

# THE FARAVELLI GROUP CODE OF ETHICS



**"The core values of the Group have  
always guided everyone's performance of  
business activities."**

The Faravelli Group interprets the concept of "Ethics" not only through a set of rules issued at Group level, but also as a *modus vivendi*, integrating its business with respect for and protection of the interests of all individuals and organisations with which Group Companies interact, both externally and internally, and with the protection of environmental resources and their conservation.

The sharing of this set of values is viewed as the driving force of the company and as the main source of its success and image.







## CONTENTS

<b>INTRODUCTION</b>	4
<b>THE CONCEPT OF ETHICS</b>	4
<b>PURPOSE OF THE CODE OF ETHICS</b>	4
<b>RECIPIENTS OF THE CODE OF ETHICS</b>	4
Responsibilities of Management Bodies	5
Responsibilities of Managers	5
Responsibilities of Employees	5
Responsibilities of Partners and Third Parties	5
<b>THE VALUES WE BELIEVE IN</b>	6
<b>THE FARAVELLI GROUP'S COMMITMENT IN CONDUCTING BUSINESS</b>	7
Anti-corruption	7
Anti-money laundering	8
Fight against crime and terrorism	8
Supply-chain and production sites	8
Anti-counterfeiting	9
Integrity	9
Conflict of interest	9
Information management	9
Gifts and donations	9
Environment	10
Intellectual property, confidentiality of information and data protection	10
<b>FARAVELLI GROUP'S COMMITMENT IN MANAGING HUMAN RESOURCES</b>	11
Resource selection and protection	12
Training	12
Work and Benefits	12
Occupational health and safety	13
Prevention of discrimination, harassment and violence in the workplace	13
<b>THE GROUP'S COMMITMENT IN ITS RELATIONS WITH CUSTOMERS, SUPPLIERS, PUBLIC BODIES AND THIRD PARTIES</b>	14
Relations with customers	14
Relations with suppliers	15
Relations with Public Bodies and the Public Administration	15
Business negotiations	16
Loans, contributions and grants	16
Relations with associations, trade unions and political parties	16
Participation in legal proceedings	16
Institutional relations	17
<b>THE GROUP'S COMMITMENT TO FAIRNESS AND TRANSPARENCY IN CORPORATE MANAGEMENT</b>	17
Consistency, traceability and transparency of operations	17
Corporate transactions	18
<b>FARAVELLI GROUP'S COMMITMENT IN MANAGING CAPITAL ASSETS AND IT RESOURCES</b>	18
<b>COMMUNICATION AND TRAINING</b>	18
<b>HOW TO REPORT CODE VIOLATIONS OR ASK FOR CLARIFICATION</b>	19
<b>SANCTIONS</b>	19

## INTRODUCTION

The Faravelli Group Code of Ethics (hereinafter also the “Code”) lays down the ethical and behavioural values and standards to which all the activities of the Group and its companies must be inspired and conform.

It represents the Group’s undertaking to operate ethically and sustainably in all situations.

This Code has been adopted by Giusto Faravelli S.p.A. and constitutes a single document for all Group Companies, which are required to accept and act in accordance with its contents, possibly approving their own Codes of Ethics or Codes of Conduct containing principles that are similar or otherwise do not conflict therewith.

The Code applies to all employees of Faravelli Group Companies, to collaborators, directors, members of corporate bodies, business partners and anyone collaborating with one or more Group Companies, as a consultant, intermediary, agent or contractor (hereinafter also “Recipients”).

## THE CONCEPT OF ETHICS

Ethics can be defined as the set of moral and behavioural rules governing the conduct of an individual or group of people in a given era. In the corporate world, any behaviour aimed at healthy and correct competition and at constructive and respectful relations with business partners, refraining from opportunistic conduct or behaviour that is harmful to the market, can be considered “ethical”.

The Faravelli Group interprets the concept of “Ethics” not only through a set of rules issued at Group level, but also as a *modus vivendi*, integrating its business with respect for and protection of the interests of all individuals and organisations with which Group Companies interact, both externally and internally, and with the protection of environmental resources and their conservation.

The core values of the Group have always guided everyone’s performance of business activities.

The sharing of this set of values is recognised as the driving force of the company and as the main source of its success and image.

All Group Companies and all Recipients of this Code are therefore called upon to respect the values and principles of the Code and are required to protect and preserve, through their conduct, the respectability and image of the Group and its member Companies, as well as the integrity of their economic and human assets.

## PURPOSE OF THE CODE OF ETHICS

The Code of Ethics aims to define, formalize and share the set of ethical values inspiring the Group, the observance of which by its recipients underpins the proper operation, reliability and reputation of the Group itself.

The purpose of the Code is to share values and place them as reference and guiding standards for every decision and behaviour to be adopted by those operating in any Group Company and at any hierarchical level.

The Faravelli Group Code of Ethics thus provides guidelines to which all Companies and all Recipients must refer whenever they are called upon to take decisions in new situations that are not already covered by standard procedures. It guides these decisions so that, in case of doubt, the correct course of action is always taken.

The principles and guidelines contained in the Code may be further detailed in other Group documents.

The Group Code of Ethics and the principles contained therein are nonetheless helpful whenever the Recipients’ conduct needs to be oriented in the most appropriate way and the said documents do not contain ad hoc standards.

## RECIPIENTS OF THE CODE OF ETHICS

Compliance with this Code is the responsibility of the corporate bodies, management and employees of all Faravelli Group Companies, as well as of all its external collaborators, such as consultants, agents, suppliers, etc. (“Recipients”). All Group Companies undertake to implement specific procedures, regulations and instructions to ensure that the



values stated in the Code are respected in the concrete behaviour of all its Recipients, providing - where appropriate - for specific sanctioning systems for any violations.

Specifically:

### **Responsibilities of Management Bodies**

The directors and management of each Group Company have the task of giving substance to the principles and contents of the Code and representing, with their behaviour, an example of compliance therewith. The Governing Body of each Company is responsible for the adoption, updating and dissemination of the Code, as well as for compliance with the rules and principles set out therein.

### **Responsibilities of Managers**

Managers are an example for their team, for all their colleagues and for the collaborators of Group Companies; for this reason, Faravelli Group Managers are asked to respect and promote the ethical and integrity standards set out in the Code.

Managers have the responsibility to take care of the dissemination of the Code, to foster dialogue with their collaborators, encouraging them to discuss any doubts about the behaviour to be adopted in the performance of their duties and to report any critical issues.

### **Responsibilities of Employees**

All employees hired by Group Companies are required to comply with all internal procedures and instructions, whether or not written, according to the directives given by their hierarchical superiors, as well as to comply with this Code of Ethics. All employees must be aware that compliance with internal procedures allows Management to limit the risk of conduct contrary to the ethical principles contained in this Code and that any violation of the Code or internal procedures is a breach against which the Employer Company may commence disciplinary proceedings and possibly, in the most serious cases, terminate their employment.

Employees must promptly report to their hierarchical superior or to the departments in charge, also using the tools made available by the Company and in the manner indicated thereby, any violation of laws, regulations, codes of ethics and industry best practices, as well as the principles of the Code and company guidelines.

### **Responsibilities of Partners and Third Parties**

All partners and other third parties with whom Group Companies collaborate to achieve corporate objectives (including consultants, intermediaries, agents, contractors, customers and suppliers, etc.) are required to comply with the ethical rules set out in the Code. This commitment must be formalized in specific contractual clauses; for this reason, any violation of the Code by such parties may be assessed by the Group or its Companies, in terms of severity, possibly demanding immediate corrective action and, in the most serious cases, terminating the contractual relationship.

In any case, it must be clear to all Recipients that no reason, not even the achievement of corporate objectives or the protection of other persons, legitimates the violation of current laws, codes of ethics and industry best practices, as well as the principles of this Code and company guidelines: any violations will be sanctioned in accordance with the disciplinary system in force according to applicable laws.



## THE VALUES WE BELIEVE IN

The Faravelli Group aims to constantly grow and create value in an ethical, long-lasting and sustainable way, in compliance with and abiding by the laws and regulations in force in the countries in which it operates, protecting people and the environment and providing safe and quality services for its customers. In pursuing this objective, all Group Companies endorse the following principles:

- ▶ compliance with the laws in force in the countries in which the Companies operate, as well as with the ethical principles of transparency, fairness in conducting business, as commonly accepted and enshrined in international standards;
- ▶ pursuit of economic objectives only by constantly striving for excellence in performance in terms of quality and convenience of products and services, based on experience, customer care and innovation: the Faravelli



Group rejects and stigmatizes the use of illegal or otherwise incorrect conduct to achieve its objectives, ensuring strict compliance with current laws in the markets in which it operates;

- ▶ adoption of organisational tools to prevent the violation of the principles of lawfulness, transparency, fairness and loyalty by its employees and collaborators, and simultaneous supervision of their compliance and concrete implementation;
- ▶ full transparency towards the market, investors, customers, suppliers and the community at large, whilst safeguarding competitiveness;
- ▶ constant commitment to the promotion of fair competition, which is functional to its primary interest as well as that of all market operators, customers and stakeholders in general;
- ▶ protection and enhancement of its human resources, recognising the fundamental role of each resource for business success;
- ▶ implementation of staff development policies, with which everyone's contribution and achievements can be adequately rewarded;
- ▶ responsible use of resources for sustainable development, respecting occupational health and safety standards as well as the environment and the rights of future generations.

In no way will the conviction of acting for the benefit of the Group or a Company within it ever justify the adoption of conduct contrary to the principles enshrined in this Code of Ethics and listed above.

## THE FARAVELLI GROUP'S COMMITMENT IN CONDUCTING BUSINESS

The activities of the Faravelli Group are focused on the utmost fairness, transparency and loyalty.

All activities are carried out with professional rigor, providing products and services appropriate to the functions and responsibilities assigned and acting in such a way as to protect the prestige and reputation of the Group and all the Companies within it.

In particular, in carrying out its Business, each Group company is required to observe the following rules.

### Anti-corruption

The Faravelli Group condemns any type of corruption in any form, be it towards private customers and/or suppliers, or towards public officials in any country.

In particular, when dealing with such persons, it is prohibited:

- ▶ to promise or offer them (or their relatives, in-laws, friends, etc.) money or gifts, except for gifts or benefits of modest value, and in any case where they are such as not to compromise the integrity or reputation of either party and be interpreted, by an impartial observer, as aimed at acquiring advantages improperly (e.g. travel and accommodation, club memberships, etc. are not of modest value and are not allowed);
- ▶ to examine or offer employment opportunities to representatives of the Public Administration or of customers or suppliers (or their relatives, in-laws, friends, etc.), and/or business or other opportunities, which may benefit them on a personal basis;
- ▶ to promise or offer representatives of the Public Administration or of clients or suppliers (or their relatives, in-laws, friends, etc.) advice and/or other services that may benefit them on a personal basis;
- ▶ to incur into unjustified entertainment expenses and for purposes other than the mere promotion of the corporate image;
- ▶ to promise or provide such persons (or their relatives, in-laws, friends, etc.), also through third parties, with works / services for their personal use;
- ▶ to provide or promise to provide, solicit or obtain information and/or documents that are confidential or otherwise likely to compromise the integrity or reputation of either party;
- ▶ to favour, in the course of procurement processes, suppliers and sub-suppliers indicated by representatives of the Public Administration as a condition for their subsequent performance of activities (e.g. contract award, granting of financing at favourable conditions, granting of licences);

- ▶ to hire former employees of the Public Administration who, in the previous three years, personally and actively participated in a business negotiation from which the Company benefited or endorsed requests to the Public Administration by the Company or its subsidiaries, affiliates or companies under common control with the same.

The acts and conduct described above are prohibited, regardless of whether they are carried out directly by the Company through its employees or indirectly through non-employees acting on behalf of the Company itself.

It is also strictly prohibited to accept money from persons or companies who have entered or intend to enter into business relationships with Group Companies, for the sole purpose of facilitating such relationships. Anyone who is offered gifts or favourable treatment or hospitality other than mere acts of commercial courtesy of modest value, or third-party requests for them, must reject them and immediately inform their superior, or the body of which they are members.

### **Anti-money laundering**

The Faravelli Group complies with all anti-money laundering laws. To this end, before establishing any contractual relationship, each Group Company is required to carry out a careful commercial analysis on the financial reliability and reputation of any potential partners, customers and suppliers.

It is the practice of each Group Company to avoid making and receiving cash payments, except in exceptional circumstances and for extremely limited amounts. Finally, each Company must pay particular attention to payments made or received by persons who are not regular customers, immediately resolving any potential irregularities.

### **Exports and imports**

The Faravelli Group acts in full compliance with all applicable legislation and restrictions concerning the export and/or import of products, carefully monitoring the correctness of such transactions.

### **Fair competition**

All Faravelli Group companies are required to comply with the competition laws of each country in which they operate. Business conduct must always be fair and avoid any conduct that may give rise to acts of unfair competition or that may have the effect of distorting competition.

To this end, any conduct that might undermine or distort fair competition, such as concluding contracts with competitors to set prices or conditions of sale, split markets, reduce production or influence the outcome of tendering procedures, is prohibited.

Finally, exchanging or discussing sensitive business information with competitors is prohibited.

### **Fight against crime and terrorism**

The Faravelli Group condemns all forms of crime (including organised crime) and terrorism and pays particular attention to avoiding any criminal or terrorist infiltration into the activities of Group Companies. The good reputation and reliability of all partners and counterparties in general (including suppliers, consultants and contractors) are duly verified.

Group Companies do not maintain relationships with counterparties suspected of belonging or known to belong to criminal associations or terrorist organisations or suspected of assisting criminal activities or terrorist organisations.

### **Supply-chain and production sites**

The Faravelli Group acknowledges the importance of supplier and manufacturer selection for the supply of safe and high-quality services and products. For this reason, each Group Company carefully monitors suppliers' compliance with the applicable regulations on quality, environment, occupational health and safety and checks whether their services are in line with the standards in force required by customers.

Each Group Company adopts all necessary controls to ensure the quality and safety of the products and services



used thereby and conducts inspections to ensure compliance by its suppliers with applicable regulations and internal standards.

### **Anti-counterfeiting**

Each Group Company acts in accordance with anti-counterfeiting laws and condemns any form of interference with the freedom of industry and commerce, such as fraud, counterfeiting and infringements of industrial and intellectual property rights.

### **Integrity**

In carrying out its business, each Group Company operates with due care, professionalism and honesty. It is expressly forbidden for all Recipients of the Code to promise and obtain undue advantages that may affect the correctness and impartiality of decisions, damaging the Company's reputation.

Employees are not permitted to carry out duties and/or activities that are incompatible with their corporate role or contrary to the moral and economic interests of the Company.

### **Conflict of interest**

Each Group Company applies and maintains an effective management policy to prevent conflicts of interest in its relations with customers or suppliers, ensuring in any case the transparency and completeness of information on the nature, source and extent of the same.

Any situation in which the Company's business may be influenced by personal interests, by the interests of family members or related third parties should always be avoided.

Moreover, when dealing with customers and suppliers, any situation in which the parties involved have or may appear to have a conflict of interest should always be avoided.

### **Information management**

The Group and each Company belonging to it are aware of the importance of correct information on their activities, especially with regard to creditors and the community at large.

Without prejudice to the need for confidentiality required by its business, each Company therefore regards transparency as its goal when dealing with all stakeholders.

Information concerning the Group, its Companies, customers and other individuals, such as employees, suppliers, directors, shareholders, is treated confidentially, in compliance with the laws on the protection of confidential information and privacy.

Confidential or inside information may not be used to gain personal advantage.

Information on the economic performance of the Company and on non-economic activities, which is sensitive from a reputational point of view (corporate governance, personnel policies, relationships with customers and other stakeholders, etc.), is processed in accordance with the accounting standards laid down by the laws in force in the country in which each Company operates and referring to the best standards in force.

### **Gifts and donations**

No type of gift, whether promised, offered or received, that might be regarded as going beyond ordinary commercial practices or courtesy, or otherwise aimed at acquiring favourable treatment in any activity related to Group Companies, is permitted.

The Group condemns anyone's promise or offer,

directly or indirectly, of gifts and benefits to representatives of partner companies and/or competitors, to Italian or foreign Public Officials and/or Civil Servants, or their relatives, which may result in an undue or unlawful benefit and / or advantage for one or more Group Companies.

Collaborators and Employees may not ask, either for themselves or for others, for gifts or other benefits, or accept the latter, except for customary gifts of modest value or where they are such as not to compromise the integrity or reputation of either party and be interpreted, by an impartial observer, as aimed at obtaining improper advantages.

In any case, gifts of modest value can be admitted, only after being authorised by the relevant department managers and in any case documented in order to allow for appropriate checks.

Donations to charitable organisations and institutions are permitted only if they are intended to provide social benefits and to testify to the social and civil responsibility of the Group or its member companies, or to have educational purposes.

## **Environment**

Investment and business decisions are guided by respect for the environment and public health: the Group believes in sustainable global growth, in the common interest of all current and future stakeholders.

Subject to compliance with the specific regulations applying in each country in which Group Companies operate, each Company takes environmental issues into account when defining its choices, also by adopting particular technologies - where operationally and economically feasible - that can reduce, even beyond statutory limits, the environmental impact of its activities. Group Companies also select suppliers that ensure respect for the environment in their production activities. The Group has adopted a specific Policy to ensure that, when dealing with suppliers, Group Companies always pay particular attention to environmental protection.

## **Intellectual property, confidentiality of information and data protection**

The Faravelli Group acts in full compliance with industrial and intellectual property rights as well as with laws, regulations and customs protecting such rights, including at Community and/or international level. In this context, it is forbidden to engage in conduct that may infringe intellectual property protected by copyright.

The activities of Group Companies constantly require the acquisition, storage, processing, communication and dissemination of news, documents and other data relating to negotiations, administrative proceedings, financial transactions, know-how which, pursuant to contractual arrangements, cannot be disclosed externally or whose improper or timely disclosure might damage corporate interests.

Without prejudice to the transparency of the activities carried out and the information obligations imposed by current laws, all employees undertake to ensure the confidentiality required by the applicable circumstances for each piece of information acquired while performing their duties.

Any information, knowledge and data acquired or processed by each employee or collaborator during their work or duties belong to Group Companies and may not be used, communicated or disclosed without their managers' specific authorisation, in compliance with specific procedures. Each Company guarantees the confidentiality of all data and information collected in its databases and has adopted systems to protect privacy as well as data and information which, pursuant to contractual arrangements, cannot be disclosed externally and whose inappropriate disclosure might damage corporate interests.

Each Faravelli Group Company acts in full compliance with the laws protecting the privacy of all those interacting, in any capacity, with the Company itself.

Employees, members of corporate bodies and collaborators of Group Companies are therefore prohibited from using personal or confidential information for purposes not related to the exercise of their professional activity.





## **FARAVELLI GROUP'S COMMITMENT IN MANAGING HUMAN RESOURCES**

The Faravelli Group acknowledges the centrality of human resources for the pursuit of its objectives, in the belief that the main success factor of every company is the professional contribution of its staff, in a spirit of loyalty and mutual trust.

For this reason, the Group reaffirms its commitment to the protection of personnel, defining the following rules.



## Resource selection and protection

Business is carried out whilst respecting workers' rights, which have a central role. The management of staff relationships is oriented towards respecting equal opportunities and the professional growth of each worker.

In particular, when selecting candidates, each Faravelli Group Company seeks the best match between candidates' profiles and the specifications required for the position, respecting the principle of equal opportunities and without any discrimination based on age, sex, health, nationality, language, ethnicity, race, religion, culture and traditions, political and trade union opinions or lifestyles and sexual orientation.

No favouritism is permitted, in particular towards candidates whose recruitment may be directly or indirectly connected to the pursuit of an unlawful interest or business advantage.

In the recruitment and management of its staff, each Group Company undertakes to:

- ▶ adopt merit- and competence-based (or otherwise strictly professional) criteria for any human resources decision;
- ▶ select, recruit, train, pay and manage human resources without discrimination.

Staff are employed under a regular employment contract; in fact no form of irregular work, child labour, forced labour and illegal labour is tolerated. Staff relations are managed according to the principles of transparency and legality and any form of illegal intermediation and exploitation of labour is prohibited.

Group Companies hire foreign workers only if they hold a valid residence permit for the countries in which they are required to work, and whose permit has not expired, been revoked or cancelled, or whose renewal has been requested within the terms of the law.

Directors, managers, employees and consultants, suppliers and, in general, any third party acting on behalf of Faravelli Group Companies are prohibited from engaging in any conduct intended to harm the human dignity of workers.

Each Group Company strives to ensure respect for the human rights of all workers, fighting against all types of harassment, violence, threats, abuse of authority and exploitation of weaknesses.

The creation of a working environment inspired by the well-being of workers, where the personal characteristics of individual employees are not grounds for any discrimination, is a fundamental objective for the Faravelli Group; for this reason the Group has adopted a specific Policy that requires all Group Companies to respect these principles.

In particular, each Group Company ensures compliance with current regulations on employment contracts and the protection of workers' rights, as well as respect for fundamental human rights, avoiding the exploitation of labour, and child labour in particular, and demanding that its suppliers do the same.

Each Company must punish all forms of harassment and discrimination in the workplace and take steps to adopt whistleblowing procedures that ensure respect for the principle of confidentiality and protection of whistleblowers from any form of retaliation.

Each Faravelli Group company also guarantees the rights of workers to join and form unions, and is committed to ensuring that union representatives are not discriminated against in the workplace and are able to communicate freely with their employees.

## Training

The Faravelli Group firmly believes in the importance of training employees, at all levels, which ensures not only the achievement of business objectives, but also an increase in employees' skills, encouraging their professional and personal growth. For this reason, each Group Company invests in the potential of each resource, defining training programmes aimed at promoting the professional growth of its employees and expanding their knowledge and skills.

## Work and Benefits

The Faravelli Group ensures that any work performed in favour of Group Companies is always carried out in full respect of workers and their lives, even outside work, abiding by the applicable laws, regulations and collective agreements regarding working time and overtime, including breaks, rest periods, holidays and different types of leave.

The Faravelli Group firmly believes that only work-life balance ensures workers' well-being, motivation and aspiration.



In order to meet workers' essential needs and ensure a free and dignified life for themselves and their families, each Group Company is required to pay each employee a salary that is at least equal to the minimum wage, or is in accordance with collective labour agreements, whichever is higher. Each Group Company is encouraged to promote all initiatives, goods and services, which are part of its welfare policy and aim to increase workers' spending power and improve their productivity.

### **Occupational health and safety**

The health and safety of workers is of vital importance for the Group's business, which therefore promotes policies ensuring full compliance with current prevention and protection laws and regulations.

In carrying out its business, each Group Company observes all safety and prevention measures to avoid any risk to its employees, collaborators, suppliers, constantly seeking to improve occupational health and safety in accordance with current applicable laws.

Each Company promotes a culture of safety, raising awareness of risks and encouraging responsibility for behaviour by all those who are required to comply with the Code, also by organising training activities.

Each Company is committed to ensuring the continuous improvement of occupational health and safety, constantly investing financial resources and carrying out frequent assessments of risks, critical issues and resources to be protected.

Group Companies also divide responsibilities for occupational health and safety by assigning specific ad hoc roles and carrying out controls at each production site, also through inspections and audits.

### **Prevention of discrimination, harassment and violence in the workplace**

Being confident that diversity represents an opportunity rather than an obstacle to the pursuit of its objectives, the Faravelli Group intends to maintain the best conditions of well-being at work, ensuring an environment inspired by the principles of equality and protection of freedom, dignity and inviolability of human beings.

Each Group Company establishes the conduct to be adopted internally, in order to ensure respect for the uniqueness of individuals at all levels, and provides for reporting systems and disciplinary sanctions aimed at preventing and removing all forms of discrimination and harassment.



## **THE GROUP'S COMMITMENT IN ITS RELATIONS WITH CUSTOMERS, SUPPLIERS, PUBLIC BODIES AND THIRD PARTIES**

Group Companies' relations with their stakeholders are based on fairness, collaboration, loyalty and mutual respect.

### **Relations with customers**

The Faravelli Group bases the excellence of its services on customer care and its availability to meet customers' requests.

The establishment of business relationships is always subject to compliance with the law and proper business practice. When dealing with customers, it is prohibited for anyone to offer or accept gifts or other forms of benefits and/or advantages that may be interpreted as a means of obtaining favourable treatment for any activity related to the Company and that are not attributable to normal commercial relations and/or acts of courtesy.

## **Relations with suppliers**

Each Group Company is committed to developing fair and transparent relationships with its suppliers.

Relations with suppliers are constantly and carefully monitored through evaluation processes, in compliance with specific internal procedures.

The selection of suppliers and the determination of purchasing conditions are based on an objective assessment of the quality, price of the goods and services offered, as well as on the supplier's ability to timely provide and guarantee goods and services of a level appropriate to the needs of the Company and its customers. In the Company's dealings with suppliers, fairness and integrity are ensured, avoiding the risk of any conflict of interest.

The Group has adopted a specific Policy with which each company must comply, which recommends raising the awareness of suppliers to provide their services following standards consistent with those indicated in this Code, in compliance with current regulatory requirements, especially those relating to occupational health and safety, environmental protection and those combating money laundering and the receipt of stolen goods, tax crimes as well as criminal and mafia-type associations. Companies are advised not to enter into or continue any relationship with Suppliers who do not intend to align themselves with these principles.

The engagement of parties acting on behalf of and/or in the interest of a Group Company must be formalised in writing and include a specific clause that requires compliance with the ethical and behavioural principles adopted by the Company.

In any case, Suppliers must ensure seriousness in conducting their business and must respect the rights of their workers, invest in quality and safety and manage environmental and social impacts responsibly.

Group Companies' staff engaged in negotiating and concluding contracts with suppliers, consultants or partners, must comply with all applicable regulatory requirements and must act in accordance with the principles of good faith, fairness, transparency, accuracy and equity. In particular:

- ▶ all contracts and orders must be documented in writing and recorded;
- ▶ no supplier can be preferred to another by reason of personal relationships, favouritism or other advantages;
- ▶ it is forbidden to request collaborations or services not pertaining or necessary to the Company's business, or to assign unauthorised collaborations to third parties;
- ▶ it is not permitted to use unknown, unreliable or ethically questionable collaborators or persons who have not provided suitable legal, fiscal or contractual guarantees;
- ▶ payments for non-existent services are not permitted.

Each Group Company will adopt internal rules to ensure compliance with the aforementioned principles.

## **Relations with Public Bodies and the Public Administration**

In order to ensure utmost clarity, Group Companies' relations with the Public Administration are maintained exclusively by their representatives, expressly authorised by corporate bodies, who have no conflict of interest with respect to the representatives of the institutions themselves.

Employees and external collaborators of Group Companies, whose acts can be referred thereto, must liaise with the Public Administration in accordance with the principles of fairness, transparency and traceability. Each Company undertakes to fully and strictly comply with the rules laid down by Supervisory Authorities for compliance with current legislation in the sectors related to its activity, ensuring utmost collaboration and transparency. In particular, the recipients of the Code of Ethics must refrain from denying, concealing or delaying any information requested by the Authorities in their inspections and must actively cooperate in case of any visits and/or inspections.

In general, with regard to the Public Administration and civil servants with whom each Company maintains relations for commercial, inspection, authorisation, institutional reasons, it is prohibited:



- ▶ to exhibit false or altered documents/data;
- ▶ to conceal or omit true documents;
- ▶ to engage in any conduct that may mislead the Public Administration in its technical and economic evaluation of the products and services offered/supplied by the Company;
- ▶ to omit information that should be given, for the purpose of unduly obtaining favourable decisions of the Public Administration;
- ▶ to engage in conduct intended to unduly influence the decisions of the Public Administration;
- ▶ to be represented by consultants or “third” parties when conflicts of interest may arise.

Each Group Company undertakes to maintain the following conduct in its relations with the Public Administration:

### **Business negotiations**

In any business negotiation, no acts intended to unlawfully influence the decisions of counterparties must be taken for any reason so as to obtain an undue or unlawful profit or advantage for the Company.

### **Loans, contributions and grants**

Group companies are prohibited from using contributions, grants or loans obtained from the State or other Public Bodies or from the European Communities for purposes other than those for which they were granted.

The Group condemns any conduct aimed at obtaining, from the State, the European Community or other national or foreign Public Bodies, any kind of contribution, loan or other disbursement of the same type, by producing altered or falsified statements and/or documents, or by omitting information or, more generally, by using any contrivance or act of fraud, also through computer or telematic systems, aimed at misleading the disbursing body.

Persons who have been delegated functions or tasks must pay particular attention to all confidential information of which they become aware, as well as to the scrupulous registration and reporting of any document they process and transmit to the Public Administration and Public Bodies in general.

### **Relations with associations, trade unions and political parties**

Group Companies interact with trade unions through a system of constructive relations, based on the principles of fairness, transparency and accountability. The development and consolidation of social dialogue takes place at different levels of interlocution, depending on the geographical and organisational areas involved and on the contents and topics being discussed, in line with local and international legislation.

The Group prohibits loans, contributions, advantages or other benefits, whether direct or indirect, granted to political parties and candidates, movements, committees, associations, organisations and public administrations, trade unions or their representatives, by Group Companies.

No company operator is therefore authorised to promise or provide favours, including direct or indirect loans to such entities.

### **Participation in legal proceedings**

When participating in legal proceedings, Group Companies are required to act correctly, in compliance with the law, the rules contained in this Code of Ethics and the Protocols, also with a view to counteracting any possible damage to the Company's image.

In particular, employees, members of corporate bodies and collaborators are prohibited from:

- promising/giving to a Public Official (e.g. a magistrate, clerk or another official), for himself or a third party, undue remuneration in cash or other benefits in exchange for an act falling within his office in order to obtain an advantage for the Company in court proceedings or to have him omit/delay an act falling within his office or have him perform an act contrary to his duties and thus obtain an advantage for the Company in such proceedings;
- misleading the State/another public body by using any contrivance or deception in order to obtain an advantage for

- the Company in court proceedings;
- altering (in any way) the operation of a computer/telematic system or intervening (without being entitled to do so and in any way) on data, information, programmes contained in or pertaining to a computer/telematic system in order to obtain an advantage for the Company in court proceedings;
- inducing anyone required to make statements before the Judicial Authority that can be used in criminal proceedings not to make statements or to make false statements, by violence or threats or by offering or promising money or other benefits.

Finally, in the course of civil, criminal or administrative proceedings, it is prohibited to take, whether directly or indirectly, any unlawful action that may favour or damage any party involved in the case.

### **Institutional relations**

Relations with state or international institutions must consist exclusively of communications aimed at assessing the implications of legislative and administrative activities for Group Companies, responding to informal requests or inspections or, in any case, communicating Companies' positions on relevant issues.

To this end, Faravelli Group Companies undertake to ensure utmost clarity and transparency in their dealings and to maintain these relationships only through representatives who have been expressly appointed by top management.

## **THE GROUP'S COMMITMENT TO FAIRNESS AND TRANSPARENCY IN CORPORATE MANAGEMENT**

In the management of corporate activities, the Group and all its Companies base their conduct on the principles of loyalty, transparency, fairness and undertake to comply with the following rules.

### **Consistency, traceability and transparency of operations**

Each transaction and operation carried out by each Company or at Group level must be:

- ▶ legitimate, consistent, reasonable, authorised and verifiable;
- ▶ correctly and duly recorded so that the decision-making, authorisation and performance process can be checked;
- ▶ supported by documents so as to allow, at any time, for checks on the characteristics of and reasons for the operation and the identification of those who authorised, carried out, registered, verified the operation itself.

All employees involved in drafting financial statements or similar documents must behave properly, cooperate fully, ensure completeness and clarity of the information provided, accuracy of data and processing, report conflicts of interest, etc.

Corporate Bodies must disclose any interest they have in a particular operation of the Company, specifying its nature, terms, origin and scope; in case of members of governing bodies, they must also refrain from carrying out the operation, delegating it to the company's collective body.

The governing bodies of each Group Company and their collaborators:

- ▶ when preparing financial statements, notes to the financial statements and the management report or other similar documents, must represent the Company's economic, financial or capital situation with truth, clarity and completeness;
- ▶ must promptly comply with requests for information from Control Bodies and facilitate in any way the performance of controls or audits that can be carried out under law by shareholders and other corporate bodies;
- ▶ are required to submit to the Shareholders' Meeting complete deeds and documents corresponding to the accounting records;
- ▶ must provide supervisory and control bodies with accurate and complete information on the Company's economic, financial or capital situation.

## Corporate transactions

The Governing Bodies of each Group Company are prohibited from:

- ▶ returning contributions to shareholders or releasing shareholders from their obligation to make them, except in case of a legitimate reduction of the share capital, and reducing the share capital or carrying out mergers with other companies or divisions in violation of the law on creditor protection;
- ▶ allocating profits or advances on profits not actually earned or to be set aside under law, or allocating reserves that cannot be distributed under law;
- ▶ having the Company purchase or subscribe to shares or units issued by the Company or the parent company, except as permitted by law;
- ▶ fictitiously forming or increasing the Company's capital through transactions not permitted by law;
- ▶ causing damage to the integrity of company assets and carrying out operations to the detriment of creditors;
- ▶ influencing the Shareholders' Meeting, spreading false news about the Company.

The Governing and control bodies of each Group Company, as well as all employees, are prohibited from:

- ▶ buying, selling or engaging in other transactions concerning the shares issued by the Company to which they belong, its subsidiaries, its parent companies or the latter's subsidiaries;
- ▶ recommending or inducing others to carry out the above operations on the basis of inside information.

## FARAVELLI GROUP'S COMMITMENT IN MANAGING CAPITAL ASSETS AND IT RESOURCES

All operators of Group Companies must use the latter's capital assets solely for the purposes for which they are intended and in strict compliance with the security measures associated with them and with the rules on the Protection of Personal Data and the Confidentiality of Information. The Group has adopted specific policies to ensure compliance with these principles by all Group companies. In any case, please find below some of the main rules which all Recipients must comply with.

All company operators must keep the capital assets assigned thereto with due care. Any goods that are unsuitable for their intended use - by reason of them being defective, not duly maintained or otherwise not having the technical-functional characteristics required for their safe use - must be identified and stored in such a way as to prevent their use. No company operator may derogate or cause others to derogate from this provision even if this is in the interest or to the benefit of the Company or the Group.

Each Group Company undertakes to ensure the proper use of IT or telematic services, making sure that telematic and IT data are accessed in strict compliance with current regulations in order to guarantee the confidentiality of information and taking steps to ensure that data are processed solely by persons expressly authorised to do so. In any case, it is forbidden for any employee, member of corporate bodies or collaborator to access the computer or telematic systems of others without being authorised and in violation of the law as well as to violate the corresponding access limits. These obligations must also be complied with in relation to any restrictions on access to the Company's IT system, where such access is the exclusive responsibility of given individuals. Except as provided for by civil and criminal laws, the misuse of company assets and resources includes the use of network connections for purposes other than those related to employment or the sending of offensive messages or that may damage the Company's image or cause an undue advantage therefor. Hence, all company operators must comply with all security policies governing the management and use of any IT resources assigned to them (desktop and laptop computers, software, peripherals, e-mail accounts, access to the internet and systems outside the Company, etc.). It is also forbidden for Directors, management, employees and consultants, suppliers and in general any third party acting on behalf of a Group Company to engage in any conduct that infringes the rules on copyright protection.



## COMMUNICATION AND TRAINING

The Code of Ethics is brought to the attention of its Recipients through specific communication activities. Each Group Company takes care to adequately inform third parties about the commitments and obligations imposed by the Code of Ethics and requires them to comply with the principles that directly concern their activity, taking appropriate internal and/or external steps in case of non-compliance. Adequate knowledge and understanding of the Code of Ethics by all Group personnel is ensured through information and training programmes, defined according to the rules given by each Company according to internal training procedures.

## HOW TO REPORT CODE VIOLATIONS OR ASK FOR CLARIFICATION

Each Group company encourages its employees and other stakeholders to ask for clarification in case of doubt or to report any suspected violation of the Code of Ethics.

Requests and reports may be addressed to one's direct superior or to the competent departments, or may be made anonymously, in accordance with the procedure defined by each Group Company and with Whistleblowing regulations. Group Companies undertake to respond to all reports received, ensuring the utmost confidentiality in the processing of all information and data, as well as the whistleblower's identity, to the extent permitted by law. Any retaliation against anyone reporting a suspected violation in good faith is strictly prohibited. Group Companies endeavour to ensure compliance with this rule.

## SANCTIONS

Any conduct that does not comply with the provisions of the Code of Ethics involves, regardless of and in addition to any criminal proceedings against the infringer(s), the application of sanctions such as termination of contract for suppliers, partners or collaborators, or disciplinary sanctions for employees, in accordance with current legislation and/or national collective bargaining agreements applicable to each Company and any internal disciplinary codes.

Each Group Company undertakes to adopt and enforce an appropriate disciplinary code, consistent with the relevant national legislation.

