their intended purposes.

Any form of **corruption or fraud** is strictly **prohibited**, and public funds must be used **exclusively for the purposes for which they were allocated**.

3.3. Integrity in Private Relationships

Each Group company refrains from **engaging in any direct or indirect relationship** with individuals known, or reasonably suspected, to be linked to **criminal organisations** including mafia-type groups, child-labour exploiters, arms or drug traffickers, or terrorist entities.

The **financial resources** of the Company and/or any of the companies within the Castel Group may under no circumstances be used to **obtain undue advantages** to the detriment of others (for example: to secure or maintain business relationships, obtain funding, gain favorable supply terms, resolve disputes of any nature to one's own advantage, etc.).

Private-to-private corruption, undue preferential treatment, and direct or indirect solicitations aimed at influencing the judgment of any party for the benefit of the perpetrator, connected persons, or the Company are expressly prohibited.

It is strictly **forbidden to promise, offer, or accept** gifts in the form of cash or equivalent payment instruments, as well as in negotiable securities of any kind.

Gifts, entertainment, or other benefits may only be offered or accepted if related to **business activities** and if deemed customary and **appropriate to the circumstances** (i.e., when they appear reasonable and in compliance with applicable local laws).

3.4 Competition

The Castel Group recognizes **free competition** as a **fundamental factor** in the development of its business and corporate performance.

The Group competes in the market by relying on **the superiority of its products and services**, which it offers to customers through fair commercial practices.

Internal Recipients are strictly **prohibited from manipulating, concealing, or misrepresenting** facts in order to obtain unlawful gains.

Any practice or behavior aimed at restricting **free and fair competition is forbidden**.

Internal Recipients must be aware of competition law regulations when interacting with *competitors* and **must act accordingly to avoid conduct that could lead to sanctions**.

3.5 Acceptance of Gifts

The Castel Group **prohibits** the offering, promising, giving, soliciting, accepting, or receiving **gifts or gratuities that are not of modest value**, and, in any case, that exceed the amount of **EUR 150,00** or its equivalent.

In particular, the Castel Group reminds all Internal Recipients that **public officials**, public employees and, more generally, anyone holding or performing a public function must be regarded as **representatives of public interest**.

3.6 Conflict of Interest

Among the various companies of the Group and their directors, employees, consultants, and collaborators, there exists a **relationship of trust**, within which everyone is required to use the company's assets responsibly and to apply their professional skills and expertise in pursuing **the interests of the individual company and of the Castel Group** as a whole.

In this context, each Recipient must avoid or **refrain from engaging in any situation or activity in which a personal interest may conflict with or negatively affect their ability to make objective and impartial decisions** in the interest of the individual Group company

and/or the Castel Group.

In order to prevent situations even merely potential of **conflict of interest**, each Castel Group company requires its directors, employees, collaborators, and suppliers (at the time of appointment or commencement of the relationship) to declare that they are not in a situation of conflict of interest with the Company, by signing a **specific declaration** and undertaking to promptly inform the Supervisory Body should a situation of actual or potential conflict of interest arise.

3.7 Management of Confidential Information and Privacy

Confidentiality is a fundamental value for the Castel Group and must be safeguarded in every area of operation.

The Castel Group ensures **the protection of confidential information** (such as, by way of example: business projects, corporate agreements, investments, employee, client and supplier data, industrial designs, procedures, extraordinary transactions, purchasing and sales programs, technical information protected by trade secret, etc.) in full compliance with applicable laws and internal corporate procedures.

All persons acting in any capacity on behalf of the Castel Group and/or any of its companies are required to use such **data acquired** during their professional activity exclusively for **purposes strictly related to such activity**, and only for the **time necessary** to achieve the purposes for which the data were collected.

Such individuals are also required to maintain **strict confidentiality** and must refrain from improperly disclosing and/or requesting information either inside or outside the Group regarding documents, know-how, business operations, and, more generally, data and information relating to clients and suppliers.

Any disclosure of data or internal documents belonging to the Castel Group and/or any of its companies may only be carried out by individuals **expressly authorized** to do so, in accordance with the criteria and limits established by applicable law and by the relevant internal procedures.

In parallel, the Castel Group ensures full compliance with **personal data protection legislation** (e.g., EU Regulation 2016/679 – GDPR), adopting appropriate technical and organizational measures to prevent unlawful use or unauthorized disclosure of **personal data**. All personal data processing is carried out based on clear legal grounds, in respect of the rights of data subjects and, where required, with their specific consent.

4. APPROVAL AND IMPLEMENTATION PROCEDURES

This Code of Ethics was approved by the Board of Directors of Castel S.r.l. on 25 July 2025. Any subsequent amendments or additions shall be subject to approval by the same governing body, following the same procedures.

The Supervisory Body (hereinafter also referred to as the “**SB**”), established pursuant to and for the purposes of Legislative Decree No. 231/2001, is entrusted with the function of guarantor of this Code. The SB, in coordination with the Company’s Board of Directors, is also responsible for promoting the correct implementation of the provisions set forth herein.

4.1 Breaches

The behavioural rules set forth in this Code impact on the day-to-day conduct of business activities.

Whenever an Internal Recipient undertakes a new activity, they must consider not only whether it is lawful under applicable regulations, but also whether it is consistent with the spirit and ethical principles of this Code. Violations of this Code may jeopardise the business, image, and reputation of the Company and of the Castel Group as a whole. Therefore, Castel **urges all Recipients to report openly any conduct, behaviour, or actions even potentially non-compliant with the provisions of this Code, other applicable laws, corporate policies, or internal procedures.**

Reports may be submitted either **anonymously or personally**, in written or oral form. All reports shall be handled with the utmost confidentiality, in accordance with applicable laws. Castel **enforces a strict non-retaliation policy against any individual who, in good faith, reports violations or suspected violations.**

4.2 Sanctions

This Code forms an integral part of the Organisation, Management and Control Model adopted by Castel pursuant to Legislative Decree No. 231/2001.

Compliance with the Code constitutes a contractual obligation for all Recipients, pursuant to and for the purposes of Article 2104 of the Italian Civil Code (Diligence of the employee).

Any breach of the provisions contained in this Code by Recipients shall be sanctioned in accordance with the terms of the applicable contractual agreements, and, with regard to Castel’s personnel, in accordance with the disciplinary measures set forth in the Organisation, Management and Control Model adopted by the Company.